

Business Plan for Blossoms and Blooms Boutique

Catherine Qori, Houssein El Khazen

Group #D

School of Nursing, University of San Diego

HCIN 557: Financial Management in Health Care Systems

Dr. Wendy Cole

11/20/2023

Executive Summary

Our commitment, throughout our nursing careers, has been to deliver compassionate and holistic care. This vision has inspired us to find new ways to enhance the quality of life for cancer patients. Our mission with Blossoms and Blooms Boutique is to boost self-image, restore confidence, and empower cancer patients, particularly those experiencing alopecia, through personalized hair replacement solutions delivered via mobile salon. The concept of our boutique stems from this mission.

Blossoms and Blooms Boutique, a non-profit organization, is dedicated to providing essential mobile hairdressing services to chemotherapy patients in San Diego County. Our mission is to be a leader in delivering high-quality body image enhancement services to cancer patients. Core services include hair care, head coverings, hair trimming, head shaving, wig fitting, and wig maintenance. Future expansions may include cosmetics, bras, accessories, and clothing. Our aspiration is to create a lasting positive impact on our clients' lives by offering emotional and psychological support.

Our strategic approach involves partnerships with local salons and hospital-based cancer centers to secure referrals and broaden our influence. As a nonprofit, our business goals encompass covering operating costs and a controlled expansion into additional cancer centers. The unique value of our services lies in offering professional, mobile, bilingual, hair care, emotional and psychological support services in a hygienic and serene environment, with additional e-commerce and a user-friendly website. We face minimal competition and high demand. Our estimated startup budget is \$161,243. We anticipate a payback period of 1 year and 9 months with estimated retained earnings of \$61,369 in the first year that will increase to \$153,224 in the second year.

Business Plan for Blossoms and Blooms Boutique

Blossoms and Blooms Boutique provides mobile hairdressing services to chemotherapy patients. The company will operate in San Diego County. The initial offerings of the business will include hair care like trimming, head shaving, and wig fitting and maintenance. We will also offer psychosocial support. Our plan includes partnering with local salons and hospital-based cancer centers. We aim to become the market leader in providing high-quality, mobile provider of body image enhancement services for cancer patients.

Company Summary

The business will operate as a non-profit. Our goals include covering operating costs and controlled expansion of our image enhancement services into additional cancer centers and types of cancers. We will have a mobile operations center and salon so that we can offer our services close to patients' homes.

Mission Statement

Our mission is to increase the quality of life of cancer patients. We aim to enhance the self-image, restore confidence, and empower cancer patients experiencing alopecia by offering convenient and compassionate mobile hair replacement solutions. We will provide the highest quality, personalized, and discreet services, with a deep commitment to professionalism and client satisfaction.

Our vision is to control business growth to reach more patients, and that our service will become synonymous with empowerment, self-assurance, and personalized care. We aspire to make a lasting, positive impact on our clients' lives through positive body image, emotional and psychological support.

Present Situation

As nurses, the principals have witnessed how small, caring acts can majorly impact a patient's quality of life. We plan to partner with salons interested in helping cancer patients, professionals within a hospital cancer center, and interested volunteers who are either cancer survivors or caregivers. We will initially focus on breast cancer and then expand to other types of cancer. Focusing on just one related diagnosis will increase our referral sources because this will be primarily a referral-based business. We plan to offer our partner businesses such as hospitals and salons and offer them an equity position in the business if they provide funding.

Hair loss (alopecia) is a predictable adverse event of oncological therapy. It can be caused by chemotherapy, radiotherapy, targeted, or hormonal therapy. Alopecia adversely affects patients' mental health and self-image. Providing psychological support and cosmetically acceptable head coverings are also vital (Jedličková, et al., 2019). Public salons are often overcrowded, uncomfortable, and not suitable for cancer patients struggling with alopecia, who may also have leukopenia and mental health challenges. These patients need a calmer, more peaceful, sanitary environment. Our handicap accessible mobile salon will offer privacy, comfort, and good infection control.

Marketing

We will provide services near patients' homes in a mobile van, with reasonable prices based on our patients' insurance coverage and ability to pay. Our emphasis is on building a referral-based business. Our marketing tactics may include a website, social media presence, meetings with referral sources, representatives of our partner business, and patient education materials, both print and online.

Business Description

The Problem

Many cancer patients suffer from chemotherapy-induced alopecia (CIA). The hair loss has been found to have a significant impact on patients' self-image and psychological well-being (Paterson, et al., 2021). Several studies have suggested ways to improve patients' quality of life and well-being by assisting them to cope with alopecia (Choi, et al., 2014).

According to Watanabe, et al. (2019), hair loss occurred in 99.9% of chemotherapy patients. The mean time from chemotherapy until hair loss was 18 days. Regrowth of scalp hair occurred in 98% of patients and the mean time of it was 3.3 months. Further findings from Watanabe, et al. (2019) indicated that two years after chemotherapy completion, the scalp-hair recovery rate was less than 30% in approximately 4% of patients, and this rate showed no improvement five years after chemotherapy. Eighty-four percent of the patients initially used wigs; the mean period of wig use was 12.5 months. Few patients were still using wigs five years after completing chemotherapy (Watanabe, et al., 2019).

Background

The first chemotherapy treatments were tried in 1956 (American Cancer Society, 2014) and alopecia was one of the side effects. There have been ongoing efforts to identify ways to help patients cope with alopecia. The proposed business is based on a perceived need for patient counseling and professional wig customization services that will benefit patients during the treatment journey until their full scalp-hair recovery. Counseling may be provided through the cancer centers and agencies and may be provided by nurses. During the COVID 19 pandemic, mobile services to provide beauty services gained popularity (Lee & Kwon, 2022).

Alopecia's distress was negatively associated with body image, psychosocial well-being, and depression in women with breast cancer (Choi, et al., 2014). A survey conducted at breast cancer advocacy events held at 16 hospitals in Korea showed that 55.3% of the patients experienced high distress from alopecia. The high distress group was more likely to have a poor body image compared to the low distress group, and were more likely to report lower emotional, role and social functioning. The high distress group was also more likely to have depression than the low distress group (Choi, et al., 2014).

Impact of the Problem

Any patient receiving cancer therapy that causes alopecia is a potential recipient of the proposed service. Both men and women have been shown to suffer from poor self-image because of alopecia (Paterson, et al., 2019). Based on the results of studies by Choi (2014), Paterson, et al (2019), and Özüsağlam and Can (2021), the targeted community of cancer patients should experience improved self-esteem. The business will administer pre- and post-tests using the EQ-5D-5L survey, a widely used and validated survey instrument (Feng, Kohlmann, Janssen & Buchholz, 2021), to measure the effects of services.

To simplify marketing efforts, the company will begin with a very targeted focus with potential for expansion in other dimensions. To begin, the business leaders plan to partner with one local cancer center in San Diego County and focus on one group of cancers, breast cancer. Since this will be a largely referral-based business, this initially narrow focus should yield the highest rate of referrals for new patient acquisition (Therapy Brands, 2022). Areas for future expansion include partnering with additional cancer centers, salons, and targeting patients with other types of cancer.

Evidence for Change

The hairstylists will receive special training (from the nurse business owners) in working with cancer patients so that they will be better able to offer emotional and psychological support. If patients consent, before and after photographs will be used to demonstrate the cosmetic benefits of the services provided. The photographs may also be used to provide a tangible record to each patient of the effects of the services. With additional consent, the photographs may also be used for promotions.

Proposed Solution

Traveling to a salon can be physically and emotionally draining for cancer patients, and may lead to fatigue, stress, nausea, and other side effects. In addition, these patients may be immunosuppressed. A mobile service will limit their exposure to potentially infectious organisms present in public salons. Our objective is to bring the salon experience to the patient's home, offering them comfort and convenience during a challenging time. Saving patients' time and energy will allow them to focus on their health. They will also benefit from the flexible scheduling options, according to their preferences, and unpredictable cancer treatment sessions. Our service will provide patients with a private environment where they can discuss their preferences and concerns with a trusted professional, who can offer personalized advice and solutions accordingly.

An initial capital expense for the company will be the purchase and customization of the mobile salon. If possible, a used salon van will be the base. The van will need customization, so it is easy to sanitize (for infection control) and handicap accessible. A brief Google search online identified several California-based businesses that specialize in selling used salon vans with a large, wide range of inventory and prices ranging from \$28,000 to \$110,000.

There is competition in San Diego offering similar, but not identical, services. A Yelp! search revealed ten services under the heading, “Hair stylists for cancer (Yelp!, 2023). Although two of the listings included before and after photographs of people with alopecia, none offered mobile services. A Google search on “mobile salon services for cancer patients near San Diego” identified 7 potential competitors with mobile services (Google, 2023). Our company will be unique in offering counseling (via social workers, nurses, or other volunteer professionals) in addition to salon services and will also accept insurance. Medicare Parts A and B do not cover wigs or wig services for cancer patients (CMS, 2023), although some Medicare Advantage (Part C) plans and some private insurances do offer coverage. The proposed business model will offer some alternatives, such as sliding scale payments and referrals to other agencies, such as the American Cancer Society. None of the potential competitors appear to be partnered with any cancer center.

Market Analysis

Marketing Goals and Strategies

The mission of the company is to improve the quality of life of cancer patients. Our marketing goal is to become the market leader in providing high quality, personalized, mobile services to cancer patients to promote positive body image. Our initial service offerings will include hair styling salon services, such as head shaving and wig sales and maintenance, and psychosocial support. Our growth strategy is to begin with highly focused marketing targeting female breast cancer patients from our partner cancer center and expand by marketing our services to other, specific types of cancer, such as lung cancer. We intend to recruit business partners, initially one hair salon and one major San Diego County cancer center, and expand to

partner with additional salons and cancer centers as the business grows. Most of our leads will come from referrals, so these partners will be important to the success of the business.

Our growth strategy is to grow by:

- Referrals to acquire new clients
- Incentives, customer service, and new service offerings to retain existing clients
- Adding partner cancer centers
- Adding referring salons
- Expanding our target populations one type of cancer at a time
- Adding volunteers (another source of referrals)

Incorporating this combination of strategies, we expect to grow our client base (new acquisitions) by 25% per year while retaining 50% of our existing clients. We expect a high degree of client turnover as clients recover from therapy-induced alopecia. We should also anticipate that some cancer patients will die. Data on breast cancer five-year survival rates in California is limited. Between 2006-2020 the five-year survival rate was 65% (Morris, et al. (2018), another reason our anticipated client retention rate is low.

We have no direct competitors. There is competition in San Diego offering similar, but not identical, services. A Yelp! search revealed ten services under the heading, “Hair stylists for cancer (Yelp!, 2023). Although two of the listings included before and after photographs of people with alopecia, none offered mobile services. A Google search on “mobile salon services for cancer patients near San Diego” identified seven potential competitors with mobile services (Google, 2023). Our company will be unique in offering counseling (via social workers, nurses, or other volunteer professionals) in addition to salon services and will also accept insurance.

SWOT Analysis

Our strengths include a business plan which has been extensively reviewed by experts, business owners who are experienced nurses, and the mobility of our operational unit. As nurses ourselves, we will make sure that our hairstylists receive special training for working with cancer patients so they are better able to offer emotional and psychological support. Our organizational structure is simple and nimble, so we can respond quickly to market changes. We will offer bilingual service (English and Spanish) to meet the needs of our local community, and plan to expand to other languages. Rather than maintain a large inventory of wigs, we will offer virtual wig try-ons to control inventory costs.

Our weaknesses include difficulty controlling the cost of our services because we will have independent contract employees. We will also rely on volunteers; although the cost is nothing, they may be unreliable. Additionally, the principals lack salon management experience and the initial client response to our service offering is unknown. We will start small and expand as cash flow increases.

There are excellent opportunities for the business. As noted above, there is no direct competition and limited similar competition in our area. Through partnerships with our referral sources (salons and hospitals), we will mitigate our weaknesses and leverage the strengths of our partners. For example, our partner salons have salon management experience. Finally, there is a large potential target market (all cancer patients).

Despite the many opportunities, the business does face some possible threats. The cultural diversity of our client population will require us to provide ongoing staff training and remain adaptable to cultural differences among our clients. Nationwide, state, and local economic climates may affect our clients' ability to pay or to seek services. The geographical

target area (San Diego County) is large. This broadens the market but presents challenges when providing mobile services, such as time lost in traveling to remote areas or difficulty parking in urban areas. Advances in oncology therapy (e.g., cooling caps to reduce alopecia) may reduce the prevalence of alopecia and therefore the demand for our services. In a randomized clinical trial of 182 women with breast cancer receiving chemotherapy, those who underwent scalp cooling were significantly more likely to have less than 50% hair loss compared with no scalp cooling (Nangia, et al., 2017). Fashion trends, such as clients embracing baldness are also a possible threat. Government rules and regulations affecting healthcare, business, and salons change quickly and often. We hope that our adaptability and mobility will enable us to adapt quickly to any negative impact. Because we are offering a mobile service, gas prices represent a unknown threat because they change quickly and often. Although the weather in the San Diego area is generally mild, we do experience weather extremes (wind, rain, flooding, fires, landslides, etc.) that may affect our mobility. Table 1 presents a summary of our SWOT analysis.

<p style="text-align: center;">S</p> <p style="text-align: center;">Strengths</p>	<p style="text-align: center;">W</p> <p style="text-align: center;">Weaknesses</p>	<p style="text-align: center;">O</p> <p style="text-align: center;">Opportunities</p>	<p style="text-align: center;">T</p> <p style="text-align: center;">Threats</p>
<ul style="list-style-type: none"> • In-depth, peer reviewed planning • Simple organizational structure, nimble • Mobile service • Sanitary environment for immuno-compromised clients • Nurse-led training • Psychosocial support offered • Bilingual services 	<ul style="list-style-type: none"> • Cost of services difficult to control • Principals lack of salon management experience • Unknown client response initially • Unknown reliability of volunteer workforce 	<ul style="list-style-type: none"> • Little competition • Partnerships with referral sources (salons and hospitals) • Partner salons have salon management experience • Large potential target market (all cancer patients) 	<ul style="list-style-type: none"> • Cultural diversity of client population • State and nationwide economic client affecting clients' ability to pay • Geographical target area is large. • Advances in oncology therapy (e.g. cooling caps) may reduce prevalence of alopecia

<ul style="list-style-type: none"> • Virtual wig try-ons (reduced inventory costs) 			<ul style="list-style-type: none"> • Government rules & regs change quickly and often • Gas prices change quickly and often • Weather may affect our mobility • Parking availability • Clients embracing baldness trend
---	--	--	--

Table 1: *SWOT Analysis Summary Table*

Target Population

Potentially, anyone suffering from alopecia related to cancer therapy is a prospective client. In San Diego County from 2016-2020, the incidence rate for all cancers was 399.2 per 100,000. This represents 13,079 new cases per year in the county (National Cancer Institute, 2023). To focus resources, the business will initially target female breast cancer patients. The county’s average annual cases of breast cancer (female, all ages) is 794 (National Cancer Institute, 2023). Although we will initially market to the breast cancer patients of one cancer center, 794 represents the maximum number of potential clients in the county at one time. The total potential market is approximately 13,000 (new cancer cases per year in the county), although not all these patients may experience alopecia.

Pricing

Our pricing strategy is flexible. We aim to be the quality market leader but are sensitive to the needs of clients facing major health challenges. This business is a non-profit, so premium pricing is not required. We plan for a profit margin of 15% (retained as earnings after expenses have been deducted) in order to build a cash reserve for future expansion of services. Some of our services may be covered by insurance (private or Medicare/Medical). We will offer sliding scale pricing to low-income clients and/or for services not covered by insurance. Our social

workers will also endeavor to connect our clients with organizations, such as the American Cancer Society, that offer funding for cancer-related costs. Statistics from the United States Census Bureau (2022) that affect our pricing include:

- Persons without health insurance 7.4%
- Persons in poverty 10.7%
- Median household income \$88,240

Additional demographic information about San Diego County and cancer is located in Appendix 1.

Promotional Tactics

This business is mostly referral based. To encourage referrals, we will place brochures and posters in the clinics, offices, and salons of our partner organizations and in any other cancer centers or salons that will allow it. We will also offer small gifts, such as shampoo samples, to clients who refer others. We will call on referring cancer centers, oncologists, and salons, paying most attention to the sources of the most referrals. We will have a website. In addition to displaying information about our business, such as address and phone number, an email contact form, we will also offer posts about topics of interest to our clients, such as tips on wig care and self-care ideas. Our business plan relies partly on volunteers working with us, so the website will include volunteer information and registration. We will have a small social media presence initially and will encourage our volunteers and partners to post about the business as well. We will identify a few responsible cancer support sites, initially about breast cancer, where we can participate and advertise (ads only on sites with a local presence). When possible, we will ask for links from other sites to our site to improve our search engine rankings. We will work to build an opt-in email list and may purchase a mailing/email list of breast cancer patients in San Diego

County. Additional emails may be supplied by our partners. Rather than plan a regular email newsletter, we will send updates when we have good, relevant to our list, content to share. In summary, our marketing strategy includes controlled growth with minimal investment.

Financial Plan

There are three phases in the financial plan for Blossoms and Blooms Boutique. Phase One (Table 1) covers the start-up costs. Phase Two (Table 3) is the first year of operation. Phase Three (Table 5) is the second year of operation. Growth begins in the third quarter of year one and continues slowly in year two as we increase our cash reserve. More growth is included in our strategic plan in year 3 and beyond (not shown). To finance continued growth, the business will acquire more strategic partners who are also investors or will have sufficient retained earnings to self-finance. The financial projections begin as shown in Table 1, Phase One.

In the general and administrative category, we will be using a business consultant to help get the mobile salon up and running and to get our books set up. We will have an attorney assist with setting up our limited liability corporation. Minimal training is required for our stylists and the principals will provide necessary training. The cost of training time is included with payroll. We will have ADP provide payroll services.

The mobile operations center (the van equipped as a mobile styling salon) is the key to the quality of our operations. The van needs to be customized and we will work with one of our partner salons to optimize the salon space. The van also needs to be handicap compliant and we have identified an outside business consultant to review our setup.

For this referral-based business, a large part of the marketing focus during the startup phase will be to recruit partners and referral sources, like private oncology practices. The first steps will be to form partnerships with a San Diego hospital cancer center and at least one hair salon. Initially, these partners will be our main referral sources. The hospital cancer center is also our best potential source of funding. These key partners need to be identified early in the startup phase.

Table 1 – *Start-up costs for Blossoms and Blooms Boutique*

Line #	GENERAL and ADMINISTRATIVE	
3	Licenses/Registration (business, salon, van)	\$ 296
4	Permits, misc.	\$ 300
5	Insurance	\$ 768
6	Legal	\$ 600
7	Business Consultant	\$ 2,000
8	Training (in-house only)	\$ -
9	Software (General)	\$ 216
10	Miscellaneous	\$ 500
11	MOBILE OPERATIONS CENTER	
12	Van (used, purchase)	\$ 30,000
13	Customization of truck	\$ 50,000
14	Utility Costs (water, electric)	\$ 1,000
15	Mobile telephone Set up & Annual Cost	\$ 2,988
16	Salon misc. equipment (blow driers, etc.)	\$ 500
17	Computer hardware, router, printer	\$ 4,400
18	Start Up Inventory (wigs, salon supplies)	\$ 5,000
19	Sanitation & Infection Control Supplies (germicidal wipes, gloves, etc.)	\$ 2,000
20	Miscellaneous	\$ 500
21	MARKETING	
22	Logo, branding	\$ 1,250
23	Advertising/listing fees	\$ 500
24	Printed Marketing materials	\$ 475
25	Internet/Web marketing, website hosting, domain registration	\$ 1,000
26	Networking events	\$ 8,000
27	Miscellaneous	\$ 500
28	LABOR EXPENSES	
29	Payroll	\$ 40,000
30	Training (independent contractors, volunteers, owner led)	\$ 4,800

31	Independent Contractor Stylists	\$ 1,500
32	Miscellaneous (Contingency reserve/launch party/etc.)	\$ 2,150
33	ESTIMATED START-UP BUDGET	\$ 161,243

See Table 2 for notes on calculations in Table 1.

Table 2 – Notes on start-up costs (Table 1) for Blossoms and Blooms Boutique

Line	Note
3	CA business license, \$100, CA salon license, \$115, van registration
5	Forbes - \$2mil business insurance, \$768/yr, \$64/mon.
6	2 hours @ \$300/hr
8	Training is provided in-house. Payroll is in lines 29 - 31
9	MS Office for business, Quickbooks Online
15	3 mobile phones, free hardware w/setup +85/mon
17	3 laptops @\$2000 ea. printer @ \$200 + router @ \$200
22	graphic design, 10 hours @ \$125/hr
24	500 pcs @ \$0.75 ea + 2000 business cards
26	4 events @ \$2000 ea.
29	2 principals @ \$100/hr (inc. payroll tax and insurance) x 100 hours ea.
30	2 principals as trainers (payroll line 29) + 2 independent contractors @ \$300/day + 2 volunteers (no hourly cost) + food & bev
31	One stylist (only 1 chair) for 5 days/week for 6 hours/day x \$50/appointment. Stylists work on commission on services and product sales."
32	15% of estimated start-up costs + \$2000 launch party.
33	Sum (B3:B21) + miscellaneous line 33. This is the amount of funding we are seeking from partners.

Table 3 – Year One Operations

Table 3 – Year one operations for Blossoms and Blooms Boutique

Line #		JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	ANNUAL
	REVENUE													
3	Service Revenue	3,600	3,600	3,600	6,400	6,400	6,400	10,000	10,000	10,000	12,000	12,000	12,000	96,000
4	Estimated Wig and Product Sales	360	760	760	4,440	4,440	4,440	5,750	5,750	5,750	8,700	8,700	8,700	58,550
5	Less (Sliding scale, Discounts, Billing Errors, Declined insurance, etc.)	-1,080	-1,080	-1,080	-1,920	-1,920	-1,920	-3,000	-3,000	-3,000	-3,600	-3,600	-3,600	-28,800
6	Net Sales	2,880	3,280	3,280	8,920	8,920	8,920	12,750	12,750	12,750	17,100	17,100	17,100	125,750
7	Cost of Goods Sold	198	418	418	2,442	2,442	2,442	3,163	3,163	3,163	4,785	4,785	4,785	32,203
8	Gross Profit	2,682	2,862	2,862	6,478	6,478	6,478	9,588	9,588	9,588	12,315	12,315	12,315	93,548
9	EXPENSES													
10	General and Administrative	205	196	196	227	227	227	267	267	267	287	280	280	2,925
11	Gas + Insurance	596	596	596	628	628	628	660	660	660	660	596	596	7,504
12	Utilities (water, electric, phones)	755	755	755	755	755	755	755	755	755	755	755	755	9,060
13	Marketing	250	250	250	250	250	250	250	250	250	250	250	250	3,000
14	Labor (1 stylist's commission per # clients per day per days open per week)	450	360	360	640	640	640	1,000	1,000	1,000	1,200	1,200	1,200	9,690
15	Total Expenses	2,256	2,157	2,157	2,500	2,500	2,500	2,932	2,932	2,932	3,152	3,081	3,081	32,179
16														
17	Income Before Taxes	2,682	2,862	2,862	6,478	6,478	6,478	9,588	9,588	9,588	12,315	12,315	12,315	93,548
18	Income Tax Expense (non-profit enterprise)	0	0	0	0	0	0	0	0	0	0	0	0	0
19	RETAINED EARNINGS	\$426	\$705	\$705	\$3,978	\$3,978	\$3,978	\$6,656	\$6,656	\$6,656	\$9,164	\$9,234	\$9,234	\$61,368

See Table 4 for notes on calculations in Table 3.

Table 4 – Year Two Operations

Table 4 – Year two operations for Blossoms and Blooms Boutique

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	ANNUAL
REVENUE													
Service Revenue	\$16,000	\$16,000	\$16,000	\$16,000	\$16,000	\$16,000	\$16,000	\$16,000	\$16,000	\$16,000	\$16,000	\$16,000	\$192,000
Estimated Wig and Product Sales	\$9,100	\$9,100	\$9,100	\$9,100	\$9,100	\$9,100	\$9,100	\$9,100	\$9,100	\$9,100	\$9,100	\$9,100	\$109,200
Less Discounts, etc.	-\$4,800	-\$4,800	-\$4,800	-\$4,800	-\$4,800	-\$4,800	-\$4,800	-\$4,800	-\$4,800	-\$4,800	-\$4,800	-\$4,800	-\$57,600
Net Sales	\$20,300	\$20,300	\$20,300	\$20,300	\$20,300	\$20,300	\$20,300	\$20,300	\$20,300	\$20,300	\$20,300	\$20,300	\$243,600
Cost of Goods Sold	\$5,005	\$5,005	\$5,005	\$5,005	\$5,005	\$5,005	\$5,005	\$5,005	\$5,005	\$5,005	\$5,005	\$5,005	\$60,060
Gross Profit	\$15,295	\$15,295	\$15,295	\$15,295	\$15,295	\$15,295	\$15,295	\$15,295	\$15,295	\$15,295	\$15,295	\$15,295	\$183,540
EXPENSES													
General and Administrative	\$435	\$211	\$211	\$211	\$211	\$211	\$211	\$211	\$211	\$211	\$211	\$211	\$2,756
Gas + Insurance	\$2,900	\$660	\$660	\$660	\$660	\$660	\$660	\$660	\$660	\$660	\$660	\$660	\$10,160
Marketing	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$3,000
Labor (1 stylist for 5 days open per week, volunteer driver/receptionist)	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,500
Total Expenses	\$4,785	\$2,321	\$2,321	\$2,321	\$2,321	\$2,321	\$2,321	\$2,321	\$2,321	\$2,321	\$2,321	\$2,321	\$30,316
Income Before Taxes	\$15,295	\$15,295	\$15,295	\$15,295	\$15,295	\$15,295	\$15,295	\$15,295	\$15,295	\$15,295	\$15,295	\$15,295	\$183,540
Income Tax Expense (non-profit enterprise)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
RETAINED EARNINGS	\$10,510	\$12,974	\$12,974	\$12,974	\$12,974	\$12,974	\$12,974	\$12,974	\$12,974	\$12,974	\$12,974	\$12,974	\$153,224

Notes on Table 4:

- Overall changes expected for Year 2 include open 5 days/week, mostly the same expenses, and increased number of volunteers to keep costs about the same as previous year. Principals can spend more time on business development and less time on operating the van.
- Note that there is only one chair in the van/salon, so growth is limited to what one stylist can do until the business adds more vans.
- Earnings retained to build cash reserves and for future growth. Principals may be paid an annual bonus from this line. Not projected here.

Implementation Plan

The implementation plan for Blossoms and Blooms will proceed in three phases with some pre-implementation set-up. Before beginning Phase One, Start-Up, we will work to identify and meet with potential business partners, specifically hospital cancer centers and hair salons with specific interests in helping cancer patients. The goal of the preliminary meetings is to find two key business partners, a hospital treating breast cancer patients and a hair salon. Once affiliated, our partners will participate in planning the details of the set-up of operations, such as finalizing the marketing plan, to reflect partner interests and the customization of the mobile salon. With the two key partners on board, we will move ahead into Phase One.

In Phase One, Start-Up, we will incorporate and acquire any necessary licenses and approvals. We will purchase and customize the mobile salon. The start-up phase also includes setting up computers and software, plus training volunteers and stylists on software and business operations, as well as how to provide psychosocial support for cancer patients. The business principals will provide the training. Costs are included in payroll. We will need one to five stylists in order to operate five days a week. The stylists should have a strong interest in working with cancer patients. They may be recent graduates or experienced operators, and they will already have hairdressers' licenses. We will also recruit and train volunteers to assist with salon operations. The business principals will provide bookkeeping, training, stylist and volunteer management. The principals will also continue to recruit referral sources plus additional stylists and volunteers. Working with our cancer center partner, we will begin booking appointments. Phase One operation includes set-up of the website with virtual wig try-on capabilities. We will license this software from an existing vendor (no custom software is needed). We will have a

small inventory of wig samples and salon products on hand. Some of these may be donated by our salon partner or vendors to help reduce initial inventory costs.

Phase Two begins in year two. Our operations should be smoothly underway, having worked out the operational bugs during Phase One. Phase Two is a stabilizing phase. Our objectives are to increase revenue and create a steady base of referrals. We anticipate at least a 50% turnover in the client base as clients either recover from chemotherapy or pass away due to their illness. We will continue to recruit new clients and retain as many existing clients as possible. Our additional objective in Phase Two is to build up a cash reserve from retained earnings so that in Phase Three/Year Three we can expand into additional cancer centers and prepare to add another mobile salon in Year Four (or sooner, if possible).

In Phase Three, our main objective is growth. We anticipate that our reputation for providing high-quality, caring services will create interest from additional cancer centers, salons, stylists, and volunteers. We will prepare to add another mobile salon in Year Four after adding more partners and referral sources in Year Three. Our mission is to increase the quality of life of cancer patients. Healthcare changes rapidly and by remaining a small, nimble operation we will be prepared to take advantage of new opportunities in technology and treatment to stay current in our service offerings to support patients with many types of cancer.

Conclusion

The mission of Blossoms and Blooms is to improve the quality of life of cancer patients. Our marketing goal is to become the market leader in providing high quality, personalized, mobile services to cancer patients to promote positive body image. Our initial service offerings will include hair styling salon services, such as head shaving and wig sales and maintenance, and psychosocial support. Our growth strategy is to begin with highly focused marketing targeting

female breast cancer patients from our partner cancer center and expand by marketing our services to other, specific types of cancer, such as lung cancer. Our strategic approach involves partnerships with local salons and hospital-based cancer centers to secure referrals and broaden our influence. The unique value of our services lies in offering professional, mobile, bilingual, hair care, emotional and psychological support services in a hygienic and serene environment, with additional e-commerce and a user-friendly website. We face minimal competition and high demand. Our estimated startup budget is \$161,243. We anticipate a payback period of 1 year and 9 months with estimated retained earnings of \$61,369 in the first year that will increase to \$153,224 in the second year.

References

- Jedlickova, H., Vokurka, S., & Vojtisek, R. (2019). "Alopecia and hair damage induced by oncological therapy." *Klinicka Onkologie*, 32(5), 353 – 359. doi: <https://doi.org/10.14735/amko2019353>
- Mental Health Foundation (2023). "How can we protect, promote, and maintain body image?" <https://www.mentalhealth.org.uk/our-work/research/body-image-how-we-think-and-feel-about-our-bodies/how-can-we-protect-promote-and-maintain-body-image>
- Morris, C.R., et al. (2018). "California Cancer Reporting and Epidemiologic Surveillance (CalCARES) Program." Institute for Population Health Improvement, University of California Davis. <https://health.ucdavis.edu/cancer/pdfs/CancerSurvivalInCalifornia.pdf>
- Nangia, J., et al. (2017). "Effect of a scalp cooling device on alopecia in women undergoing chemotherapy for breast cancer: The SCALP randomized clinical trial." *JAMA*, 317(6), 596. <https://doi.org/10.1001/jama.2016.20939>
- National Cancer Institute (2023). "State cancer profiles." <https://statecancerprofiles.cancer.gov/incidencerates/index.php?stateFIPS=06&areatype=county&cancer=047&stage=211&race=00&sex=0&age=001&type=incd>
- San Diego County Government (2022). "Cancer descriptive summary." https://www.sandiegocounty.gov/content/dam/sdc/hhsa/programs/phs/CHS/dips/Cancer_Descriptive%20Summary_08.2022.pdf
- United States Census Bureau (2022). "Quick facts: San Diego County, California." <https://www.census.gov/quickfacts/fact/table/sandiegocountycalifornia/PST045222>

Yelp (2023). "Hair stylists for cancer."

https://www.yelp.com/search?find_desc=Hair+Stylists+For+Cancer&find_loc=San+Diego%2C+CA

Appendix 1: Demographics of San Diego County, California

San Diego County, California is a large culturally diverse area offering unique opportunities for business growth. An overview includes:

- Population Estimate 3,276,208
- Households 1,138,899
- Households with a computer 96.5%
- Persons without health insurance 7.4%
- Persons in poverty 10.7%
- Median household income \$88,240

(United States Census Bureau, 2022)

Statistics on cancer in San Diego County

- The actual overall cancer death rate among residents of San Diego County was 149.7 per 100,000 residents in 2019.
- In 2019, the age-adjusted overall cancer death rate among male residents in San Diego County was nearly 1.4 times greater than the age-adjusted overall cancer death rate of female residents (161.5 per 100,000 residents versus 116.2 per 100,000 residents).
- Non-Hispanic Whites had the highest actual overall cancer death rate in San Diego County compared to other races/ethnicities.

(San Diego County Government, 2022)

- Age adjusted incidence rate all cancers (2016-2020) 399, (13,079 cases.)
- Cancer deaths in 2022 (# cases) 4904
- Average annual cases of breast cancer (female, all ages) 794

(National Cancer Institute, 2023)