# Feasibility Analysis

**Does this business have profit potential?**

The process of investing resources in any given type of business must follow decisive steps in the assessment and approval of the viability of the business opportunity. A feasibility analysis is a detailed approach that offers an investor a business performance outlook before investing resources into the identified opportunity (Mohammad, 1). Feasibility analysis has four major sections that an investor must research for a successful investment decision. Industry and market feasibility, product or service feasibility, and financial feasibility are the three major parts of a feasibility research report (Mohammad, 1). An entrepreneur makes an investment decision based on the feasibility report. This context presents a feasibility analysis for The Prestigious Beauty Salon business idea that focuses on beauty services.

**Industry and Market Feasibility**

Industry feasibility analyses reveal that the beauty services business is a viable investment option. Statistically, the beauty industry is growing fast, citing the global demand for the best beauty products and services. The most competitive beauty products stockist is the one that understands the best product combination to suit customer needs. The customer needs are specific, and hence, there is a need to understand customer problems. Customers in the beauty services industry rely on the service quality to gauge the professionalism of a beauty product seller (Mohammad, 1). Beauty products seller should rely on customer behavior to predict the most sellable products at any instant. The Prestigious Beauty Salon business venture into the beauty products and services industry is viable because the industry has many customers, whose loyalty depends on the quality of services according to them (Mohammad, 1). The Prestigious Beauty Salon business would launch on a high note in offering the beauty services to customers and hence, the assurance of continued customer base growth.

The market feasibility of the Prestigious Beauty Salon business is promising. The business focuses on global operations through its online shopping platform. The company’s website would attract many customers from across the world, citing its convenience in shopping (Olugbola, 2). The business would also offer a wide product range, including Nail Polish and Facial/Skin, Hairstyling, Hairdressing, Hair Removal, Lid sticks, Care products, and many more beauty products and services. Moreover, the approach strategy of offering all the beauty industry services would win over many customers who prefer to be served under one roof. The company’s market share is expected to increase tremendously, citing the strengths of using an online store for products and services. The website facilitates more sales in a shorter time, and hence, it is almost a guarantee that the Prestigious Beauty Salon business would be profitable (Scarborough, 3).

**Product or Service Feasibility**

The feasibility of beauty services offered by the Prestigious Beauty Salon business depends on brand positioning and the tough competition in the industry. The business entity focuses on offering all beauty services under one roof, including beauty services and the sale of beauty products. The services are feasible because many customers would wish to shop under one roof and get all the beauty services from the beauty products seller (Olugbola, 2). Moreover, instituting a client relationship manager on the online platform is promising in making the customers more comfortable and enhance their shopping experience (Scarborough, 3). Most online shops do not have a client relationship manager, and hence the Prestigious Beauty Salon business would capitalize on this service to make it competitive. The online relationship manager will be responsible for offering customer advice to persons doing online shopping or enquiring about the businesses’ services online. Notably, a significant percentage of customers who view products and services online fail to purchase them because they have questions that are not answered well or are not answered whatsoever. The approach makes the Prestigious Beauty Salon business services feasible because they would draw customers closer and record more sales. The online platform is efficient in ensuring client feedback on purchases and hence improving customer relations and service delivery. A customer feedback strategy ensures that all complaints on the shopping process or services offered are corrected immediately to avoid negative products or services ratings (Mohammad, 1). Evaluating a customer service experience through the feedback system is critical in improving sales in the Prestigious Beauty Salon business.

**Financial Feasibility**

The Prestigious Beauty Salon business is financially feasible, citing the used investment strategy. The major financial operating strength is that the business would run on a Limited Liability financial position (Olugbola, 2). Not all debts liable to the business would be solely charged to the business owner. The business enterprise will be a single ownership type, and hence, the business owner would be the majority investment contributor to the investment. The approach is viable from a financial point of view because the owner would be the most responsible manager of the enterprise and hence, have minimal risk (Shimizu, 4). The owner will be accountable for primary financial operations like controlling monetary transactions, balancing of checks, purchases of raw materials related to the Salon, rent, licenses, paychecks to employees, debt servicing, and overall day to day business activities (Shimizu, 4). The LLC business structure is feasible for smaller business enterprises like the Prestigious Beauty Salon because it facilitates the needed financial decision-making process, unlike corporations.

**Entrepreneurial Readiness**

The entrepreneurial readiness of the Prestigious Beauty salon business owner is valid. The entrepreneur has planned most of the company’s operational activities, including the market niche, products, and services, as well as the financial structuring of the company (Olugbola, 2). Moreover, the entrepreneur has identified the key strengths of the company as well as potential weaknesses and operational threats. The company’s strengths include the online shopping platform as well as the well-established customer service team. The potential risks to the company include the massive competition from other beauty service providers like the Blome Dry and the Ballaqua Salon Spa. The entrepreneurial readiness is witnessed in the assumed financial model that reduces the investor’s liabilities in case the investment does not pick up well. The company’s mission statement also reveals constant entrepreneurial readiness because the company focuses on making more profits by building enthusiastic team members and providing extraordinary services to clients.

**Based on My Assessment**

Based on my assessment, the business idea is viable and does not need to be changed significantly or abandoned; the entrepreneur can implement it. The business idea passes all the necessary feasibility checkups, including industrial and market feasibility, service and product feasibility, financial feasibility, and entrepreneur feasibility, and hence, it is viable (Scarborough, 3). The beauty industry is growing fast due to the demand for the best beauty products and services by customers in the world. Moreover, the beauty services and products market is very enthusiastic and is eager to try new options in the quest for better products and services. The Prestigious Beauty Salon services approach focuses on giving customers the best experience, both in online shopping as well as in beauty services. The assumed financial model puts the investor in a safe financial position in case the investment does not perform well. The entrepreneur is also very ready to undertake the business citing the various planned operations. However, there is a need for improvement in the business plan, including the number of supporting staff to assist the owner in managing the business (Scarborough, 3). The number of assistive persons is not mentioned, and it should be revealed for planning. Moreover, the owner targets the global customer base, which may be challenging for a start. The manager should focus on the local market to assess business performance after globalization.

Conclusively, the feasibility analysis research is a very critical step in determining the viability of a conceptualized business idea (Mohammad, 1). Entrepreneurs and investors in new firms should review feasibility analysis reports and quantify the findings before making an investment decision. Based on the Prestigious Beauty Salon feasibility analysis, the business idea is feasible and worth a capital investment.

**Sources**

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