

Beauty salons can be found in almost every community due to their importance to people.

Running a beauty salon is a very promising venture if well managed due to the high demand for it because everyone strives to look good.

Starting a beauty salon is easy but knowledge of the costs is very important before setting out to start one.

The costs of a beauty salon are contained in one-time costs and recurring costs.

One-time costs include getting a place to set up the beauty salon, certification, licences and permits, facilities and equipment, legal fees when renting, purchasing or leasing the place, computer and POS system and signage amongst others.

Recurrent costs include insurance, mortgage or lease payments, permits, wages, payroll taxes, cleaning services, utilities, repairs, marketing and other miscellaneous expenses.

First of all, let's talk about getting a place.

A standard beauty salon should be a minimum of 1000 square feet and fitting out such space would cost about \$75 - \$125 per square foot but in high-end salons, you could spend up to \$300 per square foot.

Although, most of this rent money for the first year might not be well utilised as most of the first year would go into setting and fitting up the beauty salon.

The cost of beauty salon equipment could amount to about \$27,000 if you really want to have a standard salon with enough equipment.

This equipment includes hood dryers, shampoo and hair colouring stations, scissors, clippers, chairs, trolleys amongst others.

When starting a beauty salon, you need supplies and a good inventory to kick off which includes beauty products, sanitisers, perm rods, hair capes, shampoos, towels, conditioners amongst others.

All these could cost up to \$40,000 depending on the quantity and quality of products purchased.

Legal fees and insurance could cost up to \$1500 when starting off and should be put

into consideration when planning the costs.

Running a beauty salon requires certification, licences and permits.

The cost of these varies from place to place and should be put into consideration when planning the costs.

POS systems are largely depended on for making payments and setting up one is very important in running a successful beauty salon.

This coupled with a computer set-up would **cost about \$100 annually**.

Signage is essential for publicity and to serve as a landmark for the salon.

Good signage can be gotten for less than \$25

Now, the major cost of a beauty salon comes from employees in the salon.

To ensure the proper and successful running of a salon, competent stylists need to be employed and competent stylists cost money.

A standard beauty salon of 1000 square feet in size should have about **6 stylists for optimum utilisation** of the available space.

Each of these stylists would be getting paid for every job they do or in most cases they get a **commission which ranges from 35% - 60%** of the amount paid by the customers which is a better method of paying them.

This method also charges the stylists to lure more customers to the salon since the amount they get is proportional to the number of customers they work with.

Asides stylists, other support staff are needed like hair washers, receptionist, records keeper and accounts officer.

These staff can't be paid based on the commission method and you'd have to draft wages for them which surely won't be as much as the commission paid to the stylists.

These wages shouldn't exceed 10% of average sales so as to prevent making losses.

A clean salon is very essential to lure customers to the salon and make them want to come

back.

Supplies and the cost of hiring cleaning services should cost about **\$800 per month**

Utilities include electricity, gas and water bills and could **cost up to \$1000** or more per month depending on the location and degree of usage.

Marketing is very essential to create awareness and to bring more customers to the salon. Each marketing campaign could cost as low as \$50.

Day to day repairs and maintenance can't be avoided and this would cost up to \$500 per month on an average.

With all these in place, you are ready to draw up a budget for your beauty salon.

Note that you can exceed all these or even go below it but the estimates in this budget are the average for setting up a standard successful beauty salon.