

CAPSTONE PROJECT PROPOSAL BUSINESS DATA MANAGEMENT

OPTIMIZING WORKFLOW AND MINIMIZING OPERATIONAL COST FOR SALON BUSINESS

Submitted by

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Declaration Statement

I am working on a Project Title “**Optimizing Workflow and Minimizing Operational Cost for Salon Business**”. I extend my appreciation to **Trim With Glow Salon**, for providing the necessary resources that enabled me to conduct my project.

I hereby assert that the data presented and assessed in this project report is genuine and precise to the utmost extent of my knowledge and capabilities. The data has been gathered through primary sources and carefully analyzed to assure its reliability.

Additionally, I affirm that all procedures employed for the purpose of data collection and analysis have been duly explained in this report. The outcomes and inferences derived from the data are an accurate depiction of the findings acquired through thorough analytical procedures.

I am dedicated to adhering to the information of academic honesty and integrity, and I am receptive to any additional examination or validation of the data contained in this project report.

I understand that the execution of this project is intended for individual completion and is not to be undertaken collectively. I thus affirm that I am not engaged in any form of collaboration with other individuals, and that all the work undertaken has been solely conducted by me. In the event that plagiarism is detected in the report at any stage of the project's completion, I am fully aware and prepared to accept disciplinary measures imposed by the relevant authority.

I agree that all the recommendations are business-specific and limited to this project exclusively, and cannot be utilized for any other purpose with an IIT Madras tag. I understand that IIT Madras does not endorse this.



Signature of Candidate

Name: Sanskar Gupta

Date: 2 November 2023

1.Executive Summary:

'Trim with Glow Salon' is a small beauty salon located at 118/40, Agarwal farm, Mansarovar, Jaipur, Rajasthan. It is a B2C business that directly deals with the customer in the segment of salon services.

The major issue faced by the salon is tracking cash flow and inventory. Despite being a profitable business the profit margin is very less because of lack of management. The wide range of service offered by the salon makes inventory management a complex task. This problem has led to stock shortage, deadstock and wastage of products.

The main objectives include implementing a data-driven approach to inventory management, accurately tracking cash flow and quantifying inventory, and identifying cost-saving opportunities. By utilizing tools such as Excel and Spreadsheet. The salon seeks to streamline data processing and decision-making, optimizing stock levels, and minimizing wastage and stockouts.

The expected outcome includes enhanced operational efficiency, reduced product wastage, and improved customer satisfaction.

2.Organization Background:

"Trim with Glow Salon" is a beauty salon for females that offers a range of premium services in hair, body, and skin care. Making a place between the high-end and budget-friendly salons, Trim with Glow Salon stand out itself with its exceptional service quality. Personalised care and top-notch treatments are provided by professionals so that clients leave feeling and looking their best.

There are currently two employees at the salon, including the owner and a trainee.

Started operating in 2017, Trim with Glow salon successfully made their impression in the locality providing a friendly and safe environment for pg girls, quality services and affordable prices. Situated in the beautiful city of Jaipur, Rajasthan. The salon positions itself to serve a diverse and discerning consumer base.

3.Problem Statement:

Trim with Glow salon aims to secure its name in the market as a quality and standard salon. Due to financial limitation the expansion and workforce limitation is there. Availability of a variety of bands for different services is a big challenge in this field as

many common services like waxing and facial need availability of different brands of wax or facial boxes.

A few objectives from this problem statement are:

1. Comprehending the current revenue model.
2. Distinguishing between fixed, variable, and unnecessary costs.
3. Evaluating pricing according to the market.
4. Ensuring meticulous documentation of expenditures, revenues, and transactions to prevent irregularities and fraudulent practices.
5. Advocating the utilisation of spreadsheets for enhanced efficiency.
6. Proposing operational changes and implementing cost-cutting measures.
7. Stock management.

4. Background of the Problem:

Expanding the problems

1. **Financial problem:** Salon initiated operations, establishing basic infrastructure with a little investment. With high competition in locality, they start their services with low prices. Although, this approach helps them to maintain a chain of regular customers but limiting the profitability. Expanding this business needs different machines and more manpower, which has forced them to take many different approaches which include sudden price hike of services and more investment.
2. **Tracking cash flow:** Unorganized tracking of cash flow in a diary which results in confusion when it comes to managing resources. Not having proper data of products bought or any variable or unnecessary expense limits the profitability.
3. **Inventory tracking:** Tracking proves challenging due to the wide variety of services. Few regular services like waxing, facial, treading needs availability of stock anytime and often result in shortage. Expensive services like rebounding, specific facial and earlobe treatment which are done rarely but

result in high profit margin often result in wastage as the leftover material often expires.

5. Problem Solving Approach:

To address these challenges faced by the salon, a comprehensive problem solving data-driven and systematic approach is required. This approach encompasses a mix of methods, data collection strategies, and analysis tools, each justified for their role in optimizing inventory control, organized data collection and minimizing operational costs.

1. Methods Used:

The salon will adopt a data-driven approach, utilizing historical sales data and customer service patterns to forecast demand accurately. This will help in identifying which services are frequently asked, enabling better inventory planning, and reducing wastage. Additionally, categorizing inventory based on value and consumption, will prioritize high profit margin products, ensuring optimal stock levels and avoiding stock outs for high-demand services.

2. Data Collection:

The intended data collection for inventory management includes:

- I. **Sales data:** The sales data of 6 months(Jan 2023 - June 2023) which consists total services and total cost of these services per day.
- II. **Stock and inventory data:** Approximations and values for all purchased products.
- III. **Quantity data:** The cost of products used in one service for every service they provide to calculate profit margins.
- IV. **Expense data:** Costs incurred by the owner to distinguish between fixed, variable, and unnecessary expenses.

This comprehensive data collection approach will be instrumental in quantifying patterns, identifying most common services or high margin services, and optimizing stock levels to minimize wastage and avoid stockouts.

3. Analysis Tools:

Microsoft Excel: Excel will be used as the central tool for the salon to manage its inventory and sales data effectively. It allows input, organize, and store inventory information, facilitating data manipulation, calculations, and generating tables for tracking stock levels and sales. The graphing and pivot table features help visualize trends and consumption patterns, enabling data summarization and analysis. Pareto charts aid in identifying significant inventory items contributing to sales or wastage, assisting in prioritizing efforts for inventory management. Scatter plot to categorise the services as high margin or low margin service and common or rare service to eliminate unnecessary services.

The combination of these methods, data collection, and analysis tools will create an efficient inventory management system. In turn, the salon will be capable of making more data-driven decisions, reducing wastage, optimizing stock levels, and minimizing operational costs. The focus on accuracy and efficiency in inventory management will not only enhance customer satisfaction by ensuring product availability but also contribute to the salon's long-term success and profitability in a competitive market.

6. Expected Timeline

BDM Capstone Project									
Activity	Start Date	End Date	Timeline						
			September	October	November				December
			W1 - W4	W1 - W4	W1	W2	W3	W4	W1
Data Acquisition	14 September 2023	30 October 2023							
Project Proposal	1 November 2023	3 November 2023							
Data Cleaning	1 November 2023	7 November 2023							
Finding Insights	3 November 2023	10 November 2023							
Collecting Addition Data	5 Novemeber	12 November 2023							
Preparing Mid-term Submission	15 November 2023	17 November 2023							
Finalizing Analysis Process and Methodology	18 November 2023	20 November 2023							
Finding Problems Solution	20 November 2023	27 November 2023							
Preparing Final Submission	27 Novemeber 2023	30 November 2023							
Creating Presentation	1 December 2023	7 December 2023							

The project is anticipated to be completed within the projected time frame, The workflow follows the structure outlined in the Gantt chart.

7. Expected Outcome:

1. Enhanced financial performance and operational efficiency.
2. Enhanced data organization enables trend identification and future predictions.
3. Effective tracking and quantifying inventory, thereby reducing wastage and stockouts.
4. Better understanding of customer demographics and distribution patterns.
5. Improved data visibility through the utilization of spreadsheets

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