

# BRUSHOLOGY

PROFESSIONAL HAIR TOOLS

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Final Project Business Venture  
571-PF6-AS gr. 04080

BRUSHOLOGY Panel Report

Presented to Mrs. Maureen Buck

LaSalle College  
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## Product Development (Manufacturer) Written Report

### Markup and Gross Margin

Price for the injection mold: \$2900

Price of the memory foam mold: \$500

Unit price of the brush: \$2.50

Minimum Order Quantity: 3000pcs

$\$2.5 \times 3000 \text{ units} = \$7,500$

+2,900 injection mold

+500 memory foam mold

\$10,900

+ 15% delivery fees

**\$12,535** total manufacturing cost

$\div 3000$  minimum order quantity

= **\$4.20/** unit

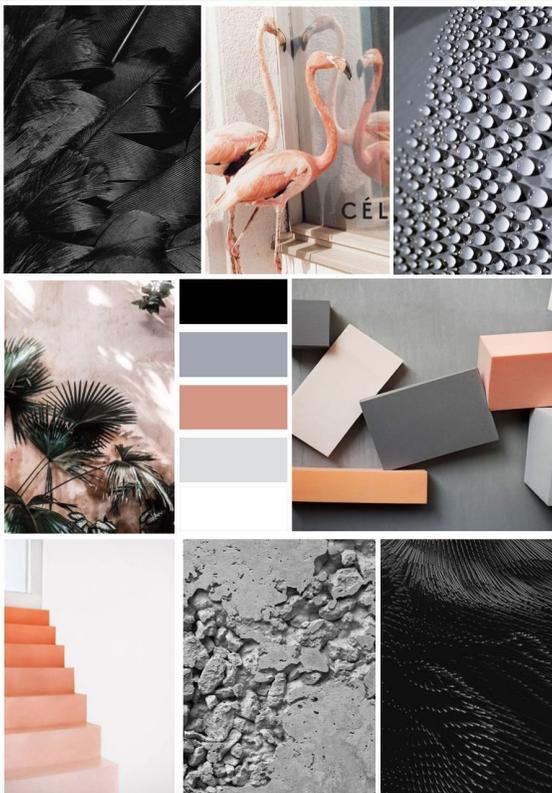
**Markup dollars:** \$40 selling price- \$4.20 unit price= **\$35.80**

**Estimated initial markup:**  $\$40 - \$4.20 = \$35.80 / \$4.20 = 8.52 \times 100 = 852\%$

**Gross Margin percentage:**  $\$4.20 / \$40 = 10.5\%$  cost of goods sold

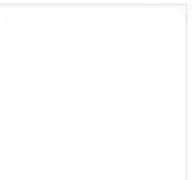
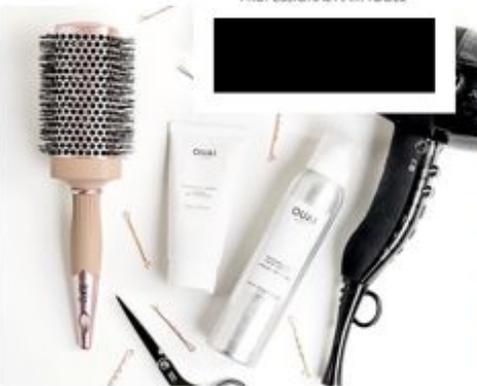
First year sales estimate  $\$104,000 - \$10,920 = \$93,000 / \$104,000 = 89\%$

### Product StoryBoards



Brushology is a line of brushes exclusive to professionals, the brand is designed to be sleek, clean and a palette of black, white, chrome with a pop of peach. The colour peach is light, brings life in contrast to our darker and symbolizes charm.

The boards communicates that our brushes are featherweight, comfortable and will help the stylists achieve great styles with more ease than its competitive counterparts by promoting health to the hair follicles and reducing the unnecessary pains of the stylists, alleviating carpal tunnel syndrome symptoms.



## **Product Assortment**

According to our market research, we have developed a hairbrush with several distinguished and exclusive features.

Our hairbrush handle is created with a soft gel memory foam in order to promote ultimate comfort to mold itself to the shape of each individual's hand for easier everyday styling. In addition, a removable section tip that will allow hairdressers to easily part hair.

In order, to promote healthy hair and scalp nourishment we created a unique design with a combination of the boar and nylon bristles and metalheads to allow for better shine and circulation. The advantages of boar bristles are the following: naturally conditions hair, improves hair texture, reduces frizz, stimulates the scalp, reduces the need for styling products and frequency of washing, as well as helps balance scalp's oil protection.

The synthetic bristles allow quick drying, help with entanglement, is proven to reduce static, allow for massaging of the scalp with the metal heads, and is heat resistant.

The ion ceramic plates of the brush will allow for an even heat distribution in which will avoid areas of the brushes being overheated. This ultimately means that it has less potential to burn or damage your hair.

Our differentiating physical feature is the shape of our triangular brush head. When in motion, having several edges will decrease tension by reducing the number of rotations the hairdressers will do in order to

achieve their goal. As a result, it by decreasing the repetition of this motion will significantly reduce symptoms by alleviating the strain put on the wrist.

Ultimately, our unique selling point is a combination of all our features which is the sole purpose of designing a hairbrush that alleviates the symptoms of carpal tunnel pain without compromising style and comfort.

Our large scale competitors; Ergo, Kent Salon, and Termix all aim to have the same competitive strategy. All these competitors have a complete line of tool of hairbrushes created solely for professionals that range from 20 to 300\$. Most importantly, these competitors are not present in the Canadian market. Our local competitors consists of the following; Avanti, Moroccan Oil, and Baby Bliss Pro. The products of our local competitors can be purchased through sales representatives which is also sold to general public. When hairdressers purchase through a representative, they are likely to save an average of 15% as opposed to purchasing products aside from this method. On average the local competitors will sell their products from a price range of 7-20\$ a piece.

Accordingly to the survey we have conducted with a total of 60 hairdressers, the majority are willing and do spend approximately 15-50\$ for each individual hair brush. In addition, based on this survey, we have concluded that our consumer are not price sensitive, nor are they brand loyal due to the fact that they are willing to experiment on novel products as long as performance and durability are key components.

We aim to create a hairbrush that is a single style offered in several barrel sizes to accommodate different hairstyles and their needs. Our line is composed of four different barrel sizes that include XS, S, M, L.

Overall in the competitive landscape, our competitive advantage includes an ergonomic silhouette providing accessibility, exclusivity, durability and functionality tied together with a unique esthetique that appeals to the masses.

### **Cost Sheets - Specification Sheets**

<b>Cost Sheet</b>		BRUSHOLOGY	
		Fall 2018	
Date:	March 7th,2018		
Style number	101		
Description:	Line of hairbrush to help alleviate carpal tunnel symptoms among salon professionals, without compromising performance and durability		
Supplier	Xiamen Evergreen Technology Co. Ltd.		
Sewing Contractor	n/a		
Size Grid	S-M-L-XL		
Size Scale	n/a		
Fabric Name/ Content	Memory Foam, Boar and synthetic bristles		
Fabric Width	n/a		
Estimated Fabric Consumption			
Approx. Qty to Produce	3000		
<b>Materials</b>	<b>Metres</b>	<b>Price/Metre</b>	<b>Total</b>
<i>Injection Mold</i>	1	2900	2,900.00\$
<i>Memory Foam Mold</i>	1	500	500.00\$
<i>Unit Price</i>	1	2.5	2.50\$
		<b>Total for Materials</b>	<b>3,402.50\$</b>
<b>Trims</b>	<b>Quantity</b>	<b>Price/Unit</b>	<b>Total</b>
<i>Buttons, specify</i>	n/a	0	0.00\$

<i>Zippers, specify</i>	n/a	0	0.00\$
<i>Belts, specify</i>	n/a	0	0.00\$
<i>Labels, specify</i>		0	
		<b>Total for Trimmings and Finishings</b>	<b>0.00\$</b>
<b>Labour</b>			
Pattern Cost	0.15\$		
Grading Cost	0.15\$		
Cutting Cost	0.40\$		
Sewing Cost	0.70\$		
		<b>Total for Labour</b>	<b>1.40\$</b>
<b>Total Cost Before Transport and Customs</b>			<b>3,403.90\$</b>
<b>Transportation and Custom Costs</b>			
Customs and Transport	680.78\$		
		Total Cost Transport and Customs	680.78\$
		<b>Manufacturing Cost</b>	<b>4,084.68\$</b>
		<i>Initial Markup \$ (78% IM)</i>	35.80\$
		Retail Selling Price	40.00\$
Manufacturing Cost = Total Cost before T/C x .012 x 100			

**Suppliers and Contractors' List - Potential Distributors**

Our brushes will be made by Xiamen Evergreen Technology Co., Ltd. a manufacturer who specializes in plastic products and molds for more than 10 years. They can customize any product according to the

buyers demands such as car parts, household electrical appliances, electronic equipment, daily-use items and toys. Evergreen also has experience manufacturing hair brushes, so they are familiar with the product and the industry. They also have all of the materials needed for the brush available at their warehouse. This way we can produce our product faster without having to source the materials elsewhere. All of their products meet strict quality control like CE ,EN, 71, RoHS, UL as well as FDA guidelines. Evergreen has collaborated with many companies from the US, Australia and Europe. We also chose to manufacture our product with Evergreen because their values align with our own.

Our research have shown that hairdressers go through sales representatives and shop at professional-exclusive retailers to purchase their tools. Therefore, we have contacted sales reps at distributors Amico, Capilex and Novy.Co to guide us in laying out our sales plan. We are working on negotiating with more suppliers such as Stars Bedard and Chalut in order to select the best candidate that would be most profitable, to reach our goals throughout the targeted territories and have them sign letters of intent.

Francois	Capilex	(514) 993-8082
Chantal	Amico	(514) 951-4314
Anthony	Novy.Co	(819) 460-3676

**Sales and Purchases Plan**

There are 2669 registered hairdresser businesses in the province of Quebec, we decided that targeting to sell to about half of them would be feasible for Brushology. We intend to work with experienced sales representatives, distributors and collaborate with hairdressing schools and salons to aid us in reaching our

goal.

2,669 registered hairdressers in Quebec. 50%—> 1,334.5 feasible to sell to 1300 hairdressers			
Qty	Unit Price	Customers	Total \$
1	\$40.00	1300	\$52,000.00
2	\$40.00	1300	\$104,000.00
3	\$40.00	1300	\$156,000.00
4	\$40.00	1300	\$208,000.00
AVG	Unit Price	Customers	Total \$
1.5	\$40.00	1300	\$78,000.00
2.5	\$40.00	1300	\$130,000.00
3.5	\$40.00	1300	\$182,000.00

Above is a chart of our estimated forecasted sales of our first year. It is broken down to how much sales we would obtain if our customers bought an average of those listed quantities. Highlighted in peach is what we have evaluated as the most feasible quantity average due to our range in sizes, it's the most reasonable to assume they would at the very least purchase two different sizes (for different hair styles) or two of the same size (to use as rollers as they work on another section of hair).

3,843 registered hairdressers in Ontario. 50%—> 1921.5 feasible to sell to 1900 more hairdressers			
Qty	Unit Price	Customers	Total \$
1	\$40.00	1900	\$76,000.00
2	\$40.00	1900	\$152,000.00
3	\$40.00	1900	\$228,000.00
4	\$40.00	1900	\$304,000.00

YEAR TWO  
POTENTIAL  
GROWTH

AVG	Unit Price	Customers	Total \$
1.5	\$40.00	1900	\$114,000.00
2.5	\$40.00	1900	\$190,000.00
3.5	\$40.00	1900	\$266,000.00
1554 registered hairdressers in British Columbia. 50%—> 777 feasible to sell to 700 more hairdressers			
Qty	Unit Price	Customers	Total \$
1	\$40.00	700	\$28,000.00
2	\$40.00	700	\$56,000.00
3	\$40.00	700	\$84,000.00
4	\$40.00	700	\$112,000.00
AVG	Unit Price	Customers	Total \$
1.5	\$40.00	700	\$42,000.00
2.5	\$40.00	700	\$70,000.00
3.5	\$40.00	700	\$98,000.00

YEAR  
THREE  
POTENTIAL  
GROWTH

For the second and third year we have decided to expand our business into Ontario and then British Columbia because they are the second and third leading provinces with the most number of hairdressers.<sup>1</sup> Highlighted in peach is what we have evaluated as the most feasible quantity average due to our range in sizes, it's the most reasonable to assume they would at the very least purchase two different sizes (for different hair styles) or two of the same size (to use as rollers as they work on another section of hair).

	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APRIL	MAY	JUNE	JULY	TOTAL
Sales %	\$12,480	\$7,280	\$7,280	\$7,280	\$20,800	\$3,640	\$3,640	\$7,280	\$7,280	\$7,280	\$7,280	\$12,480	\$104,000.00
by season	21%	12%	12%	12%	35%	6%	8%	16%	16%	16%	16%	28%	
Sales %													
for the	12.00%	7.00%	7.00%	7.00%	20.00%	3.50%	3.50%	7.00%	7.00%	7.00%	7.00%	12.00%	100.00%

<sup>1</sup> IBISWorld Industry Report 81211CA Hair & Nail Salons in Canada

year

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Above is a monthly breakdown of our expected sales. According to a Google Trends report regarding the search term “hair brush”, the most popular time for that keyword search is in December with another peak in interest occurring in July and August. We have taken that into account and have allocated 20% of our estimated yearly sales for the month of december. The second most popular time being July and August accounts for 12% of our yearly sales. Interest over time drops in January and February, each account for the lowest yearly sales at 3.5%. For the remaining months we allocated 7% as interest is steady in these months.

As for our purchase plan, we have decided to order in August to ensure we receive our merchandise by December (our busiest time of the year). This way we can allow time for production and delivery from China. We have also decided that we will place another order in March to receive the merchandise for the second busiest time in July and August. Our product does not have a shelf life, this allows us to keep a stock of what we will need in order to sell during the remaining months of the year.

### **Sales Catalogue**

For the sales catalogue, we included our information on where to find us to contact us when a hairdresser is interested in purchasing the brush. As well as, for our sales catalogue we used bold and bigger text for our titles so that the client can quickly catch on to the top and right beside a striking image that speaks to the text and relates to it. We are using our sales catalogue to inform the consumer about carpal and our unique selling points that makes our brush the leading product in the industry to alleviate carpal tunnel pains of salon professionals. We as well used striking colours to grasp the consumer’s attention and the end goal of our sales catalogue is that our sales representatives use this a sales tool to push our brush and drive sales and give brand awareness to consumers.

