



**Institut Libanais de Développement Économique & Social**  
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# **Barber's Shop**

**Etude de faisabilité préparée par**  
**Nada Boulos, Business management.**

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The point of views expressed in this study reflect those of the author.

## Summary

The present study examines the feasibility of a barber's shop in a Lebanese village or small town.

The barber should consider opening a salon in a non-saturated area and in a convenient and easily accessible location.

Family members could participate in the barber business. For example, the son could help in shampooing. The barber's business is seasonal with the summer being the peak season as well as the holidays such as Christmas or Easter.

The initial investment required for the equipment and working capital amounts to 5 738 \$US. In the study, we considered a loan of 3 000 \$US, while the remaining 2 738 \$US are invested by the barber.

The projections are conservatively estimated based on market levels in Lebanese villages. The results show a net income of 7 287 \$US in the first year or 607 \$US per month growing to around 13 866 \$US in the 5<sup>th</sup> year or 1 151 \$US per month.

A best-case scenario is developed considering higher turnovers and higher growth rates. In this case, the net income increases to 11 662 \$US in the first year or 972 \$US per month and grows to around 23 108 \$US in the fifth year or 1 926 \$US per month.

A worst-case scenario shows a net income of 4 421 \$US or 368 \$US per month during the first year and growing to 6 185 \$US in the 5<sup>th</sup> year or 515 per month.

The study shows that the business could be highly profitable. There are important success factors such as the skills of the barber, the quality of service, public relations, and good pricing, etc... Building real "friendships" with the clients is important to create loyalty and consequently, increase turnover.