

Mam Mehlo's Beauty Studio

Zandile Bonkolo-Mehlomakhulu

Final Consulting Report

Khulisanani Consulting

University of Florida | Colorado University Boulder | University of Notre Dame |
University of the Western Cape

Elaine Chen, Leah Clapper, Chance Johns, Dovydas Zukauskas, Aqhama Tinise, Zibele
Jonas, Amahle Nduna



Entrepreneurship & Empowerment in South Africa 2023



Table of Contents

LETTER OF AGREEMENT.....	6
Layer 1: The Entrepreneurial Core.....	11
The Core Strategic Issues.....	11
The Entrepreneur.....	12
Map of Activities of the Week.....	14
The Business Concept.....	16
The Opportunity.....	19
Forces Creating the Opportunity.....	19
Customer Switching Costs and Loyalties to Competitors.....	20
Market Definition.....	21
Barriers to Entry.....	21
Market Size and Growth Potential.....	21
Profit Opportunity in This Market.....	25
Competitive Intensity.....	25
Competitor Comparison.....	26
Market Segmentation and Buyer Descriptors.....	29
Level of Market Sophistication.....	29
Fit Between Opportunity & Concept.....	30
Customer Buying Behavior.....	30
MAP OF THE CUSTOMER BUYING PROCESS.....	30
Layer 2: Internal Operations and Resources.....	32
Accounting and Bookkeeping systems.....	32
Financial Records.....	33
Cost Structure.....	34
Mam Mehlo's fixed and variable costs per month.....	35
Cash Flows.....	38
Accounts Receivable.....	41
Accounts Payables.....	41
Accuracy of records.....	42
Budgeting/Financial Planning.....	42
Pricing.....	42
System for collection and payment of VAT.....	43
Revenue Drivers and Profitability of Each.....	44
Economics of the Business.....	45
Debt Position and Financial Structure.....	45
Financial Controls and Planning.....	46
Map of Operations: Service Delivery Process and Information Flow.....	47
Operational Basics.....	47

Client Considerations.....	48
Internal Controls and Administrative Processes.....	48
Capacity and Demand.....	49
Purchasing Policies.....	49
Handling Customer Complaints' and Cancellations.....	50
Customer Service.....	50
Quality Controls.....	51
The Internal Infrastructure.....	51
Staff.....	51
Information Systems.....	51
Formal Registration of Business.....	51
Employee Compensation Package.....	52
Databases and Records.....	52
Location.....	52
Layer 3: External Relationships & Activities.....	54
Marketing Efforts.....	54
Positioning.....	54
Segmentation and Target Markets.....	54
Sales Efforts and Approach.....	55
Distribution Channels.....	55
Signage, Marketing Media, and Advertising.....	56
Map of Marketing and Sales Model.....	57
Sales Promotions.....	57
Customer Relationship Building.....	58
Map of Customer Points of Contact.....	59
Customer Journey Details & Moments of Truth.....	60
Marketing Media.....	64
Branding and Brand Identity.....	65
Pricing.....	66
Collection of Receivables from Customers.....	66
Payables.....	67
Tracking of Market Performance.....	67
Capturing Customer Data.....	68
Customer Screening (spotting high risks of payment default).....	68
Financing Needs.....	68
Ownership structure and Financial Structure.....	68
Financing Needs, Access to Capital, and Preferences.....	69
People the Entrepreneur Supports Through the Business.....	69
Extended Network.....	70

Sources of Publicity, Low-cost Visibility, and Free Advertising.....	70
Relationships With Legal Experts and Distributors.....	70
Other Advisors and Relationships.....	71
Relationships with Suppliers.....	71
Relationships with Bankers.....	71
Contacts With Community Agencies.....	72
Government Contacts.....	72
Access to Sources of Labor.....	72
Concluding Remarks.....	73
Deliverable 1: Bookkeeping.....	75
1.1 Problem Statement.....	75
1.2 Desired Result.....	75
1.3 Solution.....	76
1.4 Argumentation.....	82
1.5 Implementation.....	84
Step 1: Keep a paper trail.....	84
Step 2: Keep electronic records.....	85
1.6 Next Steps.....	86
Step 3: Implement a month-end close process.....	86
Step 4: Make decisions based on bookkeeping findings.....	88
1.7 Appendix.....	89
Deliverable 2: Marketing.....	93
2.1 Problem Statement.....	93
Lack of Online Booking Information.....	93
Lack of Brand Presence.....	94
2.2 Desired Result.....	95
2.3 Solution.....	95
2.4 Argumentation.....	96
Leverage Google Presence.....	96
Website.....	98
Updated Social Media Profiles.....	98
Business Card.....	99
Print Advertisement.....	99
2.5 Implementation.....	100
Leverage Google Presence.....	100
Website.....	104
Updated Social Media Profiles.....	112
Social Media Video.....	113
Business Card.....	115

Print Advertisement.....	118
2.6 Next Steps.....	119
Google Presence.....	119
Website.....	120
Update Social Media Profiles.....	120
Social Media Video.....	120
Business Card.....	123
Print Advertisement.....	123
2.7 Appendix.....	124
Deliverable 3: Sales and Promotions.....	127
3.1 Problem Statement.....	127
3.2 Desired Result.....	128
3.3 Solution.....	129
3.4 Argumentation.....	136
3.5 Implementation.....	137
There are three basic steps to executing a promotion. This involves content creation, distribution, and execution.....	138
Utilize the Canva Folder Created.....	139
3.6 Next Steps.....	141
Track Promotion Use Frequency.....	141
Customer Database.....	141
Loyalty Program.....	142
Referral Program.....	142
3.7 Appendix.....	143
Appendix 1. Excel Spreadsheet Promotion Tracker.....	143
Appendix 2. Excel Spreadsheet Customer Database.....	144
Appendix 3. Excel Spreadsheet Loyalty Program.....	145
Appendix 4. Excel Spreadsheet Referral Program.....	146
Deliverable 4: Operations Process.....	147
4.1 Problem Statement.....	147
4.2 Desired Result.....	147
4.3 Solution.....	148
Part 2: Standard Operating Procedures.....	151
4.4 Argumentation.....	153
Standard Operating Procedures.....	154
4.5 Implementation.....	156
Standard Operating Procedures.....	162
4.6 Next Steps.....	165
Standard Operating Procedures.....	166

Final Recommendations.....	169
Letter of Appreciation to Mam Mehlo's Beauty Studio.....	171
ENGAGEMENT CLOSING LETTER.....	172

**LETTER OF AGREEMENT
ENTREPRENEURSHIP EMPOWERMENT IN SOUTH AFRICA**

12 June 2023

Zandile Bontolo-Mehlomakulu - Owner

Mam Mehlo's Beauty Studio

Philippi Village 7785 Cape Town, South Africa

Re: CONSULTING SERVICES

Dear Zandile,

We first want to thank you for your participation in and support of the Entrepreneurship Empowerment in South Africa Programme. Our goal is to contribute in every way possible to the sustainability and growth of your business and make this consulting engagement a mutually rewarding experience. We look forward to working closely with you and using the opportunity to gain insight into your company.

As we understand it, Mam Mehlo's Beauty Studio is primarily involved in providing gel nails, gel pedicures, acrylic nails, acrylic pedicures, and makeup services. Moreover, your business can be characterized in booking appointments, providing exceptional nail salon services, and managing the business. You have been successful in establishing the business, utilizing social media platforms to attract clients from various areas and generating a decent number of appointments. Yet, you face unique challenges in terms of attracting a consistent customer base, generating more profit, and implementing efficient bookkeeping and marketing. With this in mind, we see the primary focus of the consulting engagement to be implementing effective marketing strategies to attract a regular customer base, increasing sales and profits, and establishing simple bookkeeping practices to help you make business decisions.



With the EESA Programme, the focus is on producing tangible deliverables that you can use. We will be working intensely with you over the six weeks, employing a methodology developed as part of the EESA Programme over the past 23 years. Our first task will be to establish priorities in terms of your needs and what can be accomplished in the time that we have. We will be using the S.E.E. model (Supporting Emerging Enterprises) to assess your current situation and set the priorities.

While things are likely to change as the relationship evolves, for the present we anticipate working on deliverables similar to the following:

- Develop a simple bookkeeping system to help track expenses, manage cash flow, and maintain accurate financial records --- in the process helping you make management decisions. Provide guidance on using the new business banking account.
- Design and implement a marketing plan to increase awareness and attract a stable stream of profitable clients to the nail salon.
- Enhance your approach to setting and managing prices.
- Enhance your brand identity that sets your salon apart from competitors and reflects your unique strengths. This may include sharing a compelling brand story and consistent messaging across various channels. This may also include upgrading your salon chair and salon environment.
- Find creative ways to increase customer perceptions of safety.

The key is that we work with you in producing solutions that you can implement immediately in the business to improve performance. We will work with you on implementation of deliverables as the consulting engagement unfolds. In addition, a final presentation will be made to you and the faculty mentors at the end of the program, in late July. The presentation and final report will cover the primary deliverables of the consulting engagement.

Our overarching goal is to serve your needs and build a relationship of trust with you. The EESA experience over the years has made it clear that the best consulting relationships are mutual ones---where both parties invest heavily. Our biggest requirement is your time. It is critical that we are able to meet with you for 2-3 hours per week over the next six weeks. We will be respectful of your time, as we know how valuable it is. But our hope is that we can establish regular meeting times each week. Another other key requirement is that we get an intimate feel for your business. This means it is critical that we have access to your records, bookkeeping information, costs, and other insights that help us do a better job. Our commitment is to hold this information in the strictest of confidence. No one other than the professor will have access to it, or to any of the work we do for you. Our team and your business agree to provide promised

information and documents on agreed-upon dates. Our mutual commitment to providing information and documents in a timely-manner is critical to the success of our arrangement.

In addition to making a meaningful contribution to your firm, we have some personal goals in pursuing this consulting relationship. Through the engagement, we look forward to expanding our international consulting experience and gaining skills in a number of areas. We look forward to learning from you and your experiences as a woman entrepreneur building a business in difficult circumstances. We also look forward to learning about the hair and personal care industry and what it takes to generate consistent profitability in the face of intense competitive pressures. Understanding the various challenges South African entrepreneurs face and the creative strategies used to overcome obstacles will aid our own life journeys.

Our team will regularly meet with Professors Michael Morris, Eric Mueller, and Jamie Kraft, our faculty supervisors, and they will be working closely with us on the consulting engagement. Their contact details are:

EESA Office

Economics and Management Sciences

3.34. EMS Building

University of the Western Cape

Ph: 021 959 3715

Cell: +1 808-282-9342

Email: mmorri24@nd.edu

We look forward to working with you and this opportunity for a truly rewarding experience. Once again, we thank you for your time and support. Please feel free to contact us for clarifications on these issues, if any.

Yours sincerely,

Khulisanani Consulting

Leah Clapper, Elaine Chen, Chance Johns, Zibele Jonas,

Amahle Nduna, Aqhama Tinise, and Dovydas Zukauskas



In acceptance of the terms outlined above:

Signature: _____

Zandile Bontolo-Mehlomakulu - Owner

Mam Mehlo's Beauty Studio

Date: _____

Faculty Supervisor:

Dr. Michael H. Morris

EESA Program Director

Professor of Entrepreneurship and Social
Innovation University of Notre Dame

Mam Mehlo's Beauty Studio

Supporting Emerging Enterprises Model

Khulisanani Consulting

Elaine Chen, Leah Clapper, Chance Johns, Dovydas Zukauskas, Aqhama Tinise, Zibele

Jonas, Amahle Nduna



Layer 1: The Entrepreneurial Core

The Core Strategic Issues

The core strategic issues that Mam Mehlos faces include a lack of financial organization; low potential for volume; lack of service differentiation; lack of strategic pricing; unprofessional marketing tactics; lack of a customer database resulting in inconsistent bookings and lack of resources/plans for future growth. To better serve our client, Zandile Bonkolo-Mehlomakhulu, we will take a deeper dive into the issues listed previously.

The business itself is still very new. Having opened this past December in 2022, there are a few key areas within the business that lack the proper housekeeping duties necessary such as customer databases and financial tracking. Zandile is the sole owner and operator of Mam Mehlo's Beauty Studio and as a result, she is overwhelmed with the business side of the store as she struggles to gain a consistent client or customer base. A customer database is quite important to the business as she has customers that know her business and are able to be informed of store promotions which could be a great incentive for consistent bookings. It is also critical that her business has its own bank account and proper financial tracking so that she can gain a better understanding of her production costs, revenue stream, and profit margins.

In addition to keeping proper business records, the store itself lacks effective marketing strategies. The social media platforms that Mam Mehlo's is currently active on could use a more creative and professional touch, to increase audience engagement. The market for beauty studios is quite prevalent in her area, so she must utilize her differences from the other competitors and stand out. Operating in a saturated market with established competitors can

serve as a disadvantage for her business. This can be done through proper branding and marketing strategies that will ultimately boost awareness of Mam Mehlo's as a business. There is also a lack of strategic pricing, as she charges R20 less than her competitors in the Philippi Village and charges that same amount to people outside of the township. It is important that these key issues are resolved in order to create a well operating business, increased clientele, and store awareness.

The Entrepreneur

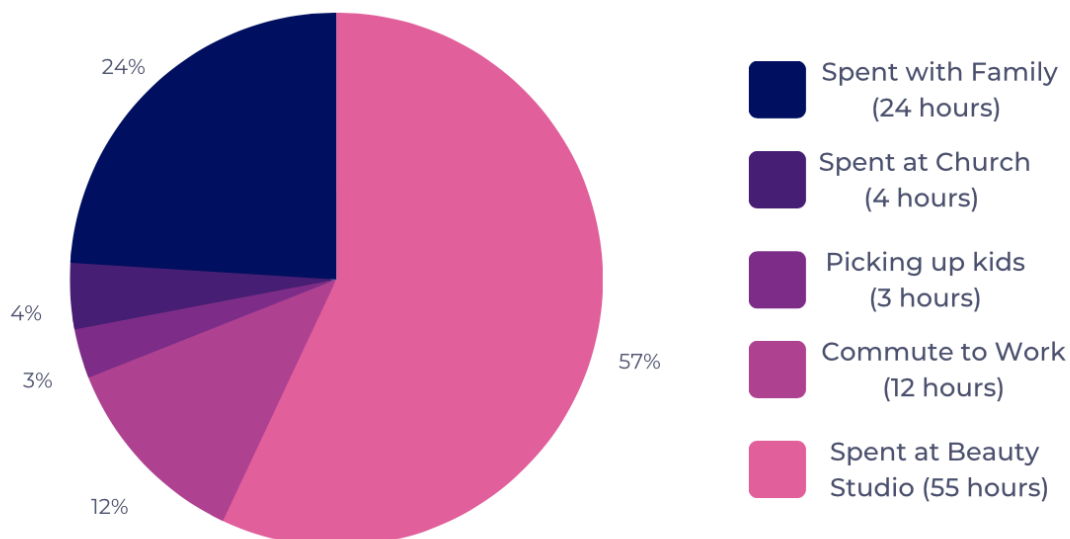
Zandile is a thirty-three year old woman married to a very loving and supportive husband. They have two kids together, a son and daughter aged eight and four respectively. Born and raised in Khayelitsha (Cape Town), Zandile currently resides in Malmesbury with her family. She also has extended family members that live in the area who help look after her two children during school holidays and weekends while Zandile and her husband are at work. After graduating from High School, she jumped into the work force shortly after. She worked as a debt collector in her first job then moved onto the customer service industry where she remained. During her time in the customer service industry, she worked for multiple corporate companies such as Amazon. She also worked as a business consultant at Capfin where she was later promoted to become the team leader of the customer service department. She has experience in the business industry because of the jobs she previously held. Our consulting team has confidence that Zandile will be able to grasp the concepts of business management and financial planning since she also has experience with Microsoft software such as Excel.

Prior to starting her beauty studio 7 months ago, Zandile did people's nails and makeup as a hobby while working at her full-time call center job. Her husband was the one to encourage her to take the leap of faith and leave her well paying job at the call center and open up her

beauty studio. Zandile has always been passionate about art ever since she was little, and now she channels her passion for art into doing nails and makeup. She took a 3-week course as her formal training, however, she is primarily self-taught. Zandile is a very passionate person about her work, she admits that her business is not making the money she used to make at call centers but she is much happier owning and operating her own business than she was working at the call centers.

Zandile spends a majority of her time at the beauty studio. She remains consistent with her work hours, opening at 8am and closing at 5pm, however, she frequently stays past 5pm in hopes of customers coming in when they themselves get off work. In cases like this, she will stay until 7-8pm. The Beauty Studio is open from Monday through Saturday, and Sundays are by appointments only because she goes to church regularly. She received little to no customers on Mondays and Tuesdays, and similar circumstances during the mornings. Majority of her customers come later in the week and during the evenings. She spends about 8-10 hours at the Beauty Studio 6 days out of the week, taking Sunday off unless an appointment is made. She is willing to remain open during off hours/days because she is in need of sales even if it means working during time off. Zandile lives in Malmesbury, which is about an hour commute from Philippi Village. She and her husband take turns leaving work to pick up the kids around 1pm and it is a 30-40 minutes break from work during the day. After she gets off work, she spends the rest of the day with her husband and kids at home or attends prayer groups.

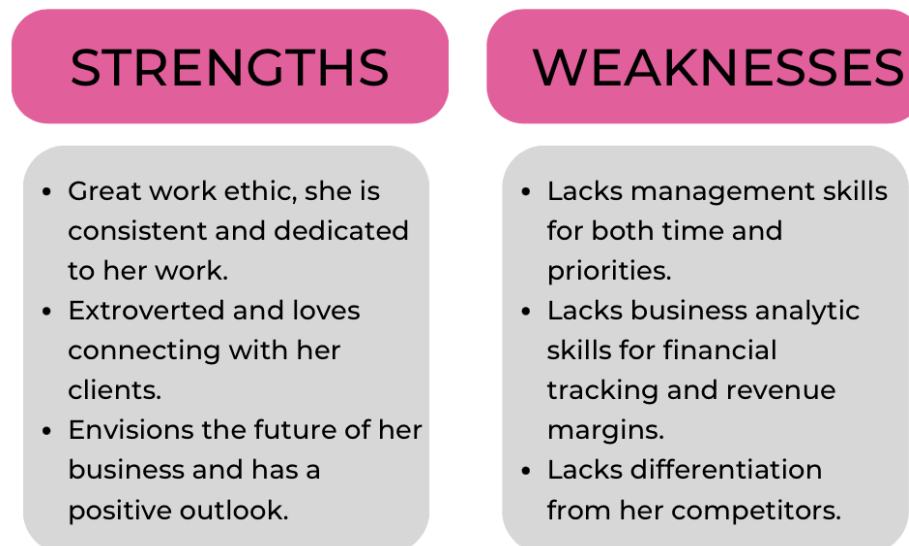
Map of Activities of the Week



Zandile spends the majority of the week at her Beauty Studio, totaling 55 hours per week. The rest of her time is spent either commuting or spending time with her family and at Church. Her primary issue is lack of consistent customers, therefore, she frequently stays after work in hopes of customers. If she has consistent customers making appointments then she would be able to use her time more efficiently. Though she spends 55 hours a week at the studio, not all of that time is spent with customers since she lacks consistency in sales.

Zandile has great entrepreneurial qualities that definitely strengthen her as a business woman, first off she is very dedicated to her work. Spending 57% of her week at her business whether or not she is receiving customers, this is the result of her great work ethic, demonstrating consistency and dedication to the job. In addition to that, Zandile is a great

salesperson since she has amazing communication skills. She is an extroverted person that loves to connect with others, and this is a very important part of being in the beauty industry as clients often look for a connection to their nail technicians and makeup artists. Third, Zandile has a positive mindset and looks forward to the future, she has hope for expansion but she understands she must improve her current business first before moving onto expansion. She has a vision for the kind of beauty studio she wishes to operate, she envisions a place where women from all different kinds of backgrounds, race and socioeconomic status come to seek her services. A place that is welcoming to everyone and anyone, no matter who they are or where they are from. She seeks to unite people through the beauty industry.



Outside of her strengths, she also has a few weaknesses. She lacks time and priority management skills, though she is dedicated and spends 57% of her time at the beauty studio, a good portion of her time is not used since she experiences low sales. Instead, she should be allocating time to bookkeeping and accounting for inventory. She could also use her time to design marketing strategies to increase sales. There are lots of ways to better utilize her time spent at the beauty studio that she is not using with clients. Second, she doesn't have business

administration skills, since she doesn't track her finances, and mixes her personal account with her business account. She doesn't know her revenue margins for her services, which makes it difficult to do strategic pricing of any sort. Lastly, her business lacks differentiation from competitors. Though she charges R20 less than her competitors, she resorts to lowering her price making her services a commodity rather than marketing her services as being different from others. This will give her the ability to increase sales and profits as well.

Overall, Zandile has great qualities about her and the business as well. There is lots of potential for improvements to be made but the entrepreneur herself has a positive mindset and the work ethic to make this business successful. Once we access the rest of her business outside of the entrepreneur we will be able to better identify the sectors of the business that need the most improvement.

The Business Concept

Mam Mehlo's Beauty Studio offers services ranging from makeup to a variety of nail services, all of which range in pricing. Her target market is generally women, her customers are primarily women between the ages of 15 and their early 50's. 80% of her sales are nail services while the remaining 20% are makeup services. The services she offers are sometimes regular for some customers, such as nails, but other times are only done on special occasions, such as makeup. This varies depending on the individual consumers, nails are the services she primarily experiences consistent customers returning while makeup can often be occasional. Her business as a whole experiences seasonal sales, with a rise of customers during the summer getting pedicures. While during the winter season she has experienced less customers, and since she has only been open for 7 months she is slowly learning the pattern of sales year round.

Mam Mehlo's Beauty Studio offers five different services, acrylic manicure, acrylic pedicure, gel manicure, gel pedicure and makeup. The prices range from service to service, some cost as little as R50, but others cost as much as R180. You will find a diagram below with the service and cost break down. Included in the third column is the time it takes for Zandile to perform each service, there is correlation to time and price of service. It is fair to assume that 1 hour of her time is worth approximately R80 when it comes to nail services. She makes R150 rand for makeup services which takes less than an hour to perform.

Service	Price	Time it Takes To Provide Service
Acrylic Manicure	R180	2.5 Hours
Acrylic Pedicure	R120	1.5 Hours
Gel Manicure	R80	1 Hour
Gel Pedicure	R50	20-30 Minutes
Make Up	R150	1 Hour or Less

Zandile's pricing strategy involves low volume and high margins to make profits. However, she is currently struggling to get consistent sales, meaning, the main priority will be to increase the studio's overall sales. However, since Zandile is the sole owner and operator of the Beauty Studio, she has low potential for volume. In her industry, she can't serve two clients at once, meaning she can't serve a high volume. It is encouraged that her clients come in by appointment basis, that way she can ensure her services are available. Zandile's services differ

from her competitors because she is a very talented artist that produces great nail art that is original from that of any one of her competitors.

The Opportunity

Forces Creating the Opportunity

Multiple **social and cultural** elements around beauty could impact the business opportunity for Mam Mehlo's. First, increased interest in fancy nail art designs in the South African nail market may align well with Mam Mehlo's special skills. Acrylic nails and French tip styles have also gained popularity in recent years. Mam Mehlo's provides each of these services. Additionally, increased interest in wigs and wig installation in South Africa provides an opportunity for Mam Mehlo's, and this has piqued Zandile's interest. Zandile currently has the skills and equipment needed to clean, treat, and install wigs, but she does not have the startup capital needed to purchase and sell wigs at this time.

Mam Mehlo's is able to take advantage of a few **technological** advancements to improve her business. For example, she uses an electronic nail file that can save her time and offer an advantage over competitors. Other newer nail and wig technologies (such as dip polish and many others) are relevant to Mam Mehlo's as well, as there could be an opportunity to offer products and services that her competitors do not.

The **demographics** and income distribution of Philippi heavily impacts the opportunity for Mam Mehlo's. Philippi, the township where Mam Mehlo's operates, has a dense population of over 90% blacks and about 50% women. Nails and beauty are quite popular for many women in the black community. Philippi income is skewed toward lower income levels, and this will impact her pricing and customer targeting opportunities. Philippi demographics are discussed in more depth later.

The South African **economic** environment is experiencing a slow rebound from being hit hard during the COVID-19 pandemic, which impacts the demand for beauty services. The COVID-19 pandemic also had lasting impacts on the nail salon industry, such as increased concerns around sanitation.

The biggest **regulatory** challenge relevant to the opportunity is increased load shedding because it is difficult to provide services in the dark without electricity during load shedding hours. Some nail equipment (such as UV lights for gel manicures) may require electricity to use. However, the nail salon industry generally lacks high regulation here in South Africa, creating low barriers to entry. Zandile has obtained proper licenses and certifications to operate as a nail salon business, but it is also extremely easy to operate a beauty salon quite informally and even on a cash basis.

Customer Switching Costs and Loyalties to Competitors

Customer switching costs are low in terms of tangible monetary value because it does not cost customers anything to leave one salon and try a new one. Customers simply need to overcome the emotional and logistical hurdles related to trying something new (such as booking an appointment with unfamiliar people, getting directions to a new location, and doubting the quality of results). However, many customers may be loyal to their favorite salon for various reasons including convenience, routine, reliability, friendships with service providers, and other reasons. Regardless, there are a multitude of reasons that one salon can convince people to switch based on customer preferences around location, pricing, service quality, overall experience, and more. Overall, nail art is nearly a commodity product. Maybe add chart

Market Definition

Mam Mehlo's main target market includes women aged 15 through early 50s in Philippi and surrounding Cape Town areas. These women care about showcasing fabulous style at an affordable price. Her ideal customers are open to trying new nail designs and makeup designs, and they want to keep their appearance polished on a regular basis. Zandile is interested in servicing clients of all races and socioeconomic statuses, and she will need to adapt her segmentation and marketing status accordingly to these client's needs.

Barriers to Entry

Barriers to entry for opening up a nail salon are relatively low. The most vital hurdle to start a nail business includes acquiring chairs, tables, nail polish, sanitation equipment, and various spa supplies. All of these inputs are readily available through various retail and wholesale channels. Entrepreneurs should also register the business and obtain relevant certifications, but nail artists could technically start providing salon services without these items. Choosing a location and marketing the services are additional barriers to entry.

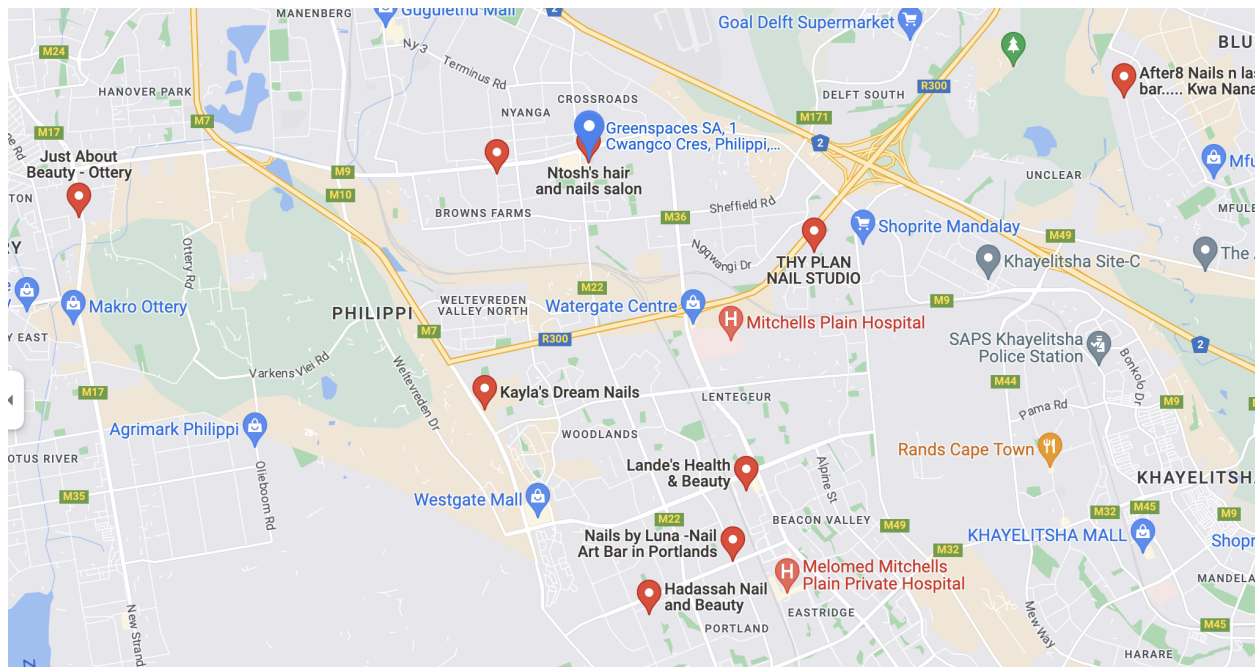
Market Size and Growth Potential

Total Population	Race	Marital Status	Highest Level of Education	Gender Population	Average Income
200,603	Black African 90.3%	Married 22%	No Schooling 3.1%	Male 50.3%	No Income 19.9%
					R1-R4,800 6.4%

	Coloured 8%	Living Together 8.5%	Some Primary 10.9%		R4,801-R9,600 8.3%
					R9,601-R19,600 16.6%
	Indian/Asian 0.3%	Never Married 66.8%	Completed Primary 5.1%		R19,601-R38,200 26.2%
					R38,201-R76,400 14.2%
	White 0.3%	Widower/Widow 1.3%	Some Secondary 49.3%	Female 49.7%	R76,401-R153,800 5.5%
					R153,801-R307,600 2%
	Other 1.1%	Separated 0.8%	Matric 27.8%		R307,601-R614,400 0.7%
					R614,001-R1,228,800 0.1%
		Divorced 0.7%	Higher Education 3.9%		R1,228,801-R2,457,600 0.1%
					R2,457,601+ 0.1%

The majority of Mam Mehlo's customers are likely to come from the Philippi township area, which is home to approximately 200,000 people. Approximately 65,000 of Philippi

residents are women aged 15-54, which aligns with the general demographics of Mam Mehlo's current clients. We estimate that at least 5% of these women will get their nails done regularly (at least once per month), and at least another 15% will get their nails done occasionally (at least twice per year). Putting this information together, we estimate there are at least 58,5000 desired nail appointments per year around the Philippi area in the relevant market. This amounts to 1125 per week and an average of 160 per day. We have identified 9 nail salons within a 10-minute drive of Mam Mehlo's via Google Maps. However, we understand there are likely several other salons who do not have a Google presence (including Mam Mehlo's). With proper marketing, we believe that Mam Mehlo's could capture up to an average of 10 clients per day from the available 160 daily clients seeking nail services.



Mam Mehlo's has a comfortable capacity of approximately 6 - 10 clients per day with her current operations, depending on the length and type of appointment. Approximately 80% of

Mam Mehlo's appointments are nail services, and the remainder of her appointments are related to makeup. Zandile also noted that makeup services are highly seasonal or related to special occasions (weddings, prom, holidays, etc.).

It's important to note that we have simply made conservative estimates of the percentage of people who are interested in and able to afford nail art based on available data. Zooming out, the nail industry segment in South Africa is currently valued at US\$79.21M, and it is expected to grow at about 4% annually for the next 5 years ([Statista 2023](#)).

Profit Opportunity in This Market

With Mam Mehlo's high margins, profitability is likely as long as Zandile adequately fills her appointment schedule. However, due to high competition in the area, Mam Mehlo's will likely need to expand to new markets or services to experience revenue growth suitable for expansion.

Competitive Intensity

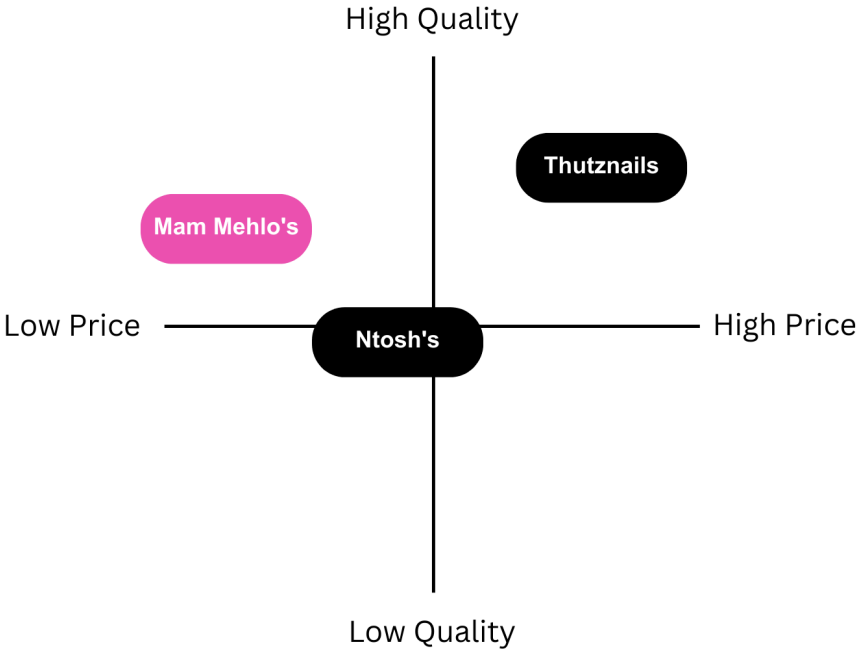
The nail salon industry in Cape Town is extremely fragmented. The market is saturated with multiple nail salons in nearly every town, township, suburb, and city section. Most salons in Cape Town are independently owned salons that have one or a few locations. There are no clear large players that dominate the overall market. The majority of the nail salons are not incredibly differentiated, as customers can get similar services at many different locations.

Competitive intensity is relatively high where Mam Mehlo's is located, as there are two other salons that also provide nail and/or makeup services in the same Philippi Village container walk area. This means that there are three shipping container salon options within 100 feet of each other. Mam Mehlo's is the newest and the least established salon in the area. There are also several other nail salons within a 5 minute driving radius. Below, we have compared Mam Mahlo's to two relevant competitors.

Competitor Comparison

	Mam Mehlo's Nails and Beauty	Ntosh's Hair and Nails Salon	Thutz Nails
Focus	Nails, makeup	Hair, nails	Nails, makeup
Services Provided	<p>Nails: Acrylic and gel pedicures and manicures</p> <p>Makeup: Full face makeup, eyelash installation</p>	<p>Hair: braids, butterfly locks, cornrows, weave treatment, etc.</p> <p>Nails: Acrylic and gel pedicures and manicures</p>	Acrylic manicures and pedicures, soak off, repairs, and other extra nail services
Pricing	<p>Lowest pricing in the village by R20. Static pricing no matter the nail art.</p> <p>Acrylic mani: R180</p> <p>Acrylic pedi: R120</p> <p>Gel mani: R80</p> <p>Gel pedi: R50</p> <p>Makeup: R150</p>	Charges approximately R20 more than Mam Mehlo's across the board for nails	<p>Charges R20-R100 more than Mam Mehlo's</p> <p>Charges extra for tips and designs...</p> <p>Plain acrylics: R200</p> <p>Ombre: R220</p> <p>French: R250</p> <p>Art: +R10/nail</p> <p>Artsy set: R300</p> <p>XL tips: +R100</p>
Quality	Medium quality products, high quality art	Basic and quality art	High quality art
Website presence	None	None	https://thutznails.business.site

Social Media	2/10 Posts consistently, but videos are low-quality content, lack of	2/10 Facebook: 468 followers, last post in 2020, showcases finished services, very unprofessional captions/language, extremely low engagement (2ish likes per post)	8/10 Active on both Instagram (1.3K followers) and Facebook (2K followers). Contact information, policies, and prices are easy to find. High engagement on posts. Reshare posts from clients
Google Maps Presence	None	Yes	Yes
Ratings and Reviews	0 reviews	5 stars 6 reviews	5 stars 7 reviews
Top Strengths	Artistic abilities, Zandile's entrepreneurial spirit and self-advocacy	Hair specialties, base of loyal customers	Clear branding, web presence, easy to contact, signature nail style
Key Weaknesses	No Google Maps presence, new and small customer base, difficult to find directions/booking/availability info. etc.	No clear branding, unprofessional online presence	Unclear availability, unclear signage, location looks like a house with limited parking outside.



Market Segmentation and Buyer Descriptors

The beauty salon market in Cape Town can be segmented by usage, services desired, and income level. Typically, there are two distinct customer segments of people who get their nails done. First, there are frequent customers who change their nails every couple of weeks. Second, there are less-frequent customers who get their nails done for occasions or to treat themselves. Nail regulars provide much higher customer lifetime value, but due to the nature of existing services basically everywhere in Cape Town, Mam Mehlo's must take clients away from a competitor to gain regular customers. Alternatively, Mam Mehlo's could increase usage among less-frequent nail goers to gain regular customers.

We can also segment the market on the basis of services desired, including the desire for gel nails, acrylic nails, and makeup services, along with the styles of the services desired. Finally, we can segment the market based on income level, with higher-income earners willing and able to pay higher prices and more often for nail services. SEGMENTATION CHART?

Level of Market Sophistication

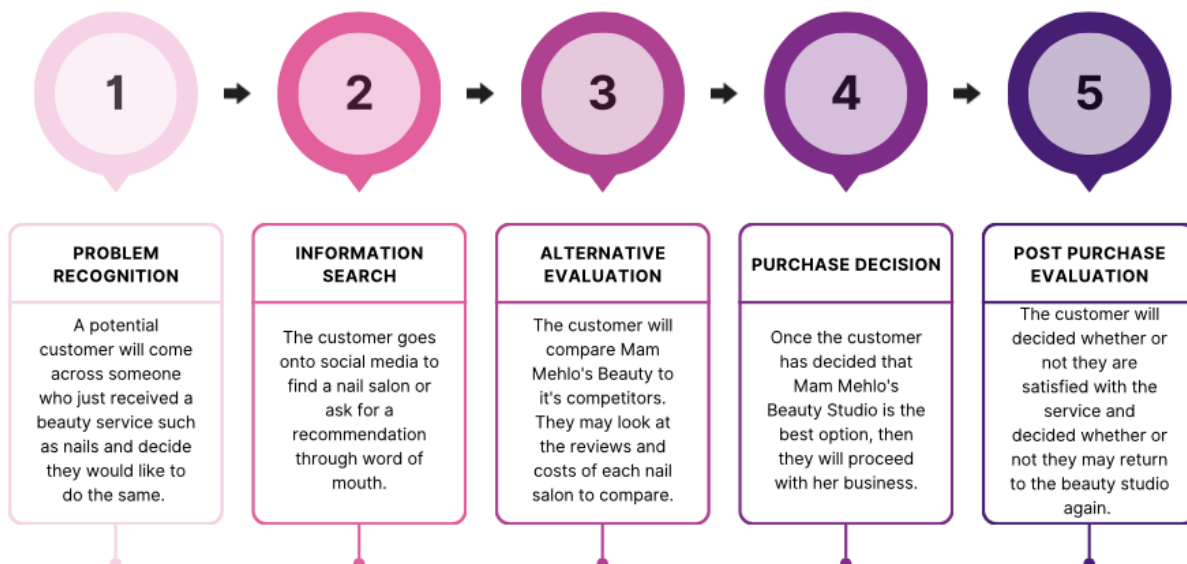
Mam Mehlo's target market falls pretty high on the level of sophistication scale (around level 5) because consumers are very familiar with nail salon services. Clients know exactly what to expect when they enter Mam Mehlo's, whether they have gotten their nails done by Zandile before or not. Zandile must rise to the challenge of differentiating herself from competitors, communicating why her services are iconic, and showing how no other salon can compare in her target customers' minds.

Fit Between Opportunity & Concept

There is clearly a need in Philippi for nail services, and the services Zandile offers fit well within the social and cultural environment. However, nail and makeup needs were already fulfilled by multiple salons before Mam Mehlo's entered the market. Zandile must find special opportunities to differentiate herself and succeed within a saturated market in addition to her lower pricing advantage. Unique nail designs, services, atmosphere, or branding could provide plausible sources of differentiation.

Customer Buying Behavior

MAP OF THE CUSTOMER BUYING PROCESS



The diagram above takes us through the different stages of the customer buying process. Step 1 of the process talks about problem recognition, where a (potential) customer comes to the realization that they are in need of a certain product or service. In this case, a

potential customer will come across someone who just had their nails or makeup done and will decide that they would like to do the same. The customer will then move on to Step 2 of the process where they search for nail salons or look for recommendations via word of mouth, which might include asking the person they saw with their makeup or nails done where they had them done. After finding this information, the customer will make a comparison of Mam Mehlo's prices with those of her competitors. The customer might also compare Mam Mehlo's beauty studio and her competitors based on how much each of these businesses are recommended. The customer will soon realize that Mam Mehlo's beauty studio is the best option and will proceed to use her services. The final step of the process is an evaluation of the purchase where the customer decides whether they are happy with the results and whether or not they would use Mam Mam Mehlo's services again.

Layer 2: Internal Operations and Resources

Accounting and Bookkeeping systems

Mam Mehlo's accounting and bookkeeping system needs some improvements. She does not have a reliable form of tracking of the cash flowing in and out of the business for accounting purposes.

Mam Mehlo's Beauty Studio has been operating since October 2022 and she had not been carefully following any accounting activities until the month of June 2023. For the month of June, Mam Mehlo used a simple bookkeeping system where she recorded her financial records on an Excel spreadsheet. The Excel spreadsheet that she used to record is quite organized, including an accurate record of the dates and money received as well tips from her customer. However, it does not capture all the details of every sale. Mam Mehlo only accepts cash and EFT payments and does not take any credit payments from her customers. She also purchases supplies using cash. Therefore, she does not have any receivables and payables to record.

Zandile's bank statements are the most ACCURATE cash flow resource the business has. However, Zandile uses her personal bank account for both business and personal use, making separation of business and personal finances difficult.

In addition, Zandile has a few invoices and receipts from when she started the business last year. However she does not have a proper filing system of all these source documents, as she only has copies of a few of these invoices stored in a "book." She does not keep all of her source documents or copies (invoices, receipts, etc.), meaning there isn't any evidence of some

of the recorded transactions taking place. Overall, structuring a record keeping and accounting system is a key opportunity for Mam Mehlo's to benefit from.

Financial Records

Zandile has not tracked the monthly sales of Mam Mehlo's beauty studio for any particular period. Thus, Zandile does not generate any financial statements for Mam Mehlo's, making it difficult to track an accurate record of all the different expenses and sales the business has. She doesn't know how much profit she makes, she just knows she gets enough to pay her rent. Zandile also does not have a sense of cash flowing in and out of the business.

A simple and easy-to-understand booking system will be developed to help Mam Mehlo maintain an accurate record of the business transactions and enhance its long term sustainability. This will also help her understand her business better than she does now. According to Zandile, her nail services bring in the most revenue compared to other revenue drivers and constitute almost 80% of her sales. We don't know how accurate that is, and an enhanced bookkeeping system will help her identify and understand which service makes the most profit.

An enhanced bookkeeping system could help Zandile to identify which area of the business to spend money on. Improving her financial recording system can be highly beneficial for Mam Mehlo's, so Zandile is able to better understand her revenue, profits, and overall financial situation to make more informed business decisions.

Cash receipts and payments journals will be prepared and made available to Zandile. These journals will help her record the businesses financial transactions accurately. She'll also be able to track the beauty studio's cash flows and help organize her records. Zandile has some

basic accounting knowledge which she got from doing accounting in high school and a short entrepreneurship course, so these journals will not be hard for her to prepare.

As the Khulisanani Consulting team we have identified this as a key area that Mam Mehlo needs help with so she can also assess the viability of her business. The team will create an well-organized user friendly bookkeeping system, as well as a proper filing system of accounting.

Cost Structure

Zandile does not have fixed cost structure and does not consider overheads like her labor, transportation, internet data cost, etc. when charging her customers. Mam Mehlo doesn't know exactly what her variable costs are, but she can estimate them according to the amount she spent on the products.

Revenue Driver	Price	Variable Cost	Contribution Margin	Time Required
Acrylic Manicure	R 180	R8.9	R171.1	2.5hrs
Acrylic Pedicure	R120	R4.45	R115.55	1.5 hrs
Gel Manicure	R150	R5.43	R74.57	1 hr
Gel Pedicure	R80	R2.715	R147.29	20 - 30 min
Makeup	R150	Variable	Variable	1 hr or less
Eyelash Extension	R100	Negligible (customers	R100	Variable

Installation		bring their own lashes)		
---------------------	--	-------------------------	--	--

Mam Mehlo's fixed and variable costs per month

Fixed Costs per month	
Category	Cost
Rent expense	1448.60
Utilities	120
Labor	310
Toilet rolls	30
Marketing	20
Internet data	68
Total fixed costs	R1996.60
Variable costs per month	
Bank charges	19.29
Nail products	300
Makeup products	0

Refreshments	400
Total variable costs	R719.29
Total costs per month	R2715.89

Mam Mehlo does not generate any cash flow statement thus does not record the cost incurred for every transaction. However, she did keep record of transactions for the month of June in an Excel spreadsheet. We will use this information to calculate her break even costs. After analyzing her bank statement we observed on an average the bank charges of Mam Mehlo are around R19.29. It is evident that her rent is the main contributor towards her monthly fixed costs. Zandile does not account for her own labor as a monthly fixed cost. To account for labor costs, we calculated 20% of her monthly revenue of R1550, which is a reasonable amount of salary that she could normally pay herself. The variable cost for makeup is also R0 because she has not gotten any clients for makeup services in the past couple of months. Zandile only buys small quantities of supplies at retail prices when she thinks she needs them.

Revenue generated during the month of June so far = 1550

Mam Mehlo had **13 customers** for the month of June thus far. This represents the total number of customers across all services, including nails (most popular service) and other procedures.

Total variable costs/number of units = average variable cost per unit

$$= 719.29/13$$

$$= \text{R}55.33 \text{ avg variable cost per client (June)}$$

This shows that there was an average variable cost of R55.33 per client in June, regardless of the services they purchased. To find the average contribution margin, we must calculate the average price paid from each client.

Total revenue/number of units = average price paid per client

$$= 1550/13$$

$$= \text{R}119.23 \text{ avg price paid per client (June)}$$

Average revenue - average variable cost = average contribution margin per unit

$$= 119.23 - 55.33$$

$$= \text{R}63.90 \text{ average contribution margin per client (June)}$$

$$= 53.6\% \text{ contribution margin}$$

Mam Mehlo's fixed costs for the month of June added up to **1996.60 in fixed costs.**

Break-Even Quantity = Total fixed costs/Contribution margin

Break-Even Quantity = $1996.60/63.90 = 31.25$

Break-Even Revenue = $1996.60/0.536 = \mathbf{R3,725}$

Mam Mehlo's must serve **32 clients to breakeven** in the month.

Her **breakeven revenue is R3,725** for the month.

June Total Revenue = 1550

13 total clients

Monthly Fixed Costs	Avg Variable Cost Per Client	Avg Price Paid Per Client	Avg Contribution Margin	Avg Contribution %	Breakeven Quantity Per Month	Breakeven Revenue Per Month
R1996.60	R55.33	R119.23	R63.90	53.6%	32	R3,725

Cash Flows

Mam Mehlo does not have a business bank account which makes it hard to make accurate distinctions between her personal expenses and business expenses. The following Cash flow statement represents inflows and outflows from October 2022 - June 2023.

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Begin cash	0	6471.60	11477.15	15663.60	14927.5	13415.9	12656.1	11408.75	9894.15
Equity	21 201	0	0	0	0	0	0	0	0
Revenue	0	8400	7333	1832	1004	1637	1225	1200	1550
TOTAL CASH IN	21 201	14871.6	18810.15	17495.60	15931.5	15052.2	13881.1	12608.75	11444.15
Materials(nail and make up products)	(5745)	(600)	(480)	(240))	(200)	(180)	(210)	(393)	(300)
Labour	0	(310)	(310)	(310)	(310)	(310)	(310)	(310)	(310)
Salaries	0	0	0	0	0	0	0	0	0
Marketing	(3 400)	(36)	(36)	(24)	(12)	(24)	(12)	(12)	(20)
Rent expense	(1448.60)	(1448.60)	(1448.60)	(1448.60)	(1448.60)	(1448.60)	(1448.60)	(1448.60)	(1448.60)
Internet data	(50)	(60)	(52)	(36)	(12)	(30)	(45)	(69)	(68)
Refreshments	(196)	(800)	(680)	(420)	(230)	(300)	(280)	(320)	(400)
Utilities	(30)	(30)	(30)	(30)	(30)	(60)	(120)	(120)	(120)
Equipment	(3520)	0	0	0	0	0	0	0	0
Bank fees	(30)	(79,85)	(79,95)	(29,5)	(23,25)	(13,5)	(16,75)	(12)	(19.29)

Toilet paper	(30)	(30)	(30)	(30)	(30)	(30)	(30)	(30)	(30)
TOTAL CASH OUT	14729.60	3394.45	3146.55	2568.1	2516.1	2396.1	2472.35	2714.60	2715.89
Ending cash	6471.40	11477.15	15663.60	14923.5	13415.4	12656.1	11408.75	9894.15	8728.60

Zandile does not cover for fuel expenses because her husband covers them for their shared vehicle. For this reason, we have not included gas as a business expense. Zandile currently does not have any salaries, hence the salary expenses equate to zero for all the months. She also does not pay herself any salary, but we have included a potential salary of 20% of revenue as a business expense in her cash flow statement. The purpose of this is for tax reasons as well as accurately assessing her profits and not overstate her actual profits.

Although the cash flow statement shows that Zandile is able to pay her bills, she uses the profits for personal use and some of her equity is held up in the equipment she bought when starting the business. When analyzing her bank statements we noticed that her husband has been sending her around R1000-R2100 per month and immediately after this cash in amount she pays her rent. We have drawn a conclusion that her husband might also be paying for her rent. This may overstate the amount of revenue she thinks she's making. Zandile made significant amounts of revenue for November and December, which makes sense because this is a seasonal business and most people always want to get their nails done and have make-up on as it is the festive season.

Zandile has a potential of increasing her volumes. She needs to invest more money on marketing her business and maintaining existing customer relationships. She has a few loyal customers as observed on her bank statements, meaning her services are quite good.

Accounts Receivable

Zandile has made a smart decision not to offer credit to her customers for the services they receive. Given the high volume of her work, it would be quite a challenge to manage credit down the road. To avoid any potential client debt, she ensures that electronic or card payments are processed before the client leaves the store. This helps her maintain an efficient payment process for her current operations.

However, Zandile has mentioned in interviews that her policy might change if she expands her services to larger group bookings like weddings, parties, and events. These types of bookings involve more complexities and longer durations, which may require different payment terms. Zandile understands that she may need to reconsider her policy to meet the specific needs of these larger events.

It's always a good idea for businesses to review their policies regularly and make adjustments as needed. If Zandile decides to offer credit to larger group bookings in the future, she should establish clear guidelines and procedures to effectively manage any financial risks that may arise.

Accounts Payables

Zandile does not have any relationship with her suppliers, however she does keep in touch with some of the employees from the shops she buys her products from. Zandile only

keeps in touch with these employees so she can inquire if they have the products she needs in stock. As it stands, Zandile does not have any amounts owed to suppliers.

Accuracy of records

Zandile does not have accurate records of her transactions for the business. This makes it difficult to track the exact expenses of the business and to also assess if she's making any profits. Due to this, Zandile always spends money as it comes. Zandile needs to be accountable for money being spent so as to not misuse the money flowing into the business.

Budgeting/Financial Planning

Zandile prices her services according to her competitors prices, as well as the amount spent on products. She says that the products she buys are cheap, therefore it wouldn't make sense to charge high prices. She does not properly consider all the business expenses when charging her customers.

She does not budget her monthly expenses and spends money on a need basis. She does not assign budgets for her marketing, refreshments as well as operations, which makes it difficult for her to plan ahead.

Pricing

Zandile's vision for her brand, Mam Mehlos, is to embody class and luxury while maintaining affordable prices. She wants her customers to feel like they are receiving high-quality services without the hefty price tag. To achieve this, Zandile has employed a penetration pricing strategy. She deliberately charges R20 less than her direct competitors in

order to attract a larger volume of customers and create brand awareness. The idea behind this strategy is to establish a strong customer base and generate positive word of mouth.

To make her pricing strategy more effective, Zandile has been sourcing nail supplies from a supplier in Chinatown at very low prices. While this allows her to offer competitive prices, there are some downsides. Currently, she is facing challenges with low visibility and thin sales, and thinning her profit margins further might exacerbate the issue.

Furthermore, relying on low prices as a core part of her value proposition can pose difficulties in the long run. It may become challenging for Zandile to increase her prices in the future without potentially alienating her customer base, as they have come to expect and appreciate the affordability of her services.

System for collection and payment of VAT

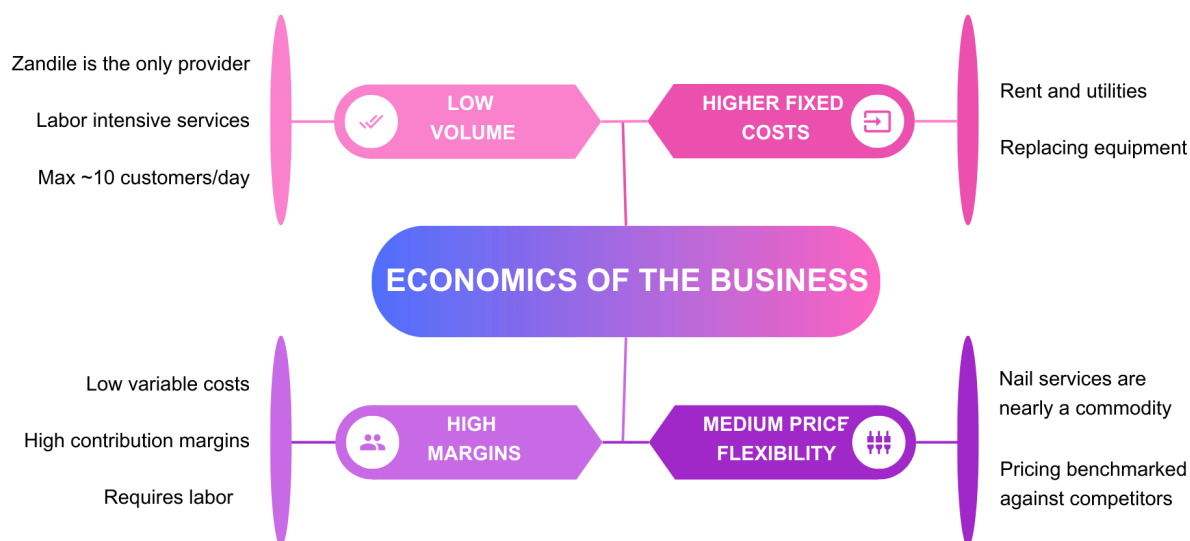
The VAT ACT stipulates that an enterprise making taxable supplies over R1 million annually should compulsorily register for VAT to become VAT vendors. Mam Mehlo's does not have taxable supplies that reach the R1 million threshold, therefore does not qualify to register as a VAT vendor. This means that Mam Mehlo does not charge her customers VAT and does not pay any VAT over to SARS.

Revenue Drivers and Profitability of Each

Revenue Driver	Price	Cost of Supplies	Contribution Margin (before bank fees and refreshments)	Time Invested	Approx. % of Revenue
Acrylic Manicure	R 180	R8.9	R171.1	2.5 Hours	80%
Acrylic Pedicure	R120	R8.9	R111.1	1.5 Hours	
Gel Manicure	R80	R5.43	R74.57	1 Hour	
Nail Art (2 nails)	R0	Negligible			
Gel Pedicure	R150	R5.43	R144.57	20-30 Minutes	
Makeup	R150	Variable	Variable	1 Hour	20%
Eyelash Extension Installation	R100	Negligible (customers bring their own lashes)	R100	30 Minutes	

The above chart compares the price of each service with the cost of supplies to perform the service. Each client could also bring in additional variable costs for Mam Mehlo's, including bank fees and the cost of buying complimentary refreshments for guests. However, these costs vary independently from the service offered. In addition, Mam Mehlo's occasionally has semi-variable costs, such as replacing the nail equipment and kits every so often.

Economics of the Business



Zandile's business is characterized by low volume and high margins. She is only able to complete a handful of labor-intensive services each day, but she makes at least 90% margin on each service. Mam Mehlo's has significant fixed costs, namely rent and utilities. She also must replace equipment periodically. If she decides to hire an employee in the future, salaried or commission-based labor will be her largest new cost. Finally, nail services are nearly a commodity, so she feels the need to keep pricing close to her main competitors. Currently, Zandile is competing on price and has the lowest prices in her area.

Debt Position and Financial Structure

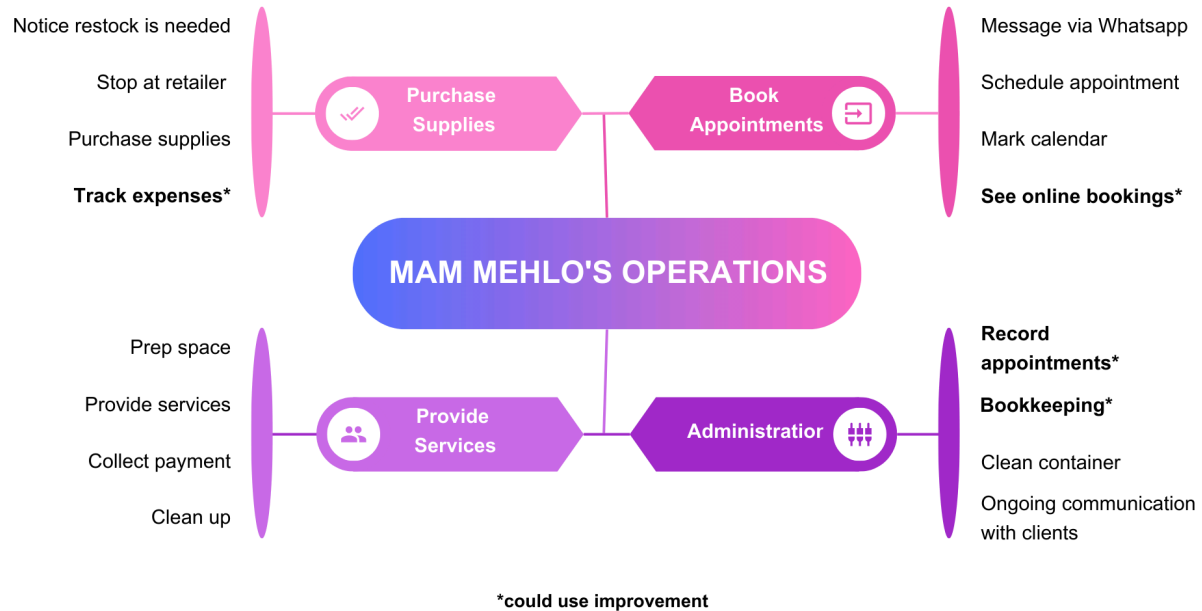
Mam Mehlo does not have any current debt, so Zandile can invest large portions of her profits back into the business growth. Currently, Zandile does not pay herself any salary from

the business which makes it difficult to distinguish between the money spent on personal expenses and on the business. This also underestimates the real expenses of the business and increases the profit potential. Zandile should start withdrawing a salary from the business for tax purposes.

Financial Controls and Planning

Zandile does one-on-one with her clients and they pay immediately after they've been serviced. She does work with matriculants who want to go to farewells but the quantity of the services they need is quite manageable and not huge. Zandile's business cannot entertain late payments or offer services on credit, hence everyone has to pay immediately after the service has been provided. Zandile has not considered taking a loan from the bank. This is because her business has just started out and she currently does not require that much money for stocking her products. She operates in a rented space and owns the equipment she uses.

Map of Operations: Service Delivery Process and Information Flow



Operational Basics

There are four main operational elements of Mam Mehlo's business. First, Zandile must purchase supplies at a local retailer. Second, she must market her services and book appointments. Third, Zandile provides the actual services, which includes prepping her space, completing her work, collecting payment, and cleaning. Finally, there is an administrative aspect of Mam Mehlo's business, involving bookkeeping, tracking appointments, cleaning the container, and continuously communicating with clients. Administration, specifically tracking appointments and bookkeeping, is a key area that could be improved in the business.

Client Considerations

Once a customer or client identifies Zandile's services, they contact her via WhatsApp/Facebook to inquire about her services she offers and the prices. Zandile will answer the customer's questions regarding the services and the prices thereof and the customer will then decide if they'd like to use her services.

In cases where the customer requires Zandile to come to them, Zandile currently does not charge the customer for traveling (Zandile's traveling to the customer's place) and she does not have a booking fee. This is a problem because Zandile has to use money out of her own pocket to get to the customer's place and the fact that she does not have a booking fee puts her at risk of losing money in cases where the customer might cancel at the last minute. Just to get to the customer's place, Zandile uses more than 30% of the money she will get from the customer for transportation. Zandile should start charging transportation fees for her house call services and start implementing a booking fee in case customers cancel at the last minute.

Internal Controls and Administrative Processes

Zandile does most of her communication with clients by phone through WhatsApp and occasionally Facebook. Zandile has access to a laptop, but she does *not* communicate with clients via email or any online contact forms. The customers normally come to Zandile's business or workplace to get their nails or makeup done. There are some occasions where Zandile has to travel to her customers to do their makeup or nails.

Mam Mehlo's Beauty Studio currently lacks proper administration, as Zandile does not keep detailed track of services completed. Zandile used to store her receipts and invoices during her first month of operation, but she no longer keeps track of the business' cash flow.

Zandile needs a system that will enable her to monitor the cash flow of her business and keep account of the business' revenues and expenses. Zandile needs to be able to estimate the amount of services she renders in a given month. Plus, she needs a method to be able to keep track of her bookkeeping records by herself.

Capacity and Demand

Generally, Zandile can serve any client that makes demand for her services. Most of the time, she has extra appointment availability, especially during the beginnings of the week and off-season months. The hours of operation for Mam Mehlo's Beauty Studio are not fixed. Now, in the winter she closes around 5pm due to lower demand. During summer, holidays, and busy times, Zandile must work long hours to accommodate demand. However, it is rare that she must turn away any clients due to lack of availability.

Occasionally, a client may request a service that Zandile is not experienced with, such as wig installations and eye lash extensions. In such cases, Zandile explains to the client that she is not an expert in that field and gets the client to understand what she can do instead. Oftentimes, the customer will still let her provide the service at their own risk.

Purchasing Policies

Zandile buys her products, including artificial nails, nail polish, and makeup products at retail stores. Buying retail can be costly compared to buying wholesale and she can not take off discounts that wholesalers offer when buying in bulk. Most of these purchases are occasional and are not done on a regular basis. She only restocks once the product runs out.'

Handling Customer Complaints' and Cancellations

Zandile has not reported any instances where she has had a customer complain about her services. In terms of cancellations, Zandile currently does not have a booking fee nor a cancellation fee which is a disadvantage to her because she needs to clear out her schedule in order to accommodate the customer that had previously made a booking. If that customer cancels or bails on her, she is left without work for that hour or so that that customer was meant to come in.

Customer Service

Zandile is a very kind individual who knows how to work with people, and this has a very positive effect on her business. This is a key reason she has a few loyal customers coming back to use her services. In order for her clients to have a delightful experience with her, she offers to draw some art free of charge on their nails. Zandile can use the free art tactic to gain even more customers as other salons charge per nail art. After she's gotten a high volume of customers she could start charging art per nail. When she does this she should inform her customers in advance.

Zandile takes pictures of the makeup and nails she does on her clients if they provide consent. She posts these on her WhatsApp status, Facebook account and Instagram pages. She also shows these photos to customers so they get inspiration of what they'd like their nails or makeup to look like or as proof that she is capable of doing their makeup or nails. These pictures build Mam Mehlo's credibility in the eyes of the clients.

Quality Controls

Mam Mehlo does not check the quality of her products after she buys them. She says this is because she trusts the products and she believes they are credible. We do think the quality control or testing is something that she needs to start doing to ensure that the products she bought are high quality so they don't cause any problems between her and her customers.

The Internal Infrastructure

Staff

Mam Mehlo currently does not have any employees, as her business hasn't reached high volumes of customers yet. Zandile handles all the administrative activities, cleaning of the container, and all the services she offers. However, Zandile does not pay herself any salary for all the work she does in her business.

Information Systems

Zandile is computer literate but not extremely tech savvy. She has Microsoft Office skills, including Powerpoint, Word, and Excel, as well as E-mail etiquette. She uses Whatsapp as a primary communication tool with her customers, and she knows how to use the basic features on Instagram, Facebook, and TikTok.

Formal Registration of Business

Mam Mehlo's Beauty Studio is a registered small business, fully owned by Zandile Bonkolo-Mehlomakhulu, therefore she is a sole trader. The business was registered on the 6th

of October 2022. Zandile's business is not registered for VAT as it does not make taxable supplies of over the R1 million threshold per annum.

Employee Compensation Package

Zandile plans to hire employees once she increases cash flows and is able to afford hiring. Since she also plans to expand in locations, the future of her business will most definitely require an employee compensation package. Currently, any employee compensation package is not applicable.

Databases and Records

Mam Mehlo has no database of her customers. This is quite harmful for the business as she needs to have a record of her customers for marketing purposes as well as keeping customer relations. This will also help her to keep track of appointments with her customers as she wants to implement a marketing strategy of having customers do 4 of her services and getting the 5th one free. We plan on helping Zandile build her administrative skills by developing a customer database in order to be able to have her customers information and where to focus his marketing on.

Location

Zandile lives in Malmesbury, which is about an hour away from her workplace. She operates in Philippi Village, which is a relatively busy area despite the fact that Zandile's business is not getting that much traffic at the moment. Zandile specifically chose this location because her husband has two businesses there and it would be easier for them to commute

together. However, the area is a disadvantage for customers who live in other areas as they are scared to visit their area due to its high crime rates and the risks it poses to their safety.

Layer 3: External Relationships & Activities

Marketing Efforts

Positioning

The Beauty Studio aims to be a unique experience for those seeking beauty services such as nails and make up. Mam Mehlo's Beauty Studio provides great services at competitive pricing, however, we aim to alter the market value of the studio's services since she has priced lower than any other competitor yet they still struggle with sales. Thus, we must find a different approach to defining the business's place in the market.

Segmentation and Target Markets

Mam Mehlo's is struggling in the single market segment as she faces tough competition from two nearby stores who offer similar services in the beauty industry. The low prices that Mam Mehlo offers are set to accommodate the working class and even those who are unemployed, however, this creates challenges for the entrepreneur because a lack of sales will greatly impact the success of the business since her business model is structured with high volume, low margins. The target market is primarily females between the ages of 15 to early 50's in the Philippi area. There is no specific income market that Zandile wishes to target, she has hopes of being a business that caters to individuals of all different backgrounds. Thus, widening her target market. An example of consumers in her market include students who wish to receive her service for events such as prom/matric or ceremonies and such. At the same

time, a consumer of her's could be someone who is wealthier and has more disposable income that gets their nails done regularly.

Advertisement of the business is present on social media platforms, which makes the business accessible to clients that are outside the Philippi area, widening the market for potential customers. Some of these clients have cars but because of the high crime rate in the area, some of these clients get scared to go to the salon. Hence, Mam Mehlo travels to their homes and does house calls. Therefore, the business is targeting everyone who is around Cape Town and is interested in the services. Her target is thus made flexible regardless of location, socioeconomic status, age and even gender.

Sales Efforts and Approach

Currently the salon's clients are attracted through word of mouth referrals and also physical proof of the work done. Examples of her utilizing word of mouth sales pitching is Zandile using her church socials as a way to market her services by showing them her work in nails and make up. Another way that she attracts new clients is by utilizing her connections in the beauty industry with the retailers she purchases her products from. She has a relationship with the employees of the store, Planet Nails in the mall, she provides promotions for these girls whenever they refer a new client. These employees of Planet Nails can be considered as the ambassadors of the business, since they know Zandile's work and can vouch for her by referring new clientele.

Distribution Channels

The distribution channel used in Mam Mehlo's is the service process is labor based. It is done by the sole owner and operator Zandile. She uses products she purchases from retailers

to provide the service of nails and make up. Since it is a service based business, she doesn't have distribution channels since the product itself is an action based on labor services.

Signage, Marketing Media, and Advertising

Mam Mehlo does not believe that a website would be an effective marketing strategy, but our team may disagree. She believes that her target market would not go as far as looking for a salon for makeup and nails on a website. However, having a website is a great resource for consumer research, she is able to showcase her work on the website, feature client testimonials, as well as organize appointment booking systems on the website. Mam Mehlo does not have any business cards or pamphlets that advertise her business. She does have a hope of creating business cards and pamphlets so that it can be easy for her to just hand them out whenever it is required and also give to her customers to recommend her business to friends and family.

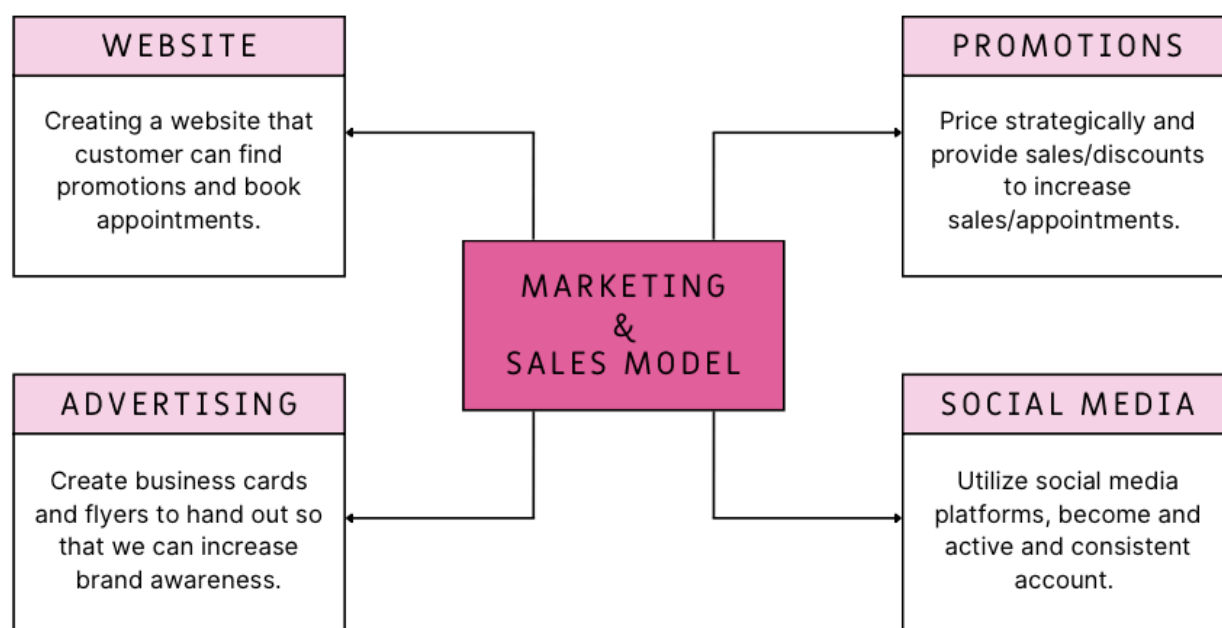
Mam Mehlo's Beauty Studio has social media for advertising and marketing. There is an active TikTok account and an Instagram account that has pictures and videos of the work that she does and the clips of happy customers. In every video there is a small round card with Mam Mehlo's logo on it, so she is doing a decent job at creating a brand name for her business. The Tiktok account seems to be the one platform that is most effective as she says that it brings in more customers. Many of the customers that are not around Philippi see the business on Tiktok and contact her. However, her TikTok presence leaves a lot to be desired, as she has less than 100 followers, and her videos are of low quality. Leveraging social media further could be a key way for Mam Mehlo's to increase brand awareness at a low cost.

Mam Mehlo's has not completed any paid advertising campaigns, and the salon is unlikely to have a significant budget for paid advertising in the near future. However, there are



several opportunities for marketing efforts that could be a strong fit for Mam Mehlo's without a budget necessary. For example, she could hang print advertisements in her husband's Philippi Village internet cafe and shop. She could also take advantage of micro-influencer marketing by implementing a referral system or commission-based approach to eliminate upfront costs.

Map of Marketing and Sales Model



Sales Promotions

Zandile has outlined a few sales promotions she has done over the past 7 months of business. For example, she created a Mother's Day campaign where customers could gift their mothers or grandmothers a free nail session with their purchase. There are many more opportunities to leverage sales promotions and referrals around peak times (such as prom and holidays) to get new customers in the door. Rewards punch cards could be used to increase

loyalty among new and existing customers. The business has great marketing potential, which will be utilized in the deliverables.

Customer Relationship Building

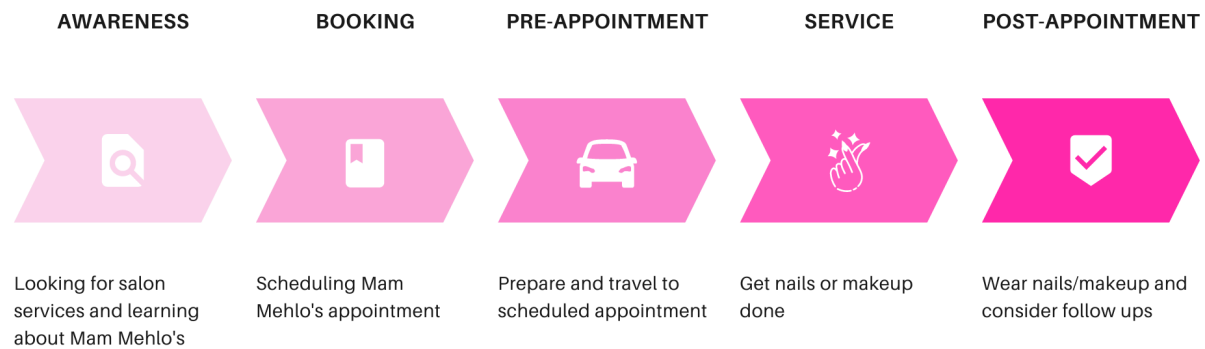
Zandile has an amazing advantage in her business: her pricing structure is incredibly fair. Customers are drawn to her because they know they're getting top-notch nail services at reasonable prices. It's a win-win situation that keeps them coming back for more. She goes above and beyond by offering free nail art to her clients. She adds a little something extra to their services without charging them a dime. It's her way of showing appreciation and making sure her customers leave feeling special.

Not only does she offer great services at an extremely reasonable cost, but she offers a *personalized* experience for her clients. One of the things that sets Zandile apart is her incredible personality. Spending time with her is an absolute delight, and customers love the positive energy she brings to the table. It's not just about getting their nails done; it's about enjoying the whole experience. And that personal connection makes it easy for Zandile to develop a loyal customer base. Her biggest struggle at the moment is getting the clientele to begin with.

In the past, Zandile has rewarded her loyal customers with special perks and offers. Although she might have put a pause on those programs for now, she has every intention of bringing them back in the future. After all, showing appreciation for her customers' loyalty is important to her, and she wants to keep them coming back for more. She lacks a customer database system, and by creating one in the future, she can fully utilize sales and promotions.

Zandile also has a creative idea to showcase her happy customers on social media. She wants to feature their beautiful nails and link their accounts to spread the joy and share the love. It's a great way to promote her services, while also giving her customers some well-deserved recognition. By doing so, Zandile not only attracts new clients but also builds trust by showing real-life examples of satisfied customers.

Map of Customer Points of Contact



Customer Journey Details & Moments of Truth

	1. AWARENESS	2. BOOKING
STEPS	- looking for salon services	- schedule Mam Mehlo's appointment
CHANNELS	Word-of-mouth (online, call, in-person) Social media Instagram, TikTok, Facebook	Whatsapp text Whatsapp call Email
MOMENTS OF TRUTH	- hear about Mam Mehlo's from a friend, family member or acquaintance - hear about Mam Mehlo's from Zandile - view a photo/video online - visit profile and scroll through the feed - search for information about the salon - search for contact information	- type number and add contact info - think about message and write it - wondering about the unclear... - availability - pricing - services offered - message recipient - ease of scheduling - response time, tone, and professionalism
PAIN POINTS	- want to see examples of services and potential results - want pricing and availability information	- discomfort interacting with a new person - want to confirm booking fast - debating potential alternative salons
EMOTIONS	- excitement - confusion - curiosity	- impatience - insecurity - discomfort

**POTENTIAL
PROGRESS****Add social proof**

- increase followers
- ratings/reviews
- customer testimonials

Make salon info readily available

- add bio to Instagram and TikTok
- make contact/booking info very clear

Add online calendar

- set up online appointment availability

Enhance social media content

- more robust social media strategy

Add website

- central hub for business information

Automate process

- set up auto message suggestion
- auto-reply Whatsapp messaging
- add online booking process
- link to online calendar
- share services offered
- ensure people know they are messaging Zandile

STEPS**3. PRE-APPOINTMENT**

- arrive for scheduled appointment

4. SERVICE

- get nails or makeup done

CHANNELS**Messaging****Personal Transportation**

**Zandile providing service in or out of
the Mam Mehlo's Beauty Studio**

**MOMENTS
OF TRUTH**

- Potential pre-appointment messages

Travel to Salon

- driving/walking/biking through Philippi
- go through security gate
- see colorful shipping containers
- choose parking spot
- look for Mam Mehlo's
- walk up metal stairs
- first perceptions of the salon

- greeted by Zandile
- place bags down
- sit in salon chair
- choose color/design
- assess cleanliness of supplies
- experience nail/makeup service
- have conversation (or lack thereof)
- level of physical and emotional comfort during the service
- see final result and compare with original expectations
- go to the bathroom?
- payment process (cash, transfer)

PAIN POINTS

- squeezing in appointment to daily life
- insecurity traveling through Philippi
- trying to find Mam Mehlo's among other shipping containers

- want nails/makeup to look great and exceed expectations
- want to feel welcomed and comfortable during the service
- want clean supplies

EMOTIONS

- uncertainty
- anxious
- excited

- pampered, energized, delighted
- bored, insecure, disappointed

**POTENTIAL
PROGRESS****Add automated appointment reminders**

- Whatsapp message with time and salon address / directions

Enhance salon atmosphere

- Ottoman for pedicure chair
- Add artwork and decor

Add clear directions**Add anonymous comment cards or**

<ul style="list-style-type: none"> - Larger Mam Mehlo's sign - Work with Philippi Village security to point people to the right place 	review opportunities
Organize travel appointments	Increase payment options
<ul style="list-style-type: none"> - share services offered - clear hours and location 	<ul style="list-style-type: none"> - card swipe?
	Offer loyalty program

	5. POST-APPOINTMENT	6. LOYALTY LOOP
STEPS	<ul style="list-style-type: none"> - wear nails/makeup - consider follow up appointments 	<ul style="list-style-type: none"> - schedule another appointment
CHANNELS	Daily life Whatsapp	Daily life Social media Whatsapp
MOMENTS OF TRUTH	<ul style="list-style-type: none"> - travel away from salon - take a photo of your look - receive compliments and/or have conversations about your new nail/makeup style with others - potential follow-up messages - see how long the new look lasts - eventually nails chip, break, fall off, or get removed / wash off makeup - decide if you want to go back to Mam Mehlos for another appointment 	<ul style="list-style-type: none"> - reminded of desire to get salon services - share Mam Mehlo's with friends - continued communication with Zandile - follow up appointment quality

PAIN POINTS

- want to look and feel great
- want others to notice your style
- want nail art to last a long time
- want nails/makeup to come off easily when needed
- want a salon to go to consistently
- some may want to get salon services together with friends/family members

EMOTIONS

- flattered
- stupendous
- fresh
- annoyed
- disappointed
- comfortable
- prepared
- routine-oriented

POTENTIAL PROGRESS**Automate follow-up messages**

- send thank you message or gratitude note
- let customers know about repairs, removals, and touch ups
- ask for comments or reviews
- later: inquire with customers about booking another appointment

Hire another employee

- increase volume
- allow multiple people to get their services at one time

Add loyalty and/or referral program**Marketing Media**

Zandile has a deep love for social media and actively engages with various accounts to stay informed about the latest trends and techniques in the nail art industry. Platforms like Instagram and TikTok serve as a wellspring of inspiration for her creative work. She understands the significance of social media in driving sales, especially within the townships, and acknowledges that word of mouth plays a crucial role as well.

She plans to introduce a referral program that rewards her loyal customers for referring new clients. By recommending her services to their friends, family, and acquaintances, her customers can enjoy discounted services as a token of appreciation. However, we first must create that customer database so that we can better execute the campaign of referrals and promotions in the future.

She envisions taking her referral program to the next level by implementing a multi-level system. This means that the more people a customer successfully refers to her, the greater their discount becomes. In other words, there will be incremental benefits for customers who bring in a higher number of referrals. This approach not only encourages her clients to spread the word about her exceptional nail services but also introduces an element of friendly competition among them.

Branding and Brand Identity

Zandile is not fully satisfied with her current decorating and organizational setup. She envisions a more sleek and professional environment to work in, one that matches the upscale experience she wants to offer. By upgrading her space, she aims to create an atmosphere that exudes sophistication and elegance, enhancing the overall customer experience.

What truly sets Zandile apart is her incredible artistic talent. She aspires to be known as the go-to nail artist in her area for the most creative and noteworthy nail art designs. She constantly pushes her artistic boundaries, experimenting with unique techniques, and staying ahead of trends. Zandile takes great pride in her ability to transform nails into miniature masterpieces, making her clients' nails true works of art. As mentioned previously, receiving services from Mam Mehlo's Beauty Studio isn't simply a business transaction at Zandile's beauty studio, it is an experience.

Pricing

Zandile's vision for her brand, Mam Mehlo's, is to embody class and luxury while maintaining affordable prices. She wants her customers to feel like they are receiving high-quality services without the hefty price tag. To achieve this, Zandile has employed a penetration pricing strategy. She deliberately charges R20 less than her direct competitors in order to attract a larger volume of customers and create brand awareness, she is still able to make fairly high profits as the majority of her costs are fixed and sunk costs. The idea behind this strategy of affordable piercing for great services is to establish a strong customer base and generate positive word of mouth.

To make her pricing strategy more effective, Zandile has been sourcing nail supplies from a supplier in Chinatown at very low prices. While this allows her to offer competitive prices, there are some downsides. Currently, she is facing challenges with low visibility and thin sales, and thinning her profit margins further might exacerbate the issue.

Furthermore, relying on low prices as a core part of her value proposition can pose difficulties in the long run. It may become challenging for Zandile to increase her prices in the future without potentially alienating her customer base, as they have come to expect and appreciate the affordability of her services.

Collection of Receivables from Customers

Zandile has adopted a policy of not offering credit for her services. Instead, she requires customers to pay immediately after she has completed their nails or makeup. Some customers pay in cash, while others prefer to use card payments. However, there is a lack of a solid paper trail to track these transactions effectively.

The cash payments she receives are deposited into her personal account, which creates a lack of consistency and organization. Zandile does not consistently deposit the cash she receives, which can create issues with her cash flow. It becomes challenging for her to accurately track the amount of money she has earned and spent since she does not have a proper bookkeeping system in place.

To address this issue, it would be beneficial for Zandile to implement a reliable bookkeeping system. This can help her keep track of her earnings, expenses, and cash flow more effectively. By maintaining accurate financial records, she can have a clearer understanding of her business's financial performance and make informed decisions to improve her overall financial stability. In addition to potentially opening a business bank account to aid in financial organization.

Payables

Majority of the costs in the business lie in her start-up funding as she has had to purchase the basic tools necessary to operate a beauty salon. After having purchased these items, it is very rare that she needs to restock on items. This is both because of the type of industry she is in and because of her lack of sales. Whenever she needs to restock it is little items such as a bottle of gel nail polish or acrylic tips, meaning, purchasing from wholesalers might actually be detrimental to the business rather than helpful.

Tracking of Market Performance

Since the business is still fairly new, there is a lack of brand awareness making it difficult for Zandile to receive new customers. Her current market performance is quite poor, with

inconsistent clientele, and a lack of new clientele. As a deliverable, we will work towards improving her brand awareness and presence on social media platforms.

Capturing Customer Data

Zandile does not have a consistent clientele, and she works with different people all the time. Because of this, she does not have the details of who her customers are or where they come from. We recommend that Zandile adds a customer base system to capture more customer data at bookings and record additional details after the appointment. This way, it opens a door for opportunities such as a loyalty program for consistent clientele or offers incentives to become a consistent client.

Customer Screening (spotting high risks of payment default)

Since Zandile does not offer any of her services on credit, the risk of payment default is quite low for her. She also makes sure that the money from card payments reflects on her bank account before the customer leaves. However, we will work towards creating a more professional system to ensure that there will never be any risk of faulty payments.

Financing Needs

Ownership structure and Financial Structure

Mam Mehlo's beauty studio is solely owned by Zandile Bonkolo-Mehlomakhulu. She owns 100% of the business and has no partnership with anyone. She started the business while she was still working as a line manager and earning a good salary. She bought most of her

material with her salary and saved up for a start-up capital. Mam Mehlo is not planning on acquiring any short or long term loans for the business because she is not making enough revenue to pay for fixed costs and manage debt. Her husband assists her with paying rent when the business did not make enough revenue. The main priority is to increase her sales which will resolve the issue of lack of cash flow in the business.

Financing Needs, Access to Capital, and Preferences

Mam Mehlo does not need alternative financing apart from the equity. The business has everything that is needed to keep the business running and render services to the client. The only issue she has is acquiring a large amount of customers. She has a dream of expanding the business once she starts making high revenue. It is only that time that she will need to look for alternative options to finance the business. Zandile has a lot of experience in the corporate world and was earning good income that was enough to manage her credit account which would make her credit score look good. This means she is eligible to get a loan at the bank. There are also programs that she would apply to for funding, e.g, SEDA, NYDA, SEFA etc. However, Mam Mehlo prefers growing the business from its profit rather than making loans. And with her profit margins, we believe that this will not be an issue since her primary costs are sunk and fixed so as long as she receives more consistent sales, there should be no finance issues in maintaining the business and even expanding in the future.

People the Entrepreneur Supports Through the Business

Mam Mehlo has no employees at the moment. She works alone and does all the services on her own. However, she does plan on hiring someone to assist her when her customer base increases and she is able to pay a salary to an employee. Mam Mehlo has a

family of 2 children and a husband. Her husband has 2 businesses in the same area she operates at, so she is not the only one supporting her family, but she does contribute to family finances.

Extended Network

Sources of Publicity, Low-cost Visibility, and Free Advertising

As for publicity, Mam Mehlo's has been featured on the Philippi Village website and Philippi village social media as a new founder of the container walk. Mam Mehlo's may be able to create guerilla marketing efforts that warrant a press release or local news coverage. In addition, partnerships with other local businesses could also provide a low-cost source of visibility. Along with this, Zandile has mentioned she wants to start making posters for her beauty studio and hang them up and around different areas, including her husband's Internet cafe.

Right now, her visibility is generally generated through word of mouth, as some customers refer their friends or family to her business. She also promotes her business services via Instagram, Facebook, and TikTok, along with updating her status on WhatsApp.

Relationships With Legal Experts and Distributors

Zandile does not have a lawyer for her business and neither does she have a relationship with someone in the legal field. The business is quite small, and she works alone, so she does not require a lot of legal expertise. She might need help with setting up employee contracts once she starts hiring, but at this current moment, we think her business can do without legal experts. Zandile buys her products from retail stores and therefore does not have

any distributors or any relationships with distributors. However, when she expands in the future, a relationship with someone working in law will be extremely beneficial, so we would recommend her to keep an eye out for these connections.

Other Advisors and Relationships

Zandile mentioned that some of the employees from the retailer stores she buys from are her customers as well. As mentioned before she provides discounts or free pedicures when they refer new clientele. Her relationship with these employees sometimes involves her messaging them from time to time to find out if they have certain products in stock that she'd like to purchase. This connection she has with her retailers comes in handy when it comes to restocking on items and brand exposure. We believe that she should continue to foster these relationships, because it is beneficial for her business.

Relationships with Suppliers

Zandile buys supplies from a retail store, and she does not have a professional relationship with any of the retailers she buys from. She does keep in touch with some of the employees from PlanetNails, but these relationships involve nothing more than her messaging them to inquire about the availability of products that she wants to restock.

Relationships with Bankers

One of the entrepreneur's weaknesses is her lack of financial skills. She does have bank accounts with Capitec Bank, meaning she has a professional consumer to business relationship with financial services. In addition, she has previously worked at Capfin, a financial loan firm, her past experience with this company may come as a great resource in the future with potential

loans. Regardless of that, we would encourage her to strengthen her relationships with her past colleagues and contacts from Capfin in the case she may go forth with a loan when she expands.

Contacts With Community Agencies

Zandile has contacts at the Philippi Village shopping center. Her husband owns two technology businesses in the plaza, one being an internet cafe and the other being software development. She is also friendly with her competitors in the plaza, one being the hair salon and the other, a beauty salon. She also knows people who handle marketing for Philippi Village as we have mentioned her previous work with them, we would recommend that continues to foster this relationship and look for more opportunities with them.

Government Contacts

She currently has no government contacts, this may become an issue as time goes on. However, Zandile has a very friendly personality and can easily come to better know others and has great networking potential. Her current lack of government contacts can be improved in the future.

Access to Sources of Labor

Zandile does not have access to other sources of labor yet since she doesn't have enough business to hire employees. However, she has demonstrated interest in having one down the road as her business expands. To hire labor, she can post on social media or through word-of-mouth. But at the current moment, it is not a feasible plan to hire anyone.

Concluding Remarks

Overall, Mam Mehlo's Beauty Studio has great potential for growth. Zandile is a very passionate business woman who offers a unique experience to her clients. We believe that with our assistance, we can improve the core strategic issues that Mam Mehlo's Beauty Studio faces. Those issues being: a lack of financial organization; low potential for volume; lack of service differentiation; lack of strategic pricing; amateur marketing tactics; lack of a customer database resulting in inconsistent bookings and lack of resources/plans for future growth.

Mam Mehlo's Beauty Studio

Client Deliverables

Khulisanani Consulting

Elaine Chen, Leah Clapper, Chance Johns, Dovydas Zukauskas, Aqhama Tinise, Zibele

Jonas, Amahle Nduna

Deliverable 1: Bookkeeping

1.1 Problem Statement

After spending some time with Mam Mehlos and analyzing her financial records, we noticed that Zandile did not proficiently keep up to date with her finances and was not recording anything. She has been operating for about 9 months now and only recently started keeping her revenue in a simple excel spreadsheet. Zandile also mixed her personal expenses with her business all the up until now. She just recently opened up a business account for Mam Mehlos in the past couple of weeks. She said the reason for only trying to keep track of her accounting was due to her interview with Dr. Morris and her understanding the severity of not being up to date for the past couple of months. This has caused to be problematic for her as she lacked the understanding of what she is operating at and what costs she is incurring each month, ultimately never getting the full grasp on if she is profitable or not. Nevertheless, the records she was keeping were not adequate as they were only receipts of her sales and did not account for monthly expenses, accounts receivable and payables, and cash coming out. We realized that it was important to create a simple and easy to use bookkeeping system for her so that she could see her net balance at the end of each month and if she was profitable or operating at a loss. It is important to create this tool in order for Zandile to make informed decisions on her business and hopefully pursue healthy financial growth in the future.

1.2 Desired Result

It is crucial that Zandile and Mam Mehlos understand the consequences of the financial decisions that she makes and determine the health and profitability of her business in the long

term. Designing something that is easy to use and accessible from anywhere, phone or laptop, will ensure that Zandile understands what her financial statements are actually telling her and how she can make the right choices for her business in order to ultimately have a steady cash flow and consistently see profits. The desired result is that we can introduce Zandile to a system which is not time consuming and can be easily understood. It would also be nice to keep all of her records in one system so that she can access her cash flow and accounts receivable in one place. This is very important to securing the stability of her business in the months ahead as she has stated before that the biggest conflict she has with bookkeeping is the sheer complexity of it.

1.3 Solution

Mam Mehlos has officially been operating as a business for around 7 months now, or since around November. In the beginning, Zandile did not keep any records of her transactions or sales at all. Zandile also did not have her personal and business expenses distinguished and as a consequence had no idea of what cash was coming in or out of her business. On the bright side, she has not accepted credit from customers for a while, until this month. If she allowed for customers to pay in credit then she would have had no track of her accounts receivable due to no formal system being established for it. She let one customer pay in credit for this month but we made sure to tell her to record it in her excel spreadsheet. Another advantage to Zandile is that she owns a laptop in her beauty studio and has data. She previously had her data paid for by her husband but just recently started paying for it herself this month. Overall, our solution and implementation will consist of using the Indian platform and app CashBook.in. We will differ from using the classic model of Excel due to CashBook being much more convenient and easier to

use. CashBook is also easy to use on your mobile phone as well as laptop with no monthly cost or fee to join.

The multi-book system will consist of forms such as her monthly cash flow, accounts receivable, accounts payable, and monthly expenses as well as net income. We as Khoulsanani consulting hope that this platform and these tools will ensure Zandile is up to date with her financial records and can make her own informed decisions on what expenses she should incur per month in order to break even and be profitable. A major flaw with Mam Mehlos in the past was that she was not keeping track of any of the money coming in or out of her business, whether that was through a paper or digital copy. Only after her meeting with Dr. Morris in early June she realized that it was important to keep track of her records and did so by opening up an excel sheet. The excel sheet was a basic sum of all of her sale transactions that she made for the month including the date, customer name, type of service, and amount paid to her. The excel sheet looks like the following:

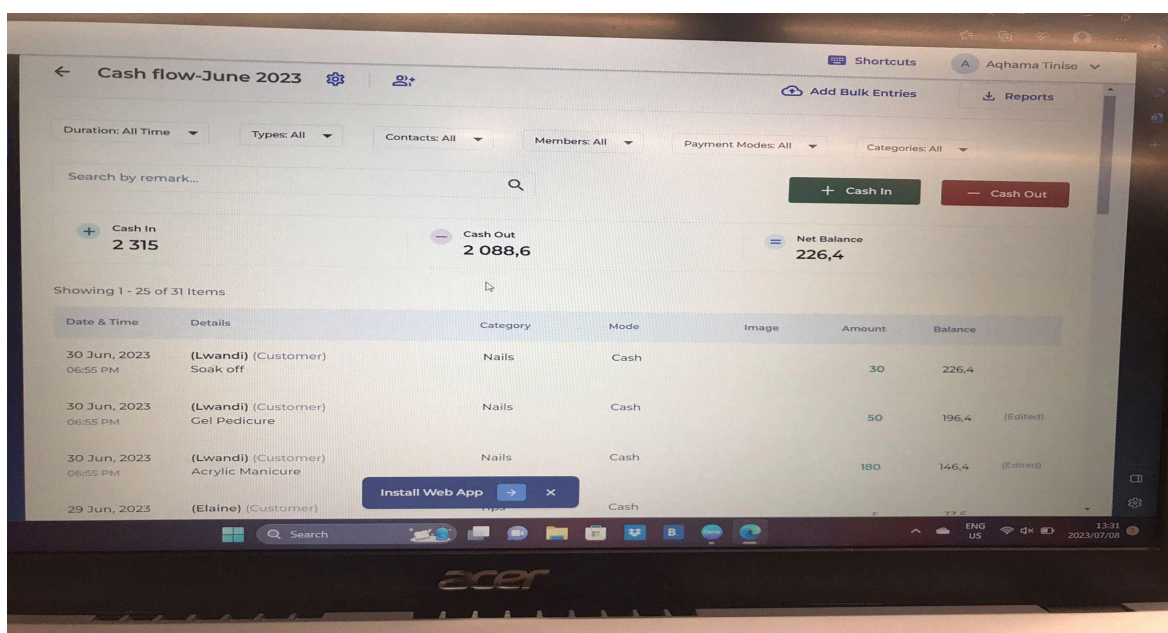
	A	B	C	D	E	F	G
1	Date	Name	Service	Amount Paid	Contact Number	Tip	
2	1-Jun-23	Ayabonga	Acrylic mani	R180.00			
3	1-Jun-23	Ayabonga	Eyelashes	R80.00			
4	1-Jun-23	Ayanda	Acrylic mani	R180.00			
5	1-Jun-23	Ayanda	Brow Shaping	R20.00			
6	1-Jun-23	Florence	Gel Pedi	R50.00			
7	2-Jun-23	Florence	Gel Tip	R120.00			
8	3-Jun-23	Florence	Facebeat	R150.00		R30.00	
9	1-Jun-23	Ncumisa	Gel Mani	R80.00			
10	1-Jun-23	Ncumisa	Gel Pedi	R50.00			
11	9-Jun-23	Xoliswa	Acrylic mani	R180.00			
12	10-Jun-23	Xoliswa	Facebeat	R150.00		R20.00	
13	19-Jun-23	Babsie Village	Acrylic mani	R180.00			
14	21-Jun-23	Lusanda	Gel mani	R80.00	810549373		
15	23-Jun-23	Sisipho	Acrylic mani	R180.00			
16	26-Jun-23	Noloyiso	Gel mani	R80.00		R10.00	
17	28-Jun-23	Onele	Acrylic mani	R180.00		R20.00	
18	29-Jun-23	Elaine	Soak off	R50.00		R5.00	
19	30-Jun-23	Lwandi	Soak off	R30.00			
20	30-Jun-23	Lwandi	Acrylic mani	R180.00			
21	30-Jun-23	Lwandi	Gel Pedi	R50.00			
22							
23				R2,250.00		R85.00	
24							
25							

This excel sheet was definitely progress made by Zandile but was not quite complete and required some improvements. This was not giving her an exact estimation of how much cash flow was coming in and out of the business per month, which is the most important tool for her to understand, and it also did not account for her actual expenses and net income at the end of each month. We as Khulisinani Consulting hope to improve her bookkeeping system and give her the resources and knowledge in order to keep full records of all of her accounting expenses. This process and implementation will hopefully set up Mam Mehlos for success in the future and allow Mam Mehlos to achieve steady growth.

The bookkeeping system that we will implement will consist of the following: Cash Flow statement, Accounts Receivable book, Account Payable book, and finally a monthly income and expenses sheet. As our team was trying to brainstorm different and easy approaches to accounting, we stumbled across the platform CashBook. After considering different accounting platforms such as Wave, Zoho Books, and of course excel we ultimately decided that CashBook was the most convenient and easy to use. It includes features such as opening up new books for the month, recording the category of the transaction, including the customer name, automatic date set, sending a SMS message to the customer for a digital receipt, and many more. CashBook easily came out on top as the top accounting software to use and we were so excited to show Zandile and go through it with her.

The cash flow statement is the first statement that we will use and implement along with Zandile. This simple statement will accurately show Mam Mehlos the source of cash that is coming in and out of her business per month. In Zandile's case the cash coming in is mostly the sales she makes from her services and the cash coming out is her operating and financial costs. It is easy for Mam Mehlos to record the cash that comes in as she accepts most payment electronically through EFT'S, or Electronic Funds Transferred. All of these payments are directly

seen in her bank statements and she also keeps track of them now by inputting them into the excel spreadsheet. When she is paid in cash or tips, she now also records that as a cash payment either through writing it down or putting it in the excel spreadsheet. However, her cash coming out of the business is less clear as she does not exactly know all of her monthly expenses and does not record them. This is something we have been deliberately working on with her and going through her costs step by step. Only recently has Zandile been keeping receipts of her cash coming out whether that is her raw materials, utilities, or rent.



The second book in her bookkeeping system will be her Accounts Receivable book. Before the month of June, Zandile did not keep any records of her accounts receivables but just recently sent over a spreadsheet to us of 2 payments that were due to her. These were customers that she reluctantly accepted to do services for on credit in the past couple of weeks. The simple system that we have set up in CashBook will allow for Zandile to track what payables are due to her and will be treated as assets that she currently has. She should not have many receivables outstanding at any given time as her business model involves the

customers paying on the spot, but this can be a useful tool for when she potentially adds another revenue driver in the future or if she wants to predict her projected cash flows.

← Accounts receivable-July 2023

Duration: All Time | Types: All | Contacts: All | Members: All | Payment Modes: All | Categories: All

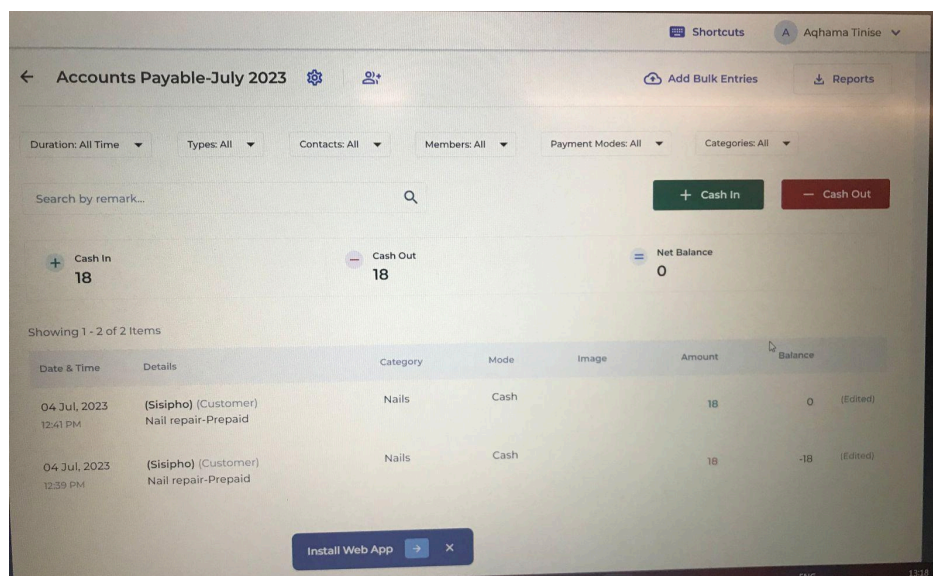
Search by remark...

+ Cash In 180 | - Cash Out 130 | Net Balance 50

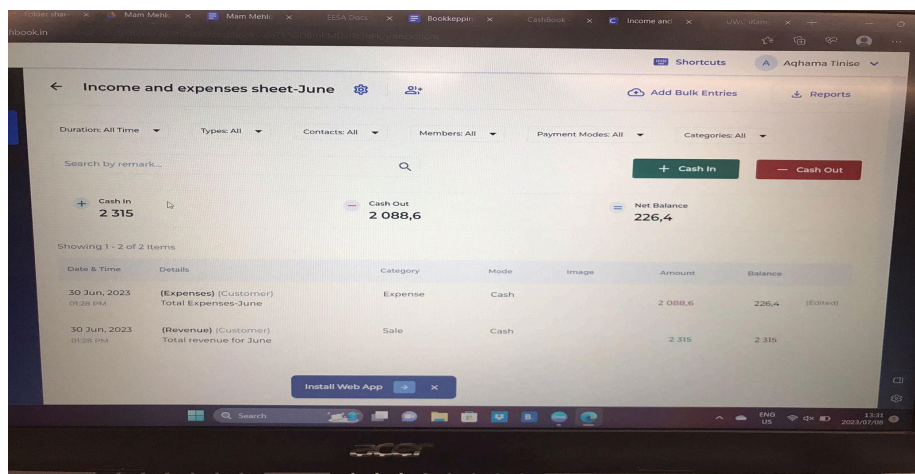
Showing 1 - 3 of 3 Items

Date & Time	Details	Category	Mode	Image	Amount	Balance
30 Jun, 2023 10:45 AM	(Yizo) (Customer) Gel Pedicure	Nails	Cash		50	50 (Edited)
07 Jun, 2023 11:23 AM	(Ncumisa) (Customer) Payment from Ncumisa for nail services	Nails	Cash		130	0
07 Jun, 2023 11:14 AM	(Ncumisa) (Customer) Amount owed by Ncumisa	Nails	Cash		130	130 (Edited)

The third bookkeeping system will be composed of the accounts payable book. This will ensure that she is on top of her payments due to her suppliers, landlord, and internet data provider companies. Zandile has not kept record of her payables and did not even really know that she was supposed to beforehand. As of currently she does not possess any accounts payable due to her paying for everything on the spot. She has no loans or interest payments that she owes and she also does not owe her suppliers anything as she buys her nail polish and other materials at retail stores on hand. She may have payables in the future though and that is why we want to guarantee this easy structure that she can rely on where she only needs to input the payments that she owes into the payables book of the CashBook platform.



The fourth and final document that will be a part of her bookkeeping process will be the expenses and income sheet. This is the last crucial step of securing Mam Mehlos financial security for the future and helping her understand what costs she is incurring per month, what her total revenue is, and finally how much net profit she is making at the end of each month. Her costs and revenue will all be evident in the cash flow statement but this document will be a more clear and visible representation of her gross profit per month. Mam Mehlos does not have any current understanding of all of her true expenses per month and there is no definite answer to the revenue that she is making. Based on past estimations and her business experience, she calculates her net profit per month according to her estimations and intellect. This document will provide the stability and guidance she needs to understand where she is incurring the most of her costs from and can also make decisions on how many clients she needs to serve per month in order to grow her profitability.



1.4 Argumentation

The issues that are addressed by the system include cash flow management, receivable management, payable management, and business profitability. Mam Mehlo's beauty studio needs to track these items in order to operate smoothly.

Mam Mehlo's studio is a business that deals with walk-in customers most of the time and there are a few that make appointments prior. This means that there are a lot of transactions that happen randomly and they all have to be accounted for. She offers different services from gel nails to acrylic nails, pedicure, manicure and make up. Tracking the cash flow of the money coming in from all the services she offers will help her know which of the revenue streams makes more money and which one has more customers. Being able to track the profitability of the services is the key to the growth of the business. We are adamant that the system will bring clarity on the business finances and Mam Mehlo's beauty studio will be a successful and one of the best businesses in Cape town.

Mam Mehlo's beauty studio deals with a lot of random walk-in customers as mentioned before, this means that she does not have all the details for every customer she assists. This

means that there are smaller chances for her to do services on credit because she would lose a lot of money. Mam Mehlo's beauty studio is only 7 months old so the business does not have that many loyal customers yet, but there are a few that keep coming back for her services. There are also family and friends that are her customers and she has details of them in terms of following up should there be an account receivable. At first, Zandile did not want to do any services on credit because of the reason I have stated and the fact that the business is still new so she does not afford account receivables as there is a risk of losing money. She has recently agreed to do her services on credit to her loyal customers. There are also customers that pay upfront and come back later for their services, which means that she will have to record payables too. Recording receivables and payables will assist her in tracking what is due to her business and also provide the services that have already been paid for with no confusion. This will increase loyalty between customers and the business. The system we have designed is straightforward and clear, Mam Mehlo will never be confused on who paid on who did not for as long as she updates the system.

Mam Mehlo's beauty studio does not have any employees. Zandile is the only person doing all the work and she does not pay herself any salary. Going through the profit analysis and managing the statement of profit/loss for every month will help Zandile know if she can be able to pay herself a salary and still make profit. She buys personal stuff using the business revenue because she does not pay herself a salary and that is not healthy at all for the business. When she is able to know whether the business is profitable or not, she will be able to do thorough planning.

Bookkeeping will help in the fulfillment of tax obligations by keeping track of any information and documents necessary in filing annual taxes.

Zandile has a long term goal of expanding the business by opening another beauty studio in Malmesbury, the township that she lives in. This will require her to have more funding and for that she will need to apply for loans or investment or possible funding. To apply for funding, the finances books will need to be in order. The funders will not want to inject money into the business if everything is all over the place and they do not know if the business is making profit or operating at a loss. This bookkeeping system will keep everything in order and clear to understand.

Overall, the bookkeeping system will enable Zandile to make better decisions for the business in terms of day-to-day operations as well as in the mindset of the long-term growth of the beauty studio with very little time or effort on their part. Utilizing the feedback received from these books, She will be able to manage cash flows better, realize profits and losses on projects, and manage receivables and payables in a professional manner.

1.5 Implementation

The most wonderful thing about working with Zandile is that she is willing to learn and she is a fast learner. She has been excited and open to learning about the bookkeeping system that we will introduce to her. We decided to go through it with her. As we teach her how to use the bookkeeping system, we are also stressing out the importance of updating the books every day so that she can be able to see the growth of the meeting.

Step 1: Keep a paper trail

Mam Mehlo's beauty studio will need to keep track of the paper trail like the receipts and the invoices she gets and issue out. Zandile sometimes used the business account to buy her personal stuff and this needs to be accounted for on the statements so that we can be able to

calculate revenue. The tracking of the personal expenses will show us if the business affords to pay Zandile a salary. She will also need to keep the receipts of the business expenses design, new equipment and new materials and supplies. Khulisanani consultants will also teach Zandile a habit of writing things down when she cannot access the bookkeeping system so that she does not forget things and lose trail.

Step 2: Keep electronic records

Khulisanani has introduced a very straightforward system for Mam Mehlo's beauty studio to use electronically. The app allows you to open different books and have different titles so that you can be able to record different transactions. The first thing we taught Zandile was how to keep track of the cashflow. The App allows her to open a book and record all money going in as "Cash in" and all the money going out as "Cash out". This will assist her in not missing any transaction. It is important for a business to record its accounts receivables so that they can keep track of what is due to them. She will have to open a separate book to record the receivables so that she may not calculate the money she has not received in the revenue and end up having the books not balancing at the end of each month when doing her statements. We have taught Mam Mehlo how to differentiate between income and accounts receivables and she understands what she needs to record in the book. Mam Mehlo's beauty studio is a business that does not plan on operating on any credit. However, accounts payables are not just cash payables but also services owed to the customers. Mam Mehlo's beauty studio has customers that pay for the services upfront before the appointment day. Zandile will open a book of "Accounts payables" and record such transactions so that she knows who to pay and who she owes services to. We have explained what falls under the book of accounts payables and she understands the basic information about bookkeeping terms as we are going through the system with her. The app has an option of sending an sms as an invoice to the customer, which

works as a confirmation of the service to both the customer and the business. By the end of each month, Mam Mehlo will analyze the Cash Flow to generate the statement of profit or loss. We have created a template for Mam Mehlo to insert her numbers and see whether she is operating at a profit or loss.

1.6 Next Steps

Step 3: Implement a month-end close process

It will be difficult for Mam Mehlos to understand all of her financial records if she waits to reconcile and understand all of the data at the end of the year. This is why it is important that we implement a strategy together where she has a close process at the end of each month and has an ongoing view of her financial KPIs, or key performance indicators. At the end of each month, Zandile will take a look at all of her financial records that she has built herself and look at those, also including bank statements, in order to find any inconsistencies or discrepancies in the financial standing of the business and understand the direction her business is heading in for the future. This brings us to the question of what the steps are to the month-end close process then? These would be listed in the following down below.

- Collect all financial information
- Verify the data
- Make other financial statements
- Asses everything all together for a final review

For collecting all of the financial information in the end of the month process, Zandile will have to access her CashBook account and look at all of the different books that she has created

which should include her: Cash flow, Accounts receivable, Accounts Payable, and income/profit statement. She will have the opportunity to download all of the books from CashBook into a pdf file format or into an excel spreadsheet if she wishes to do so and read through all of them. This will also ensure that she has all of her documents in one place and can store them in a monthly file.

Verifying the data entails that we check all of the different inputs in the cashbook system and make sure that they align with past receipts and bank statements. This process is known as the reconciliation method which is a general practice used in accounting and is making sure that two sets of records or data are the same. This is a crucial step in the monthly process so that at the end of the fiscal year you can draft up a balance sheet.

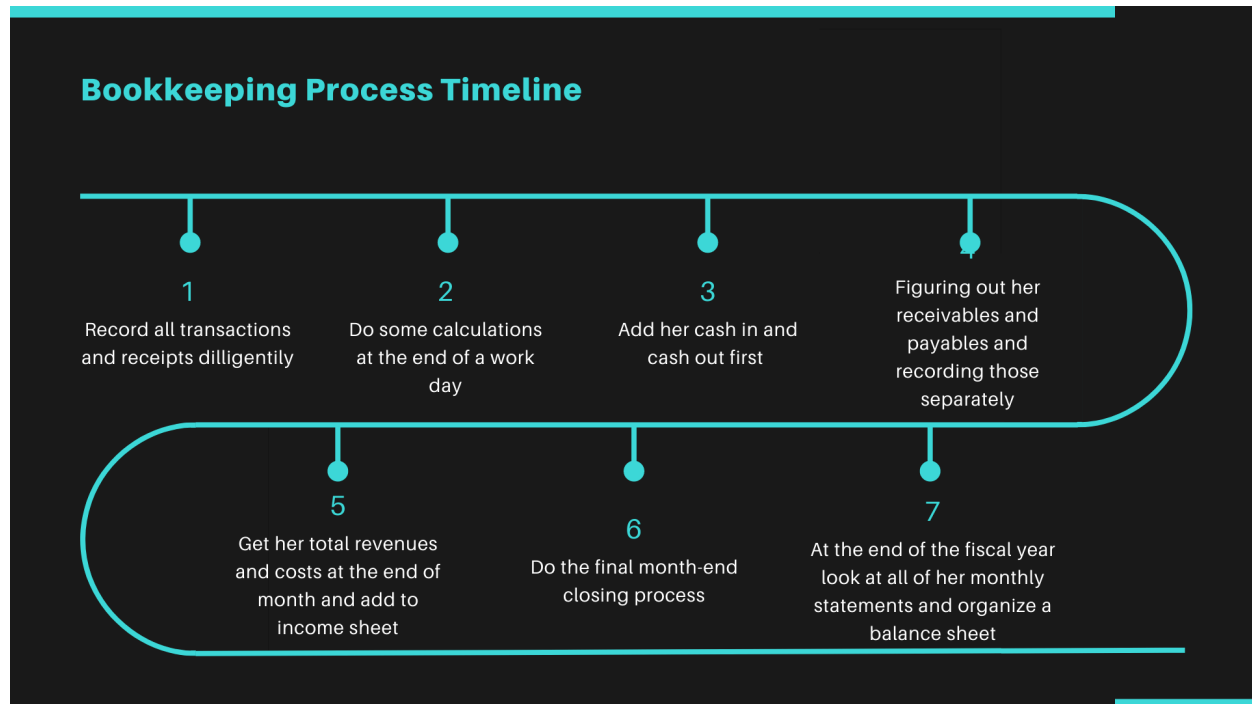
In order to have a full understanding of the financial health of the business, Zandile will have to draft up a brief summary of her balance sheet and income statement at the end of each fiscal year which will tell her the resources that she has, assets, and the sources of its capital, (liabilities). She will have to make sure that these entries are recorded correctly so that her end of the year statements are good.

The last step of the process is just the final review of all of the monthly financial statements and getting a birds eye view of the monthly financial progress in order to project growth for the future and also make sure the closing process can be completed. It is important to note that we will be assisting Zandile with a template for a balance sheet and income statement at the end of each fiscal year where she will have to make decisions on where her business stands and also how much taxes she has to pay.

Step 4: Make decisions based on bookkeeping findings

1. For the cash flow statement, Zandile is able to see how much and where her money is going out to which she can make decisions on things like: where to cut costs, how much she should budget for supplies, and what expenses she is paying that may not be relevant to the growth of her business. The cash coming in will tell her who her most loyal customers are and how many she has per month. The cash available and net balance at the end of each month will tell her how much she should try to increase sales by.
2. For the accounts receivable section, Zandile will be able to see who still owes her money and by when she should receive it. As mentioned before, Zandile does not have a lot of accounts receivable because she demands that her customers pay as soon as their service is done. However there are cases where she may have some exceptions and allow customers to pay later. This document in turn will show Zandile who she still has to contact in order to receive her payment.
3. The payables is the same format as the receivables and it is not the most important document for Mam Mehlos's business model because she does not have many payables. She is against taking on credit or loans for now and therefore does not pay any principal or interest payment on anything in the business.
4. The income and expenses sheet will ultimately have one very simple goal for Zandile and that will be for her to determine her net profit at the end of each month. This will give her a track record on how many months of the year she is making a profit or operating at a loss and she will be able to see what her annual revenue and profit from here on out is.

Implementation: Flow Chart Diagram of Monthly Process



1.7 Appendix

Summary of bookkeeping instructions:

The first step is always to add a new book and rename the book (ex: Accounts Receivable or Income Statement). Each book will have monthly transactions and should be saved and restarted every month.

1. Cash Flow Statement: record monthly and analyze cash coming and out of the business

- Create a new book and title it based on the month (ex: June) and save the book.
- Click on the book and start adding transactions for that month
- Record the expenses paid by clicking on the cash out button

- To record transactions...
 - Fill in the correct date on the calendar
 - Change the time (if need be)
 - Enter the amount of the service
 - Record the customer/supplier name and their contacts (you can even send the customer/supplier an invoice/receipt via SMS)
 - Enter the transaction details (name, bill number, item name, and quantity)
 - Select the category of the service on the drop down menu (ex: nail, expenses, cost of products, bank fees, etc.)
 - If a category is not showing on the drop down menu, you can add it and save it so it shows up the next time you record a transaction with that specific category.
 - You can also click on the image button to attach images or invoices for every transaction
 - And lastly, save and add a new transaction
 - Don't forget to add the correct date for every new transaction.
- Record revenue received by clicking on the Cah In button and follow the same steps as recording expenses

2. Accounts Receivable Tracker: track the amounts owed to the company by customers and total balance owed each customer/supplier

- Monthly reminders to people who owe money to the company to pay their amounts due
- Create a new book and rename it Accounts Receivable and save it.
- Record the amounts owed as cash out
- Click on the cash out button to record the all the receivables
- When recording amounts owed:

- Record the correct date of the transaction on the calendar at the top
 - Add the contact name and their contact details to send the customer/supplier the invoice via email
 - Enter the details of the transaction (name, invoice number, item name and quantity and when the payment is due)
 - Add the category of the service (ex: nails, makeup)
 - Select the payment mode and add NONE as a new payment mode because no money has been received yet
 - You can also attach images of the invoice or service on the attach bill button
 - And lastly, save and add a new transaction
- Record the amounts paid as cash in
 - Record the date of the transaction, amount, customer name, invoice number that the payment is for
 - Determine the new balance after the payment received from the customer by subtracting the amount received from the balance owed by the customer. This would be the new balance owed by the customer.
 - Determine the amount owed from each customer at the end of each month
 - Determine the total amount owed by customers for the month as well

3. Accounts Payable Tracker: track the amounts owed to customers or suppliers and the total balance at the end of each month

- Monthly reminders to pay amounts owed by the business to suppliers or customers
- Add a new book titled Accounts Payable and save it
- Record the amounts payable as cash in

- Record the details of the transaction (date of the transaction, customer/supplier name and their contact details, description of the transaction, and the category/type of liability)
- Select the payment mode and add NONE if no payment has been made
- Attach the invoice and save the the transactions added
- Record the amounts paid as cash out
- Record the date the amount payable is paid, amount, customer name, invoice no. that the payment is for
- Determine the new balance after the payment is paid to the customer/supplier by subtracting the amount paid from the balance payable by the customer. This would be the new balance payable to suppliers.
- Determine the amount payable to each customer at the end of each month
- Determine the total amount payable to customers for the month as well

4. Monthly profit analysis - determine the amount of money made or lost on client transactions taken on in the month

- Pull the monthly total revenue from the income statement book created on the app.
- Pull the monthly total for each expense from the income statement.
- Calculate the profit using the formula (Revenue - Expenses), which will be equal to the profit if the number is positive or the loss if the number is negative.
- Draw a conclusion whether the business is profitable based on the value received.

Deliverable 2: Marketing

2.1 Problem Statement

Khulisanani Consulting found that Mam Mehlo's Beauty Studio lacks proper marketing coordination. Mam Mehlo's Beauty Studio has a fabulous potential to be a **township treasure** where people **treat themselves**. However, Mam Mehlo's lack of online booking information and marketing materials make it difficult for customers to book appointments and push potential customers away from positive brand perception.

Lack of Online Booking Information

Lack of Google Maps presence: Mam Mehlo's Beauty Studio was not on Google maps, making it difficult for customers to search her address and feel confident that they are heading to the right place. When feeling uncertain typing in directions and following them through a not-super-safe road, customers may experience negative moments of truth. In order

Lack of a website. Mam Mehlo's does not have a website, which is a key missed opportunity. While Zandile claims that almost all of her bookings come from word-of-mouth or Whatsapp, she has not created an opportunity for sales to come from anywhere else. Thus, she may have cut out people in her target market from accessing her services. Without a website, Google maps presence, or contact information in her social media profiles, it is very difficult for potential clients to find out booking information and directions for the studio. Currently, Facebook is the only place that clients can see the WhatsApp number or address, and the Facebook page is difficult to find with a low following.

The lack of a website is also a missed opportunity to establish credibility and boost the brand imagery. By creating a website, we can give her target market the resources necessary to learn about her business as well as book appointments either at her studio in Philippi Village or organize house calls. The website can be a central hub for customers to learn about the studio and start forming positive opinions about the brand. Through the creation of a website, utilizing social media platforms and proper branding, the entrepreneur, Zandile will be able to increase brand awareness, brand equity, and clientele. Ultimately, a website could greatly increase Mam Mehlo's credibility and create positive customer moments of truth.

Barren social media profiles. Mam Mehlo's had set up Instagram, TikTok, and Facebook accounts for her business. However, her Instagram and TikTok had no bio. They had no readily available contact information, booking information, or location information. Zandile did not have any clear posts on what services she offers, and she did not include any introductory posts about herself or the salon. The overall lack of key brand information makes it really hard for customers to understand anything about the salon, where it is, or if Mam Mehlo's has the services they may want at an affordable price. People cannot easily find contact information or book an appointment straight from social media. With this, Mam Mehlo's has created a LOT of friction for people to become customers. Overall, her social media profiles provide a key opportunity to show a consistent brand identity and start a sales funnel for Mam Mehlo's services.

Lack of Brand Presence

Lack of marketing materials: Without business cards and store brochures, Zandile is missing another opportunity for potential clients to learn about her business and seek out her services.



Lack of a consistent brand story: Mam Mehlo's does not have a clear brand on her social media accounts. She has intermixed her personal and business happenings online, and she mostly posts subpar-quality photos with her prices in the caption. Besides cool art, there is not much differentiating Zandile's salon and business story from any other salon out there. Social media is an opportunity for people to see behind-the-scenes and get to know the brand, but Mam Mehlo's profiles do not show anything about the studio.

2.2 Desired Result

Our desired result is two-fold. Most importantly, we want to remove friction from Mam Mehlo's booking process. We want a customer to be able to find ALL the information they need to book an appointment within under 10 seconds. Thus, readily available contact, address, and booking information is necessary on all social media platforms and Mam Mehlo's new website. Hopefully, reduced friction and ease of booking will ultimately increase sales for Mam Mehlo's.

Secondly, we want to increase Mam Mehlo's online brand presence, so we can improve customer perceptions and brand credibility. Mam Mehlo's brand needs an online facelift, so that Zandile can convey the desired feelings of affordable luxury and professionalism for clients. We hope to provide our solutions in a way that is easy for Zandile to continue implementing and updating after we leave.

2.3 Solution

Our marketing solution has multiple components to remove friction from Mam Mehlo's booking process and increase the online brand presence.

- **Leverage Google Presence:** We set up a Google account for Zandile's business and put Mam Mehlo's on Google Maps with a strong profile.
- **Website:** We created a website for Mam Mehlo's to act as a central hub for business information.
- **Updated Social Media Profiles:** We updated Mam Mehlo's social media profiles and pinned posts to include booking information and establish a stronger brand presence.
- **Social Media Video:** We are crafting a simple "about" video showcasing Zandile's story and promoting Mam Mehlo's in an intentional way.
- **Business Card:** We created a business card for Mam Mehlo's that Zandile can distribute.
- **Print Advertisement:** We created a branded print advertisement to help increase awareness and brand perceptions of Mam Mehlo's.

2.4 Argumentation

Leverage Google Presence

Setting up a Google account and getting Mam Mehlo's on Google Maps creates many benefits for Zandile. Firstly, having a Google account for her business will help separate personal and business affairs. She will be able to differentiate easily between personal and business emails, and she can use the Google account to set up online accounts related to her business. It also protects her personal email from being shared across the web. Down the road, Zandile may want to use more solutions from Google's suite of business tools, and she is now set up to do so.

The Google account also allows Zandile to manage Mam Mehlo's Google Maps presence, which could benefit the business. Firstly, being on Google Maps allows customers to easily find Mam Mehlo's salon and feel confident they are heading to the right place for their appointment. Secondly, new customers can now find Mam Mehlo's when searching for salon services on Google, which could increase customer prospects and ultimately sales. We tagged Mam Mehlo's as a nail salon, beauty salon, and a makeup artist, so that customers searching the Philippi area for any of these options may come across Mam Mehlos.

Keeping Mam Mehlo's Google Maps presence tidy will be key to converting Google Maps profile visitors to customers. For this reason, we made sure to include all relevant details of the business, including business hours, service offerings, and a well-written business description to attract viewers. Moving forward, Zandile can ask her customers to rate and review Mam Mehlo's on Google to increase social proof and credibility. She can also upload high-quality photos of her nail art and her salon to further entice viewers to visit.

Mam Mehlo's new Google account also allows Zandile to test out online booking through Google, which can be a convenient option for both Zandile and her clients. Overall, there are many online booking systems Zandile *could* use to manage her appointments. We chose to explore Google first because the online booking system connects directly with Mam Mehlo's Google calendar, and it sends simple calendar invites to clients. The system is meant to make it easy for Zandile to keep track of scheduled appointments via Google calendar and reminder notifications. The free version of Google appointment scheduling has limited features, and Zandile can only have one appointment scheduling page. This is a problem because Zandile provides appointments of different lengths, but all online bookings will show up as the same length on Google due to the limited free features. However, with proper adoption and practice, the system may help Zandile manage her booking calendar in one synced place. She will need

to test out the system for a few weeks to see if she likes it as is, wants to upgrade, or wants to explore other options.

Website

Even though most of Mam Mehlo's bookings currently come straight from Whatsapp, we believe that a central hub for business information could be a key opportunity to boost her credibility and enhance the brand imagery. Having one website that hosts all the necessary booking, availability, pricing, hours, and contact information removes friction from the booking process and instills trust in customers' minds that Mam Mehlo's is a professional operation. The aesthetic website is aimed at increasing sales. From the about section to the photos and testimonials, all website content is crafted to make a purchase decision enticing and seamless. In addition, the website can expand Mam Mehlo's target market to more affluent consumers who prefer to check a salon's website before booking, thus increasing sales.

Updated Social Media Profiles

Without a bio, profile visitors may not have even realized that @mam_mehlos is a working nail salon. Adding clear business and booking information lets people know how they can schedule an appointment and removes friction from the customer buying process. Including details such as services offered, the salon location, and pricing makes the customer decision-making process much simpler and faster. Mam Mehlo's will no longer lose customers because they cannot figure out how to book or if it makes sense to do so.

Social Media Video

Mam Mehlo's has a lot of photos of nail art on social media. However, there are no posts that share much inspiring information about the salon or Zandile herself. Thus, making an

evergreen “about” video for Zandile is an opportunity to tell the brand story. Pinning it to the top of the social media pages allows all new profile visitors to learn about Mam Mehlo’s and form positive brand perceptions whenever they happen to visit the page. The video can also provide rich brand-imagery in other channels, such as the new Mam Mehlo’s website.

Overall, the video will communicate an intentional brand identity that improves customer perceptions of Mam Mehlo’s. Including Zandile’s story is important because it allows for human connection and makes the salon feel more personable, which is a key brand strength of Mam Mehlos.

Business Card

Business cards allow for easy distribution of contact information. While Zandile may not use a business card on a daily basis, having a design handy allows Zandile to easily spread the word about her services. She can use the card in a variety of situations, such as when she bumps into a potential client on the street or if she wants to partner with another local business and place business cards inside their location for cross-promotion. Ultimately, the business card is a tool to help increase sales and expand her network.

Print Advertisement

Mam Mehlo’s is struggling from low brand awareness, so our team brainstormed guerilla ways that Mam Mehlo’s could spread the word and plant positive brand images in people’s minds. So, we made a print advertisement that is designed to make viewers feel great about themselves. When viewers read an authentic message that makes them feel confident and happy, they are more likely to be receptive of the advertisement. The ad says “smile because you’re beautiful” and includes a call-to-action for Mam Mehlo’s at the bottom. The design is



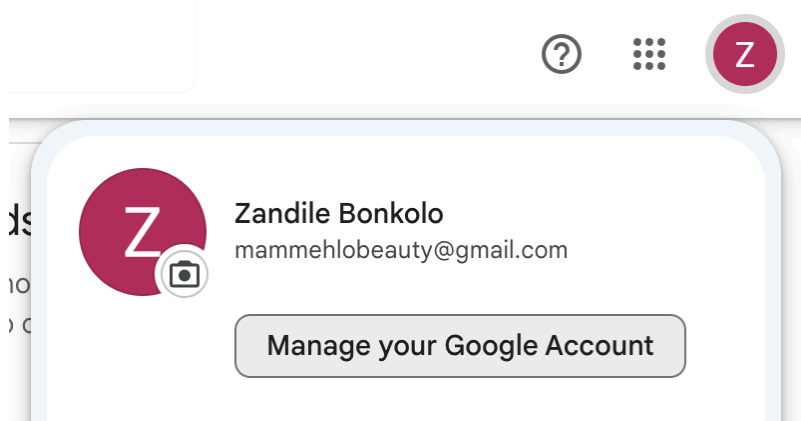
meant to clearly illustrate Mam Mehlo's brand. We have suggested ad placement in the back of bathroom stalls at universities and the Philippi Village community center to hit the target market at a time when they are not super distracted and about to look at their beautiful selves in the mirror. The ad campaign is designed to increase awareness and showcase Mam Mehlo's branding, which can help increase sales down the road.

2.5 Implementation

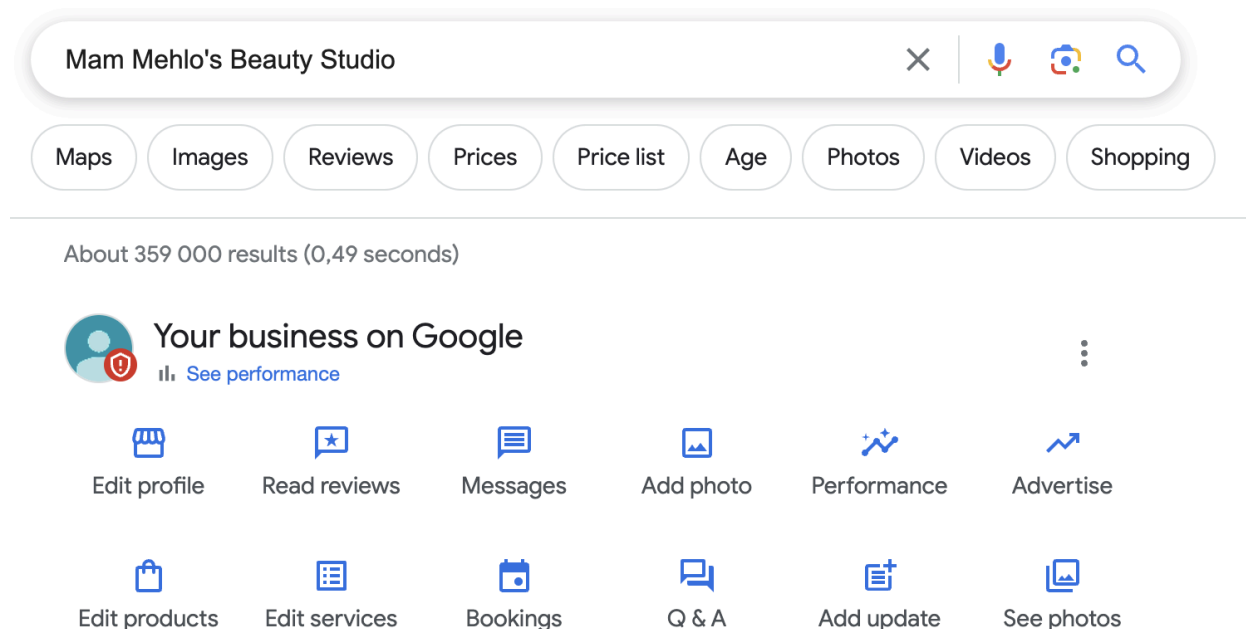
Leverage Google Presence

Zandile's new Google account for Mam Mehlo's is mammehlobeauty@gmail.com. The account is associated with her business Whatsapp phone number +27 71 057 9066 (for two-factor authentication, account recovery, and more). The password is the suggested password provided by Zandile.

Zandile can log into the account at accounts.google.com. We ensured Zandile was able to log in during a client meeting, and we showed her around the dashboard. Zandile can now make changes to her Google account at <https://myaccount.google.com/>. To get there, Zandile can also click the profile photo in the top right corner of her browser and choose "manage your Google account."



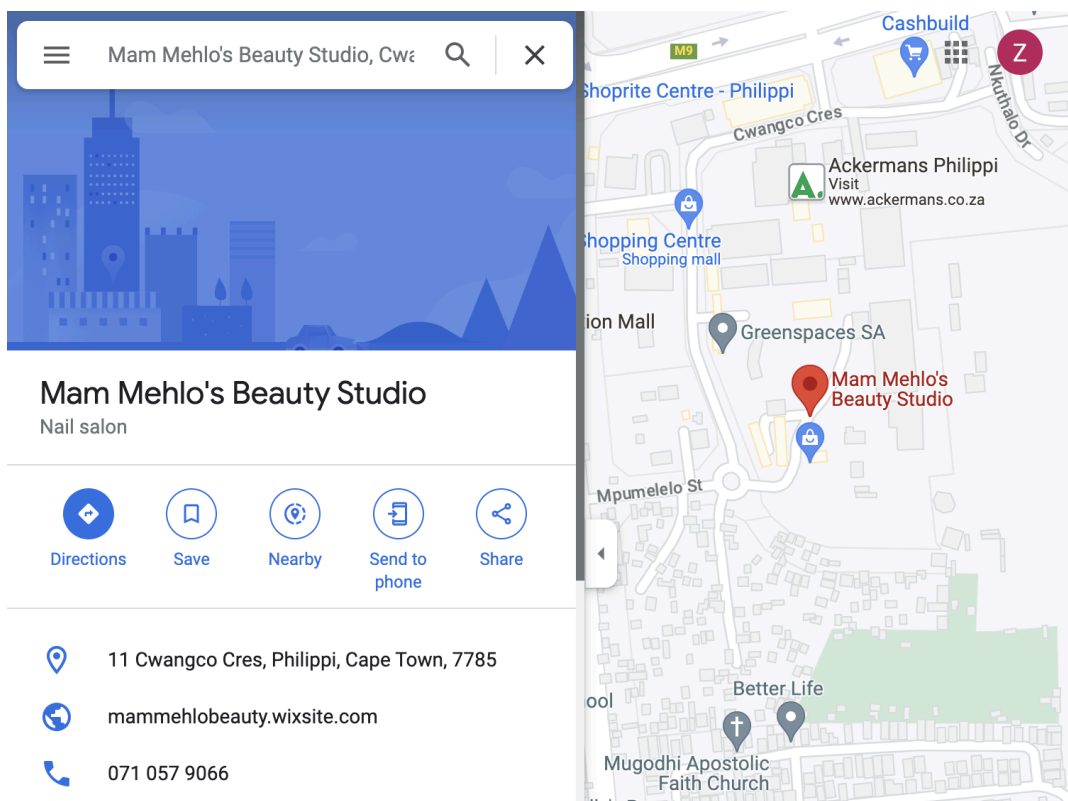
To edit business profile details, Zandile can search “Mam Mehlo’s Beauty Studio” in the Google search bar when logged into her account. There, a dashboard with options to edit the profile, read reviews, add photos, and more will appear. To get to that screen alternatively, Zandile can visit <https://myaccount.google.com/people-and-sharing> and click “manage my business details.”



We have included all of the basic information customers will need to know about Mam Mehlo's including Zandile's business Whatsapp number, new website link, business hours, and a short description. The description we wrote is meant to be a concise representation of Mam Mehlo's business and points of differentiation. It reads...

Beautiful nails & makeup. A hidden gem in Philippi Village specializing in intricate, affordable gel and acrylic designs by Zandile.

Zandile is welcome to change this description as she chooses. Our team has also uploaded the Mam Mehlo's logo as a photo, and we plan to upload additional photos of the space once the shipping container renovations are finished. Showing the upgraded atmosphere could help attract visitors, and it shows people what to expect when they get to the salon. Zandile should upload photos of her favorite nail designs to the Google Maps profile at her leisure.



Our team also wrote a few 5-star reviews to get Mam Mehlo's started with a credibility boost, and these should be verified by Google shortly. However, Zandile should request reviews from her loyal customers to further boost social proof and increase her chances of being discovered via Google Maps.

Online Booking

We created an online booking page through Google for Zandile to play around with. Zandile can edit the appointment scheduling details (availability, time length, description, etc.) from the Mam Mehlo's Google Calendar. When editing, Zandile needs to ensure she includes the type of appointment that is being requested in the booking form, so she can adjust the appointment length accordingly on her calendar. New appointments will show up in her calendar, and clients will get a calendar invite link, along with reminder notifications.

Website

The first step toward creating a website was choosing a platform and setting up an account. We decided to use Wix because it offers all the basic functionality Mam Mehlo's needs for free. If Zandile chooses to add an online booking system, purchase a custom domain, or opt for other premium features, she can easily do so because Wix offers advanced options and integrates with many apps. The Wix account is connected to Zandile's new email mammehlosbeauty@gmail.com. Zandile can log in at <https://www.wix.com/> and click login. She will need to choose "log in with Google" and add the credentials of her new Google account. Once logged in, Zandile can edit the site via the "edit site" button in the upper righthand corner.

We wanted Zandile to be an integral part of the website creation process. After finding several aesthetic themes built for nail salon websites, we let Zandile make the final decision on the theme and inform the design process.

The website is now live at <https://mammehlobeauty.wixsite.com/website>, and Zandile added the link on her relevant social media handles (WhatsApp, Facebook, Instagram, and TikTok profiles). The website address is also listed on her new business card.

Every piece of the website was built intentionally to direct customers toward purchasing and make things easy for customers. For example, we have directly linked her email, Google Maps directions, and WhatsApp click-to-text in all possible places. This way, customers do not need to type in the information themselves. For the WhatsApp click to text, we have created a custom link that auto-populates the message *"Hi there! I would like to schedule an appointment"* to further reduce friction. Here are instructions to create WhatsApp click-to-text links...

Create a WhatsApp link (no auto message)



Use <https://wa.me/<number>> where the <number> is a full phone number in international format. Omit any zeroes, brackets, or dashes when adding the phone number in international format.

Mam Mehlo's: <https://wa.me/27710579066>

Create a link with a pre-filled message

The pre-filled message will automatically appear in the text field of a chat. Use <https://wa.me/whatsappnumber?text=urlencodedtext> where whatsappnumber is a full phone number in international format and urlencodedtext is the URL-encoded pre-filled message. Spaces are included as %20.

Mam Mehlo's:

<https://wa.me/27710579066?text=Hi%20there!%20I'm%20interested%20in%20scheduling%20a%20appointment%20>

Once the link is written, simply copy and paste it as a link.

Once the website was created, we got feedback from Zandile and taught her how to edit the website. This piece of walking through the Wix dashboard was integral to implementation, so Zandile can make updates and changes herself. Together, we made a few edits to give Zandile hands-on website editing experience. Zandile felt quite comfortable learning the platform and expressed her excitement to continue playing around with Wix and get more comfortable with website building.

Screenshots and explanations of the website contents are included below.

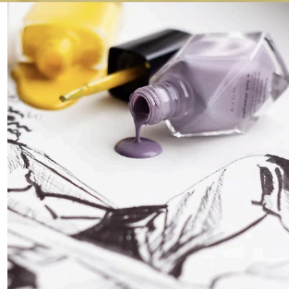
Mam Mehlo's

HOME BOOKING PRICING DIRECTIONS



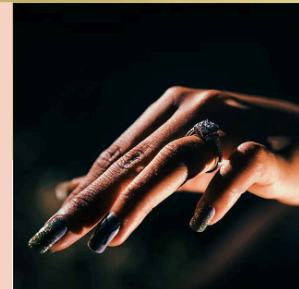
GEL NAILS

BOOK NOW >



ACRYLIC NAILS

BOOK NOW >



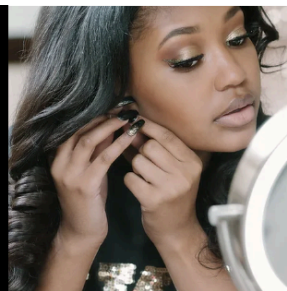
MAKE UP

BOOK NOW >

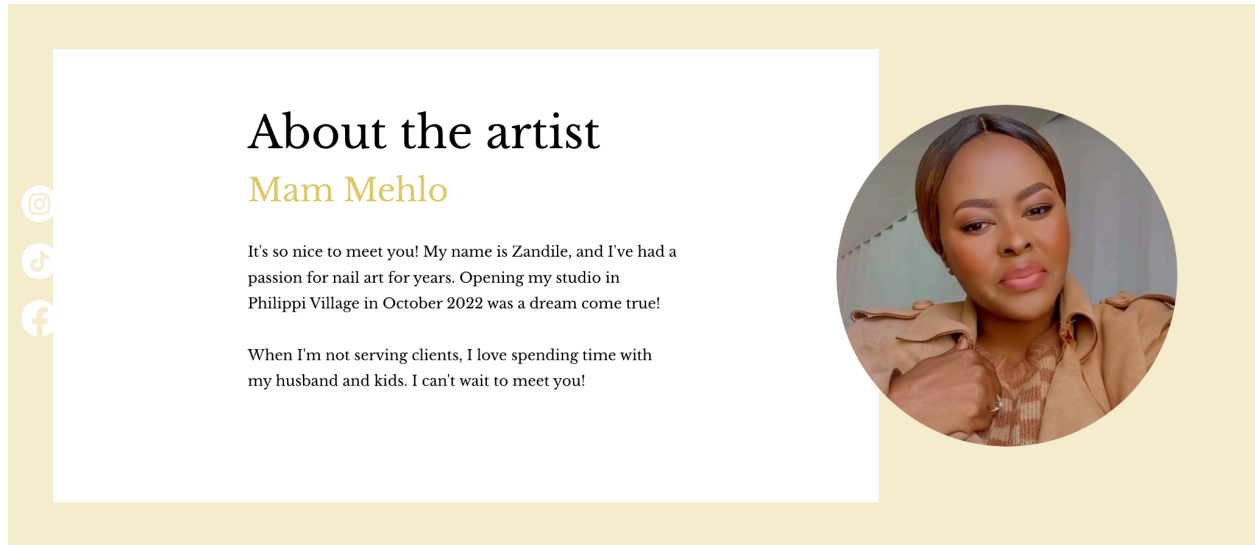


& MORE

BOOK NOW >



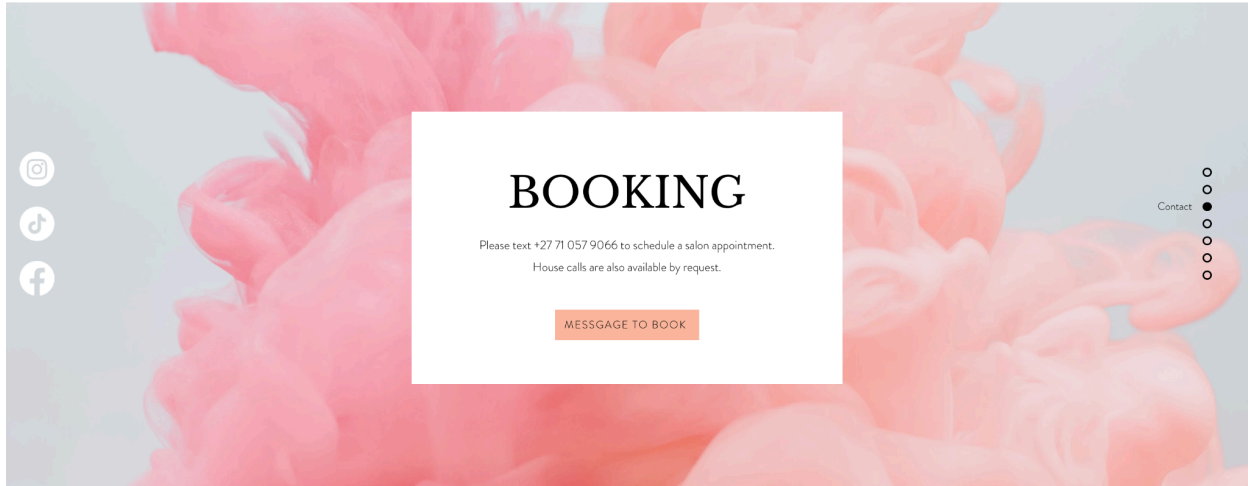
The top part of the home page is meant to immediately show viewers what services Mam Mehlo's offers and direct them to booking information. We have designed the page to reflect Mam Mehlo's branding.



The next section tells viewers about Zandile because we wanted to make the website experience feel personal and welcoming. This section shows new customers who will greet them when they arrive at the salon, and it makes the booking process feel more intimate and tangible.



Below the about section, we have included a contact information bar that makes it really easy for customers to find the information they may need.



Next, we have a booking section that tells people how to book. We purposely included an eye-catching image behind in this section so that it draws viewers eyes towards the call-to-action. If Zandile likes the Google booking system, she can include a link to book through Google as well.

— Testimonials

“

Mam Mehlo's is the place to go for affordable nail art designs! Sister Zandi's creativity and precision are unmatched.

Aqhama, Experienced Salon-goer

“

I'm so grateful to have visited Mam Mehlo's. Zandile is truly special, and her unique and reasonably-priced acrylic designs are so exquisite!

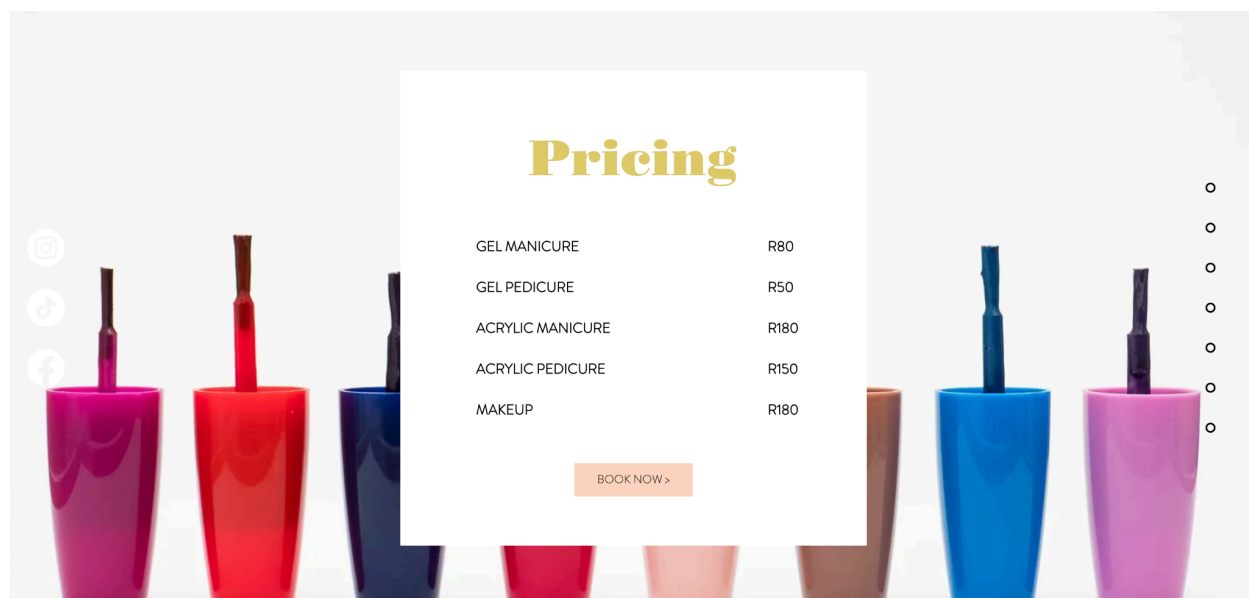
Amahle, Student

“

Sister Zandi is so much fun to visit! She has truly turned her salon into a haven for great conversation and treating yourself.

Leah, Gel Manicure Lover

Towards the bottom of the home page, we have included customer testimonials (by us) to further convince customers to purchase in case they haven't made a decision already. In the testimonials, we have intentionally included Mam Mehlo's competitive advantages, including her intricate nail art, great personality, cozy space, and affordable prices. All of these testimonials are crafted to resonate with Mam Mehlo's target audience and clearly illustrate key customer benefits Mam Mehlo's offers.



We have also included Mam Mehlo's pricing because we know that most customers will want to know this information before booking.

Directions

Address

11 Cwangco Crescent, Philippi, WC,
7785, South Africa

Opening Hours

+27 71 057 9066

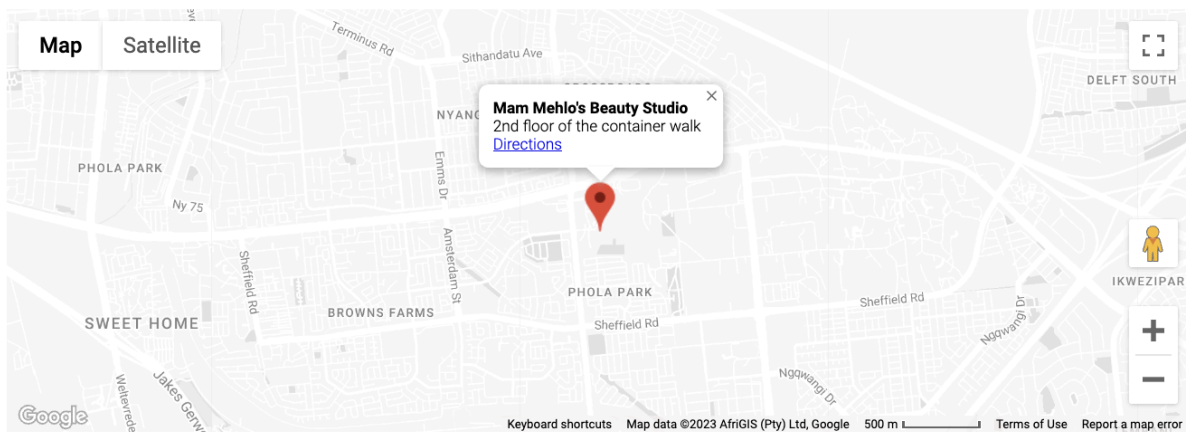
mammehlobeauty@gmail.com

Contact

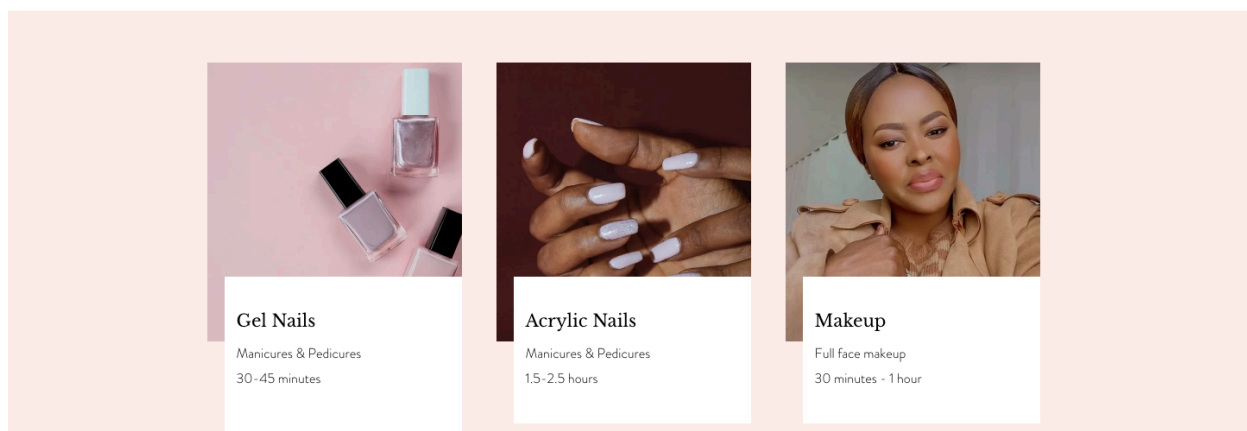
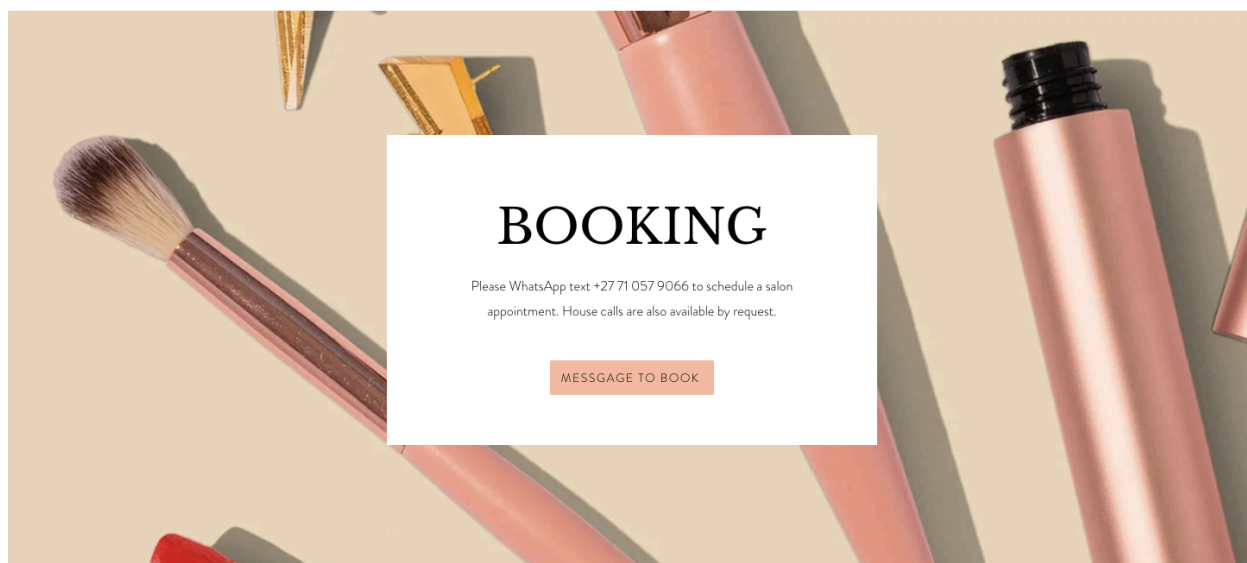
Mon - Fri 9:00 am – 5:00 pm

Saturday 9:00 am – 3:00 pm

House calls also available



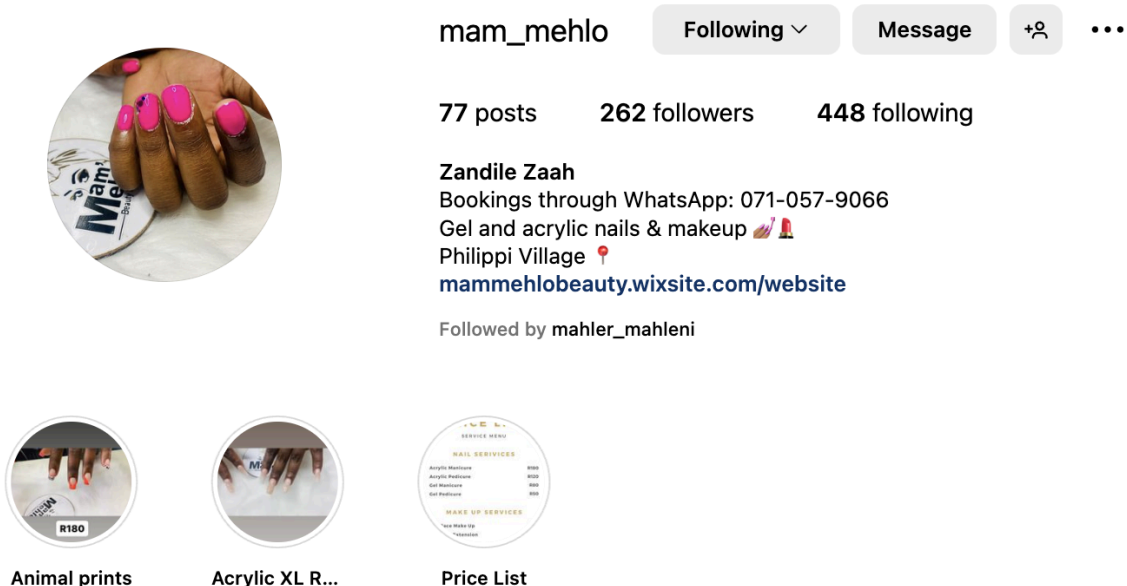
On the directions page, we have included a map to the salon, with an easy link to directions via Google Maps. Here, we have also included Mam Mehlo's hours and contact information because they are relevant to the pre-appointment process.



On the booking page, we have made it super simple to WhatsApp Zandile through the “message to book” button that links to the auto-populated WhatsApp message to Mam Mehlo’s. Here, we have also included the services Mam Mehlo’s offers and the time each service takes. Thus, customers are able to properly plan for time when scheduling. If Zandile likes the Google booking system, she can include a link to book through Google here as well.

Updated Social Media Profiles

We worked with Zandile to update her Instagram and TikTok social media profiles during a client meeting. First, we changed her accounts to business profiles, so Zandile can have access to business features (business contact information, analytics, ads, and more). Second, we updated her profile image to a nail photo that made more sense than her previous profile image (of her family). Third, we changed the bio to include the most important information for customers to know, including how to book, the services she offers, and the salon location. Fourth, we taught Zandile how to make an Instagram story highlight that can house her pricing information right at the top of her profile to make things easy for clients. She decided to include highlights of her favorite nail art pieces in highlights as well. Finally, Zandile added her new website link to the bio!



mam_mehlo Following Message + ...

77 posts 262 followers 448 following

Zandile Zaah
 Bookings through WhatsApp: 071-057-9066
 Gel and acrylic nails & makeup 🛠️💅
 Philippi Village 📍
mammehlobeauty.wixsite.com/website

Followed by mahler_mahleni

Animal prints **Acrylic XL R...** **Price List**

Below, you'll find the branded graphics we provided Zandile with to include in Instagram highlights.



Social Media Video

Due to painting/renovation delays and Zandile's inability to get her hair done in time for our last regular meeting, our team will be finishing up the implementation of the social media

video during our exit meeting. However, we have planned the process and are ready to film. The concept of the video is "Behind the Nails: Mam Mehlo's Journey." It will be a 30-second documentary-style video that highlights Zandile's journey, starting from her passion for nail art to running Mam Mehlo's today. On Thursday, we will interview Zandile, allowing her to share her story, challenges she's overcome, and the vision for the salon. Zandile has prepared base responses for each of our planned questions. We will film in the newly-renovated shipping container. We will also be filming many relevant background videos to intermix with the interview clips, such as her nail art and studio details. Through this footage, we will showcase Zandile's creative process, inspirations, and dedication to the craft.

After filming, we will edit the video and deliver it to Zandile for posting on Instagram, Facebook, TikTok, and her website. The video will be used as a basic "about" video that intentionally portrays Mam Mehlo's brand. Zandile will pin this video to the top of her social media feeds, so it is the first thing that new visitors see when they visit the page.

Even though the main video is still in progress, we created another video for Zandile to share on social media about her salon renovations. We filmed footage during the renovation process and compiled it into a short montage. Then, we sent Zandile the video, along with a suggested caption and a screen recording of posting instructions (including how to add a chosen trending sound, tag people, and add a location). Zandile posted it to @mam_mehlos, and she tagged all of us for resharing.



Business Card

We created two simple business cards for Zandile to use as needed. We have shared document editing access, and we taught Zandile how to use Canva (which is discussed in depth in the Sales and Promotions deliverable section).





MAM MEHLO'S

Beauty Studio



+27 071-057-9066



mammehlo01@gmail.com



<https://mammehlobeautey.wixsite.com/website>



Philippi Village Shop #28
11 Cwangco Crescent,
Philippi, Cape Town, 7785



SMILE
because you're
BEAUTIFUL



Print Advertisement

We created several versions of the print advertisement via Canva, and we sent Zandile the document. Here is an example of one of the campaign ads. Zandile will need to print these and hang them at a later date.



2.6 Next Steps

Google Presence

Zandile should continue to monitor her Google Maps presence for new photos, reviews, and messages. Zandile can also continue uploading nail art photos herself. She will need to update business hours, services, and descriptions if she makes changes to these items. However, the most important piece for discoverability and credibility (to boost her brand) is to collect reviews. Thus, Zandile should ask her most loyal customers to rate Mam Mehlo's on Google and include their nail photos in their reviews. We have recommended that Zandile sends a message to repeat customers directly after her appointment to request reviews. Here is a message suggestion...

Hi {customer name}! I enjoyed seeing you again today, and I hope you love your new look. If so, would you mind adding a rating and review on Google Maps? I will be forever grateful for your help in spreading the word! <https://goo.gl/maps/pHSRjygvK4LJhV7p7>.

Zandile should test out the Google Booking system by sending the link (<https://calendar.app.google/tDK63ZjNn5NnfacY6>) to her clients via Whatsapp. She can ask clients how they liked the booking experience during their appointment, and she can see how the system feels in her daily life. If she likes it, Zandile should add a "book through Google Calendar" link on her website booking section. If Zandile wants to upgrade to include more types of appointments and access to more features, she can do so at her leisure.

Website

Now that the website is live and Zandile is familiar with the Wix dashboard, she can edit the website as she chooses. Zandile has expressed interest in getting a new headshot to include on her about section, which our team plans to take during the exit meeting and upload later. Zandile also expressed interest in writing her own bio paragraph, and she will be able to update that section on her own time. There are endless opportunities for Zandile to boost her website presence and make it her own. Here are a few examples of future steps...

- Upload a portfolio page of nail art
- Add new offerings (such as lashes and wigs) when they become part of the product mix
- Link online booking page
- Add new client testimonials
- Update colors and copy as desired
- Etc.

Update Social Media Profiles

Zandile simply needs to keep her social media profiles up-to-date as things change in her business. As she creates new content, she can also update her pinned posts and Instagram highlights to craft an impressive feed that showcases her business in the best way possible.

Social Media Video

Zandile needs to get her hair, nails, and makeup ready for filming on Thursday. In addition, she needs to have the salon space organized and set up nicely for the video. Our team will be working hard to ensure the space is fully renovated and ready to go as well.

After filming on Thursday, Leah will finish editing the video over the weekend. She will send a final version with posting instructions and a suggested caption early next week. The video will need to be pinned to the top of Mam Mehlo's profiles, which we will ensure is completed correctly.

Besides the "about Mam Mehlo's" video, we see a lot of potential for Mam Mehlo's social media accounts. Zandile does a great job posting consistently and taking advantage of trending sounds across platforms. However, she lacks diversity in content, as almost all posts are nail photos or boomerangs. Thus, here are a few new video series ideas that Zandile could use as inspiration. Zandile can film these videos using her phone camera and edit them straight in the Instagram or TikTok app. Alternatively, Zandile can use CapCut to edit videos and take advantage of templates (which we introduced to her at the beginning of the consulting arrangement).

- **Nail Art Challenge** - Organize a fun and creative nail art challenge, where Zandile showcases her skills by creating unique designs based on specific themes or constraints.
 - Document the entire process, from the original idea to the final result.
 - Engage the audience by encouraging them to participate in the challenge and request special nail designs or provide theme ideas! "What should I paint next?"
- **Nail Transformations & Makeovers** - Series of before-and-after transformations, showcasing clients who visit the salon
 - Highlight artistic skills and attention to detail while creating stunning designs tailored to each client's preferences.
 - Include testimonials from satisfied clients, capturing their excitement and confidence after experiencing the salon's services.

- **Nail Trends**
 - Videos creating eye-catching designs inspired by various items or trends
 - Show the inspiration for the art, then the final nail polish look
 - Create a series of short videos highlighting the latest nail trends for a season
 - Incorporate close-up shots of the intricate details, vibrant colors, and creative techniques
- **Vlogs: Nail Artist Style** - Take viewers on a journey through days in your life
 - Snippets providing services for clients and/or sharing details of the business
 - Opportunity to emphasize expertise and welcoming-nature

Some important “do’s and don’ts” for Zandile to remember when posting on social media include...

1. ALWAYS film vertically when creating for social media.
2. DON'T post saved videos with the TikTok watermark to Instagram. The algorithm will detect the watermark and harm the video performance. The videos need to be remade in the Instagram app, edited in another app (ex: CapCut), or imported directly from your camera roll.
3. DON'T always include prices in your captions. Add a little more behind-the-scenes information or a meaningful glimpse into the creation process.
4. DO switch it up. Try new things, experiment, and have fun with content!
5. DO gather inspiration from other creators
6. DO include people’s faces when you have their permission!

Business Card

Zandile will need to print the business card. Then, she can use it as she chooses! We recommend keeping a few with her at all times to hand out to potential clients when discussing her salon in natural life. If pursuing any partnership opportunities for cross-promotion, the business cards can also be used. If Zandile's contact information ever changes, she will need to update the Canva document and reprint.

Print Advertisement

Zandile will need to decide how many advertisements she feels comfortable printing. We recommend starting with only a couple to see if she gets any results. Then, Zandile can decide a time and place to distribute the print advertisements.

2.7 Appendix

The following images show how to create and edit an appointment schedule page on Google.

The image shows two screenshots from Google Calendar. The left screenshot shows the 'Create' menu with 'Appointment schedule' selected. The right screenshot shows the 'Mam Mehlo's Appointment' page with various settings and a description.

BOOKABLE APPOINTMENT SCHEDULE

Mam Mehlo's Appointment

Appointment duration
How long should each appointment last?
1 hour

General availability
Set when you're regularly available for appointments. [Learn more](#)

Repeat weekly

Day	Availability	Actions
Sun	Unavailable	+
Mon	9:00am - 5:00pm	⊘ + 📄
Tue	9:00am - 5:00pm	⊘ + 📄
Wed	9:00am - 5:00pm	⊘ + 📄
Thu	9:00am - 5:00pm	⊘ + 📄
Fri	9:00am - 5:00pm	⊘ + 📄
Sat	9:00am - 3:00pm	⊘ + 📄

(GMT+02:00) South Africa Standard Time

BOOKABLE APPOINTMENT SCHEDULE

Mam Mehlo's Appointment

Booking page photo and name
See how your identity is displayed on the booking page

Z Zandile Bonkolo

This is how your identity will be displayed on the booking page. [Manage Google account photo & name](#)

Location and conferencing
Would you like to meet in person, via phone, or video conference?

In-person meeting

11 Cwangco Crescent, Philippi, WC, 7785, South Africa

Description
Add a note that explains your service. This will appear on your booking page and in confirmation emails.

B I U | **☰ ☷** | **🔗 ✖**

Gel Manicure: 45 - 60 minutes
Gel Pedicure: 30 - 45 minutes

Acrylic Manicure: 1.5 - 2 hours
Acrylic Pedicure: 1-1.5 hours

Makeup: 30-60 minutes

Back Save

☰



Booking form
 Customize the form people use to book an appointment



^

First name*

Last name*


Email address*

Phone number  

Type of appointment (gel manicure, g...*  

*Required


+ Add an item


Require email verification
 To prevent malicious bookings, people who aren't signed in with a Google Account are sent a verification code by email. Get this and more with a Google Workspace Individual plan.
[Explore plan](#)


✉


Booking confirmations and reminders


☑

Calendar invitation 
 You and the person who made the appointment will get a confirmation email with a calendar invitation

^







BOOKABLE APPOINTMENT SCHEDULE **Edit appointment schedule**

■

Mam Mehlo's Appointment
 60 min appointments

🔗 Open booking page

🔗 Share

[See all your booking pages](#)

📍

11 Cwangco Crescent, Philippi, WC, 7785, South Africa

☰

- Gel Manicure (45 - 60 minutes)
- Gel Pedicure (30 - 45 minutes)
- Acrylic Manicure (1.5 - 2 hours)
- Acrylic Pedicure (1-1.5 hours)
- Makeup: 30-60 minutes

☰


Booking form
 First name · Last name · Email address · Phone number
 Type of appointment (gel manicure, gel pedicure, acrylic manicure, acrylic pedicure, makeup, or other)

📅


Zandile Bonkolo
 Busy times on this calendar are unavailable for booking



Sharable Booking Link: <https://calendar.app.google/tDK63ZjNn5NnfacY6>

The following images show what customers will see when booking an appointment.


Zandile Bonkolo

Mam Mehlo's Appointment



 60 min appointments
 11 Cwangco Crescent, Philippi, WC, 7785, South Africa

- Gel Manicure (45 - 60 minutes)
- Gel Pedicure (30 - 45 minutes)
- Acrylic Manicure (1.5 - 2 hours)
- Acrylic Pedicure (1-1.5 hours)
- Makeup: 30-60 minutes

[Show less](#)

Select an appointment time

(GMT+02:00) South Africa Standard Time

July 2023


S	M	T	W	T	F	S
25	26	27	28	29	30	1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31	1	2	3	4	5


< **M 17**

TUE 18	WED 19	THU 20	FRI 21	SAT 22	SUN 23
9:00am	9:00am	9:00am	9:00am	9:00am	—
10:00am	10:00am	10:00am	10:00am	10:00am	—
11:00am	11:00am	11:00am	11:00am	11:00am	—
12:00pm	12:00pm	12:00pm	12:00pm	12:00pm	—
1:00pm	1:00pm	1:00pm	1:00pm	1:00pm	—
2:00pm	2:00pm	2:00pm	2:00pm	2:00pm	—
3:00pm	3:00pm	3:00pm	3:00pm	—	—
4:00pm	4:00pm	4:00pm	4:00pm	—	—

Mam Mehlo's Appointment

Wednesday, July 19 · 3:00 – 4:00am
(GMT-04:00) Eastern Time - New York


11 Cwangco Crescent, Philippi, WC, 7785,
South Africa


Your contact info

First name


Last name

Email address

Phone number

Optional
Type of appointment (gel manicure, gel pedicure,
acrylic manicure, acrylic pedicure, makeup, or
other)

Cancel
Book




Booking confirmed

Email sent to
leahclapper@gmail.com

19
JUL

Mam Mehlo's Appointment
Wednesday · 3:00 – 4:00am
(GMT-04:00) Eastern Time - New York



11 Cwangco Crescent, Philippi, WC,
7785, South Africa

Need to change?

Cancel your appointment

Deliverable 3: Sales and Promotions

3.1 Problem Statement

Mam Mehlo's Beauty Studio is currently experiencing a lack of sales, and given that the business is fairly new, this is quite understandable. Having opened just seven months ago, Zandile is still trying to find her feet as a business owner and due to this, she is still not good at utilizing marketing tactics that could attract sales for her business. She has attempted to create promotions in the past, however, the flyers are outdated and unattractive to the consumer eye.

The way that promotions are currently used lack strategy. This causes the entrepreneur to price low even during high sale season, furthering Zandile's place in the commodity trap.

Khulisanani Consulting has found that the business struggles to gain new clientele which results in the low sales. To aid this issue, we have come to the decision of utilizing promotions to attract new clients and retain current ones. We propose a promotional program to be the solution, with the purpose of increasing sales. An additional benefit of this deliverable is to teach Zandile computer literacy, we will work to teach her the platforms available online to create content that can be posted to attract clients.

3.2 Desired Result

The desired result is a successful promotional program execution in the business. This program will attract new clients and incentivize returning clients. As mentioned before, one of Mam Mehlo's Beauty Studio's biggest struggles is sales, and with this promotional program we can resolve that. Zandile will also gain a better understanding of sales patterns, this will work to her benefit as she has more knowledge about the way her market operates. Noting sales changes in her business will be a shift of behavior, she already does this in some capacity but we want to help her formalize this process. Noting sales patterns is critical in promotions because it is what determines when a promotion should occur or not. In addition to that, she will increase her computer literacy as she will use the graphic design platform Canva to create flyers for future promotions. Overall, the skills learned from this deliverable will benefit the entrepreneur by helping her become more business oriented.

3.3 Solution

Having opened only seven months ago in December of 2022, Mam Mehlo's Beauty Studio remains a fairly new business. When Zandile first opened, she did a few promotions in hopes of attracting new clients since she didn't yet have a steady stream of sales coming in. Though her promotions were a great effort and they did help with business, they weren't as impactful as she had hoped. The idea and concept was there for the business, however, the execution could be improved and the process of sales/promotions can be systematized.

Both Khulisanani Consulting and the entrepreneur, Zandile have decided the best approach to sales/promotions is by instituting the **promotional program** mentioned above in the problem statement, to gain new customers and retain current clientele. The promotional program sets occasional promotions to alleviate the impacts of low sales seasons and to attract customers during holidays or prom season. This will not only attract new clients willing to try out this beauty salon at low promotional prices but it will also encourage client retention as the services are well worth the prices.

When we look at past promotional flyers that Zandile has created, we see that the style used in the flyers don't attract the consumers. We find that a more aesthetically appealing flier will attract more clients thus increasing sales. In the image below, you will find a flier that Zandile had created for a past promotion. The design of the flier uses colors that are not relevant to the branding of the business. The graphic used of nail polish colors below is not the most visually appealing, it is an outdated animation. The product images used are unnecessary to have because potential customers can go onto Instagram to see product images where these promotional flyers will be posted. Not only do the images take away the focus from the promotions, because there is room for improvement on them as well. The lighting could be

better adjusted as well as the background, the nails should be the primary focus but the use of the logo is a bit distracting and could be changed to a watermark instead of the physical logo plate.



Khulisanani Consultants finds that a flier with minimal graphics and gets straight to the point about the promotion is more appealing for consumers. This will aid in attracting customers, ultimately increasing sales. The flier below is one that we created and the format that we recommend. The brand colors are white and gold, these should be the primary traits of the flier. The logo is added on the bottom right hand corner to demonstrate further branding efforts. The promo is detailed in the gold box centering the flier. Contact information is also included with a gold WhatsApp logo, displaying access to the business. Promotional fliers should remain simple

to demonstrate class and luxury. This is the brand that Zandile wishes to create for her business, affordable luxury services.



Khulisanani Consulting has worked with the entrepreneur, Zandile, to create content using Canva. This will help her familiarize herself with the software to create fliers in the future. We will sit down with Zandile and guide her as we assign her to create her own promotional flyers. We encouraged her to use inspiration from the flyers we created, while at the same time giving her the freedom to create her preferred designs.

When Zandile first began doing promotions because she was a new business, her promotions lacked proper sales strategies. One thing she has learned being in business this past couple of months is that she experiences low sales during the winter. That is due to the fact that pedicures are rare since less people are wearing open toed shoes and because people are less socially active in the winter since it is cold and many potential customers rather stay indoors than go out to social gatherings. In addition to the cold weather of winter deterring customers, there is also a lack of holidays and events that encourage people to seek other Zandile's services. Since she was able to recognize that, we can classify her business as a seasonal sales business. Meaning, we must implement a way to combat that so Zandile is able to continue to make a decent earning from sales year round, making her business a sustainable one. It is very important that in her business she only does promotions with discounted pricing during low sales seasons because that is when people are less likely to seek out her services. Comparatively, during peak sale seasons like summer, it is not strategic to offer discounted priced promotions, since people do seek out these services in the summertime.

Below is a flier that Zandile created in January, the summer season. She offered discounted pricing if two friends came into the store to receive her acrylic services at a discounted price. The promotion itself is great, however, the timing was not. Promotional fliers don't always have to be discounted, they can be used as advertisement. Discounted promotions should be more specifically used when low sales are an issue. By lowering prices during peak seasons, hurts the overall money earned from sales annually. This is the importance of strategic pricing.



An important aspect of sales and promotions is that we must distinguish sales patterns annually. There are two main types of promotions, first is the discount promotion which should be used during low sales seasons to incentivize customers to seek services thus alleviating the impacts of low sales. The second type of promotion is the advertisement promotion, these are promotional times of the year in which we should not discount pricing rather promote Zandile's services to attract customers. To give a better visual, a comparison chart can be found below. This chart lists times throughout the year where discount and advertisement promotions can be used.

Type of Promotions Comparison

DISCOUNT PROMOTION	ADVERTISEMENT PROMOTION
<ul style="list-style-type: none"> • Winter Season <ul style="list-style-type: none"> ◦ May to August • Fall Season <ul style="list-style-type: none"> ◦ February to April 	<ul style="list-style-type: none"> • Holiday's <ul style="list-style-type: none"> ◦ Valentine's Day ◦ Matric Balls ◦ Mother's Day ◦ Special Events ◦ Christmas ◦ December 16th ◦ New Years Eve ◦ New Years Day • Peak Season <ul style="list-style-type: none"> ◦ Summer ◦ Spring

Discount promotions include bundle specials such as offering a gel manicure and pedicure for R100 when it would typically cost R130. This could also be offering a 10% discount for first time customers, incentivizing new clients to book appointments with Zandile.

Advertisement promotions are for the purpose of increasing the target market's awareness of her beauty studio and what it has to offer. We can market using the bundle, but not discount the pricing. An example of an advertisement promotion for Matric Balls or special events can be found below.

MAM MEHLO'S BEAUTY STUDIO
EVENT SERVICES
For You



Make Up
FOR SPECIAL EVENTS

Come through to Mam Mehlo's Beauty Studio to get ready for Matric Ball.

FACE BEAT ONLY R150

Message to Book Appointment!
☎ +27 071-057-9066



The purpose of the sales/promotions deliverable is multifaceted. As part of this deliverable we will teach Zandile how to create more aesthetically appealing flyers to the consumers using a platform called Canva. This will be done using a computer, meaning we will help increase her computer literacy. In addition, we will help her change her behavior by teaching her sales patterns, thus she will better understand what type of promotion should be applied. Those promotions are discounts during low sales and advertisements during peak sale seasons. Ultimately, the promotional program that we have created, and the way we plan to execute it with Zandile will be immensely helpful in increasing sales in the business.

3.4 Argumentation

The promotional program that we plan to institute will **attack a variety of issues** in the business. She struggles during the winter to breakeven in her business, and this results on a variety of issues as she cannot operate a business at a loss, This stifles her growth opportunities and ultimately the longevity of the business itself. The promotional program is a proactive way to maintain steady sales during low sales seasons such as Winter and Autumn. It also aims to take advantage of events such as holidays and prom season by providing combo packages for clients, which attract sales. Outside of aiding in sales strategy, this program will also help Zandile create content for her social media platforms. Since we will teach her how to use Canva, a graphic design tool, she can use this to create advertisements in the future as well as marketing content. Overall, this deliverable utilizes strategy and computer literacy to help Zandile enhance her business, and present her with the opportunity to grow in the future. As Zandile has mentioned before she has hopes of growing her business in the future and expanding her locations, the skills she will gain from this deliverable will help her work towards those goals.

3.5 Implementation

Khulisanani Consulting feels that the best way to implement this program is by teaching Zandile how to note sales changes throughout the seasons, and understand when it is necessary to put out a promotion. When she notices that business isn't doing well, she can put out a promotional flier to attract customers. We will also teach Zandile how to use Canva so that she can create fliers on her own after we leave. Leading us to the first step of creating promotions.

As mentioned earlier in the solutions section, businesses like Zandile's experience low sales during the winter due to the cold weather and lack of events. We recommended that she does a promotion to aid in the loss of sales, Khulisanani Consulting helped create a promotion flier for a winter special. The promotion was a gel manicure and pedicure for R100 compared to the usual R130. The flier we created with her is shown below.



There are three basic steps to executing a promotion. This involves content creation, distribution, and execution.

1. **CONTENT CREATION:** Entrepreneur familiarizes herself with Canva. Canva will be the primary platform used to create flyers for promotions and sales.
2. **DISTRIBUTION:** Content (flyers made from Canva) will be shared on all marketing platforms such as Instagram, Whatsapp, Tik Tok and Facebook.
3. **EXECUTION:** Service the clients that are attracted from sales/promotions.

Prior to creating the content, the entrepreneur must plan for these promotions to occur and do it using a strategic method that we have mentioned. We must first do a proper evaluation of the highs and lows of sales that the business experiences in order to plan accordingly when we would conduct sales and promotions. We also have to evaluate sales cycle length. Referring back to the **Types of Promotions** chart, during low sales we will promote discounted services while during special occasions, holidays, and certain seasons, we will do advertisement based promotions. Moving onto the steps of creating a promotion, which you will find listed below.

Step 1: Identify the promotion. Example: combo specials

Step 2: Use Canva, start a new project with a blank template or use an existing template.

- Tip 1: be minimal with design, stay away from complex designs that could distract from the message of the flier.
- Tip 2: make sure the colors are on brand with Mam Mehlo's Beauty Studio, aim for white and gold. This could be altered when it comes to holiday specials such as Valentine's Day or Christmas.

- Tip 3: Make sure to include WhatsApp, the offer, dates valid, logo, and etc.

Step 3: Post flier on Facebook, WhatsApp, Instagram (stories only), TikTok (stories only)

- Note that we recommended posting on stories maybe daily while the promotion is on going because creating a post on IG can be misleading since it will expire.

The process of executing a promotion has been explained, and now moving on to the tools that we have helped create for Zandile to utilize in the process of creating promotions is the Canva folder that has templates that use her brand colors and the type of image she wants her brand to represent. Mam Mehlo's Beauty Studio is to embody class and luxury while maintaining affordable prices. That is also what we want her flyers to portray. The steps to utilizing the canva folder provided are listed below.

Utilize the Canva Folder Created

Step 1: Go onto www.canva.com

Step 2: Log-in to account using your username and password.

Step 3: Select projects. Select the Mam Mehlo folder. (In this folder you will find a variety of pre-made templates for future use.)

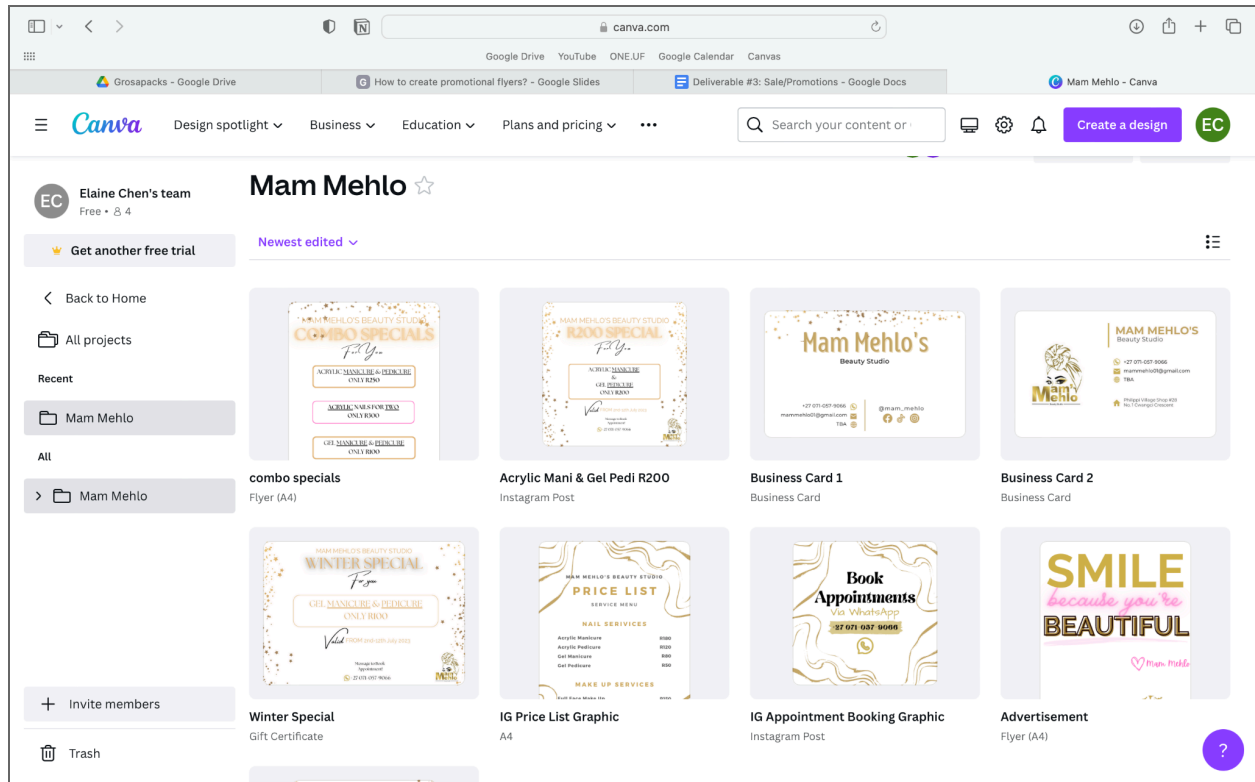
Step 4: Select a template depending on the promotion (Example: winter special).

Step 5: Verify the details of the promotion is accurate (Example: the price for combo).

Step 6: Enter in the dates of which the promotion is valid for.

Step 7: Download the flier using the share button on the upper right hand corner of the screen.

Step 8: Share flyers on platforms such as Facebook, WhatsApp, Instagram and TikTok stories.



As explained earlier in the steps of executing a promotion, it is important to distribute the promotional flier to proper channels. She will share the flier on the *story* of social media platforms such as Facebook, WhatsApp, Instagram and TikTok if they are temporary promotions, meaning they have an expiration date. This will primarily apply to the discounted promotion. Advertisement promotions on the other hand can be posted as posts on Facebook, Instagram and TikTok since they will share prices that remain the same.

3.6 Next Steps

The next steps of the sales/promotions deliverable would be to track the frequency each promotion is used, track the returning customers using a customer database, implement a referral program, and lastly is to institute a loyalty program

Track Promotion Use Frequency

Khulisanani Consulting has created an Excel spreadsheet in which the client can track how many customers use a promotion, discount promotions specifically. This will help Zandile learn which promotions get the best consumer engagement, aiding her in creating future promotions since she will know which one consumers prefer most. The types of discounted promotions she has offered include bundling services such as gel manicure and pedicures for a discounted price. She also offers a discount in which two people come to receive a service such as acrylic nails and will receive a discounted price on the total. She has done these promotions in the past, however, she remains uncertain which one receives the best consumer feedback. By tracking this on an Excel spreadsheet she will be able to strategically use promotions.

Customer Database

Khulisanani Consulting has created an Excel spreadsheet that Zandile can use to fill out customer information and track the service the client receives. The customer information portion will include: name, WhatsApp contact, and birthdate. Below this information she will be able to track the services of her returning customers and track the dates the services are received as well. This will help Zandile gain a better understanding of who her regulars are, this will provide future opportunities to increase customer retention, foreshadowing to the loyalty program.

Loyalty Program

The loyalty program is part of the next steps of implementation in the deliverable because Zandile has yet to have been able to gather a sustainable customer database. She has expressed hopes of instituting a loyalty program in October of 2023. The Loyalty Program increases client retention, by awarding returning customer discounted services after a certain

amount of returning visits. An example of this can be, on every 5th visit they can receive 20% of a gel service either manicure or pedicure. We can also offer a birthday discount for customers who sign up to be loyalty members. These loyalty members will be anyone who is part of the customer database system on Excel. The loyalty program will incentive customers to return, and increase the stability of sales year round.

Referral Program

The last program we hope to implement as part of the sales/promotion deliverable is the referral program. The purpose of this is to attract new clients and reward current clients. She will also be using an excel sheet to track the clients that come in based on referrals. For every three clients someone recommends to receive a service, you will receive a free service.

3.7 Appendix

Appendix 1. Excel Spreadsheet Promotion Tracker

	A	B	C
1	Track Customer Use of Promotions		
2	Date	Promotion	Name of Customer
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			
16			
17			
18			
19			
20			
21			
22			
23			
24			

Appendix 2. Excel Spreadsheet Customer Database

Customer Database		
Name	WhatsApp	Birthday

Appendix 3. Excel Spreadsheet Loyalty Program

Loyalty Program		
Date	Name	Service Receive

Appendix 4. Excel Spreadsheet Referral Program

Referral Program			
Name	Referral 1	Referral 2	Refferal 3

Deliverable 4: Operations Process

4.1 Problem Statement

There are countless excellent features of Mam Mehlo's services. However, Khulisanani Consulting has found many possible negative moments of customer truth throughout Zandile's nail services. We believe that the business is being held back by poor organization, inconsistent operating procedures, and underutilization of available space in the store. There was no organizational system among the shop shelves, which looked chaotic and may have lowered the customers impression of professionalism and overall value. Zandile's operating procedures also need some slight tweaks to achieve the high standard and exceptional quality that she would like to use as a differentiator. Operational improvements enhance Mam Mehlo's value proposition when customers feel confident that they will receive consistent, excellent service. Zandile also envisions hiring one or two more employees in the next several months, so a standard operating protocol needs to be developed so that these employees can be quickly onboarded and strive to meet Zandile's expectations. The Mam Mehlo's shop needs physical improvements to create return customers and increase her value statement to said customers. There is also a missed opportunity to attract passersby and market what her services entail through her storefront, which is a common theme throughout Philippi Village.

4.2 Desired Result

Our team intends to attract new customers to Mam Mehlos business and create return customers by providing excellent and consistent service. We hope to provide some differentiation and market positioning by making her physical salon stand out from her many

close competitors. Our team also aims to create a standard operating procedure that Zandile can use and alter based on her needs to ensure that clients consistently receive the luxury services that she intends to give them. Thirdly, we want to create an organizational system to improve the look and functionality of her salon space. Lastly, we hope to incorporate lotions and perfumes provided via partnerships with other small businesses to create extra revenue streams and increase the value of her services and physical location. These 4 sub-deliverables are improvements to the customer experience continuum. First, we will draw customers in and create positive moments of truth with an improved look and feel. Then, the improved organization and standardized operating procedures will ensure they have a better experience inside the shop. Lastly, the lotions and retail products in the space will leave them feeling pampered at the end of the service, while creating a new revenue driver for Zandile.

4.3 Solution

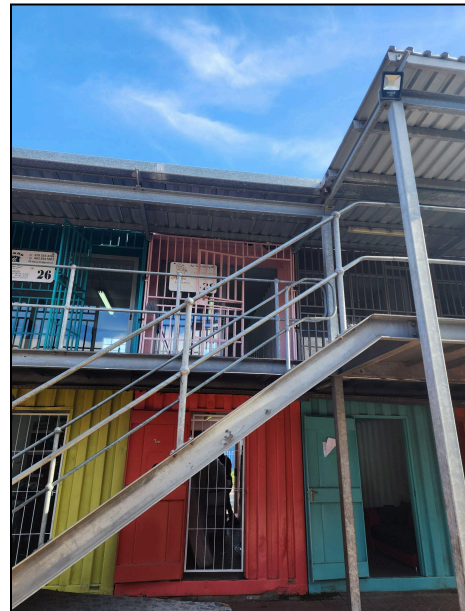
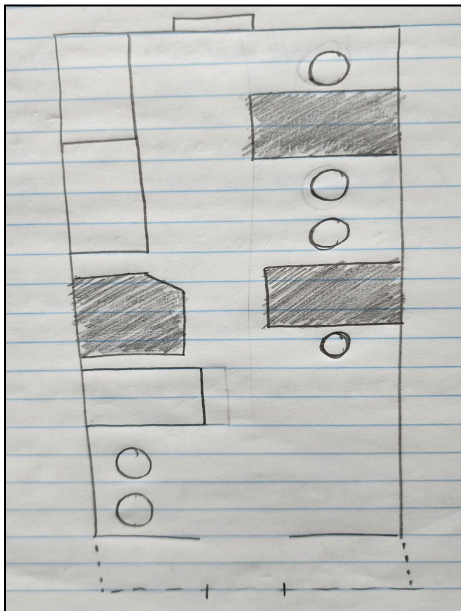
Part 1: Differentiation and Renovation

To create differentiation, our team will be providing a full salon renovation. Our team has consulted a home staging professional (Chance's mom Jill) to add onto the remodeling ideas we generated during our meetings with Zandile. To begin, we removed some of the unnecessary shelving in her shop to create more space to work with and the desired feeling of openness.

Due to budgetary constraints, no new furniture was purchased during the renovation and her existing furniture has been fixed and modified to better fit in the new space. Her salon chairs specifically had many broken legs and wobbled badly, and her work stations had many different kinds of stone on their surfaces that clashed badly. By the time renovations are completed, all of the furniture will have received a fresh coat of paint and aesthetic repairs. This furniture will be

better organized within the container to create subdivided sections with a better feel and flow throughout, and there will be a sitting area complete with a refreshment table. Also on the list is an improved pedicure station that provides more privacy and a more comfortable design to hold up the clients feet.

We will also be subdividing her remaining shelves to aid organization and recycling the dismantled shelving to use in other renovations. Lastly, we will move her nail station to a location in which the client doesn't feel like their back is to the door, and they will be able to fully see the new retail shelf section. Window treatments will be created to manage the heavy sunshine and heat that comes through her back window. To draw more customers, some custom draping will be designed and implemented outside her shop to appeal to passersby. We noticed not a single other business in Philippi Village was taking advantage of exterior decoration and determined it was a missed moment of truth opportunity. The new shop layout can be seen below (hand drawn image) along with the front of the shop.



We have created a more prominent brand identity by providing a stylish and luxurious paint scheme in her salon. Our efforts include ways to draw in customers from both the street view and when moving by the container on the metal walkways. To attract passersby up to the second level of the complex, we will trust the curtains in her entryway mentioned before along with a large sign with her logo behind the security bars of her container. A strong coloured focal wall with her logo on it has been created at the back of the shop to draw the eye and the customer in when passing by the storefront.

The floors are badly damaged and instead of paying for new tiling or vinyl, we will sand down the existing flooring and paint it jet black. This will create depth and contrast so the rest of the paint scheme can pop, it will hide the existing damage, and obscure the majority of new scuffs and dirt. The corrugated wall will get a fun and creative paint job with complementary pinks to make the shop even more vibrant.

A stretch goal for the renovation would be to create a sign to go behind the bars of her salon with a large logo and price offerings to draw clients to investigate. This will be dependent on the materials we are able to afford compared to the potential effectiveness of the effort.

Part 2: Standard Operating Procedures

We have organized a standard operation for Mam Mehlo to use on her clients every time she offers her services. She will have to follow the operation instructions in the same order and pace in order for her to manage her time efficiently. The procedure will make it easier for her to teach her employees and so that she does not take more time in teaching but just assessing. Mam Mehlo offers three services, manicure, pedicure and face make up.

❖ Manicure and Pedicure Procedure

1. **Sanitize** - Mam Mehlo sanitizes herself and the client before starting the job.
2. **Cuticle pushing** - This is to reveal the customers nails so that the acrylic.
3. **Filing** - To prepare the nails for the tips.
4. **Cut cuticles** - When the cuticles are messy, they are cut so that nails stick out.
5. **Install Tips** - She installs the Tips using nail glue if the customer tips.
6. **Shape** - She then shapes the tips to the customer's desired shape.
7. **Acrylic** - If a client wants acrylic nails then we put acrylic but if the customer wants only gel then she applies gel on this step.

On this step, she puts the hand under the UV light while she applies acrylic on the other hand for 30 seconds to dry. When the other hand is done too, she puts it on the UV light to dry.

8. **Filling until smooth** - If the nails are acrylic then she files them, but if it is Gel then there is no need for filling.
9. **Art** - Art is done both on acrylic and gel nails.

On this step, she puts the hand under the UV light while she applies acrylic on the other hand for 30 seconds to dry. When the other hand is done too, she puts it on the UV light to dry.

10. **Top coat** - Top coat is applied on both gel and acrylic nails.

On this step, she puts the hand under the UV light while she applies acrylic on the other hand for 30 seconds to dry. When the other hand is done too, she puts it on the UV light to dry.

❖ **Face Make up**

- The face make up varies a lot from person to person and what makeup do they prefer on their face. There are also simple and complicated makeups. The first step to every face beat is to use face wipes that have no chemicals so as to accommodate the people with sensitive skin.

Part 3: Salon Organization System

The intended salon organization should be a simple operation. Firstly, it is important to make some changes to the shelving Zandile currently uses to store her paints and other assorted objects. We will begin by creating a hidden storage area by using some sheer fabric to hang over the bottom cubes of both of the remaining shelving stacks after the renovation. Zandile will use these spaces to hide things that are not part of her daily operations or client related. One or two of her shelves need to be reserved and decorated to be used as retail space for her partnered clients' products. The remaining shelves will be organized to allow her to reach various service implements easily while with clients. Her paints and brushes will be organized into racks for her to grab easily and there is a potential to create an on the wall rack system for her to store her paints in a more pleasing and organized way, time providing. Our team will work with Zandile to draw up a schematic of where all of her things live in this new shelving system so if she needs to add things or change where they live, she has a basis to work from and keep organized.

Part 4: Partnerships

We are seeking two kinds of partnerships for the beauty studio. Firstly, we will partner with service companies who also work in the beauty industry. Hair salons are of particular interest because it allows us to compliment our company when being compared to the other

local salons that do both. We intend to strike up a partnership with My Hair Passion, a fellow EESA program business. These partnerships will involve the two companies sending clients to each other via recommendation. The second, and most important, form of partnership will be with beauty and skincare products to put onto the newly created retail shelves. We will draw up contracts that allow us to sell these products on commission. This will create a new revenue stream for her and help spread word of mouth throughout the community. We intend to work with both the African Secret and Natured Skin teams to get their clients products onto Mam Mehlos shelves.

4.4 Argumentation

Differentiation and Renovation

The reason the renovation is such a good option is that it solves multiple problems simultaneously. We could come up with individual deliverables to create differentiation, improve customers' moments of truth, and market the business to passerby but the renovation takes care of all three for a low time and monetary investment. Improving the physical salon is also highly motivating to Zandile and creating a new floor plan is allowing for both a second nail tech station and a new retail space to be created. With a paint sponsorship we may be able to achieve all of this for close to R250. No other strategic alternative we considered can even come close to such high impact with such low investment. Having the brand identity represented in the space also makes our other deliverables more straightforward as creating new marketing material will be easy when all the marketing pictures are taken in a branded space.

Standard Operating Procedures

Creating a standard operating procedure creates customer value as they know they will receive a near identical experience every time they enter the salon and, after hiring a second nail tech in the future, no matter who their appointment is with. Standard procedures will also allow Zandile to better estimate her expenses and schedule her clients more efficiently as she will know exactly how long the service should take. With a standard operating procedure, Zandile has a stable platform that she can tweak and reorganize as her systems improve and elements of her pricing and procedures change.

Salon Organization System

Having an organization system for the studio ensures that customers experience positive moments of truth. For instance, when a customer walks in the studio and sees that it is neat - everything is packed perfectly, etc - they are more likely to be excited about the service they will receive and they start to see Mam Mehlo as an organized person, which creates a sense of trust and builds up her credibility in the eyes of the customer. However, if the customer walks into the place and finds everything misplaced, disorganized and unclean, they are more likely to doubt Mam Mehlo's competence, credibility and capabilities. An unorganized workspace also results in less excitement from the customer about the service they are about to receive and this might make them not want to come back in the future. We believe that this system is important as it will show Zandile the importance of order and organization. If she practices this system, her business will have a lasting impression on her clients or customers and it will encourage them to be loyal to her business and they will return.

Partnerships

With the creation of a new retail space during renovations it will be imperative that we work with Zandile to land a few partnerships to fill those shelves. We intend to create a few commission contracts with beauty and skincare product companies to provide us products that Zandile can demo during her services. Other product categories may have some sort of clever implementation but to start we want to target products that are most complimentary to her services. If she sells candles, she can have one burning in the shop to add value to the customer experience and subtly advertise for the product. Hand creams can be used at the end of the nail decoration to both pamper the customer and demo the product. It is important that the partnership be commission based so that Zandile does not end up with lots of products that are not selling in her inventory and hurting her cash flow. The products can also be updated and swapped out based on the preferences of Mam Mehlos clientele. This deal will provide cash flow for both the beauty company and Zandile. The deal will impact the cash flow of the skin care businesses as they have to sink money into products up front but in exchange Zandile is providing them direct access and credibility to their target customer base.

4.5 Implementation

Differentiation and Renovation

Week 2: The first step of our implementation for this aspect was to speak to Zandile about what her vision was for the salon. We quizzed her on how she wanted the client to feel, what she wanted the client to smell and hear, and what she wanted the client to walk away remembering about her. We then talked about how she wanted the business to grow and where she saw the business to be in 5 years. We then talked about aesthetics and what kind of

organization she would need to fulfill her vision. Lastly, we made notes on the central issues that clients might have, and have reported, when it comes to negative moments of truth. This included a leaking, moldy ceiling, torn up floors, broken furniture, messy workstations, and a dingy overall look to the walls and surfaces.

Week 3: To begin the week, Chance sent a comprehensive set of photos to his home staging connection (his mother Jill) for her to look over and prepare design notes on. During one of our midweek meetings we walked her through what the customer experience might look like after the renovations and generated a bunch of ideas towards achieving that experience. An emphasis was put on using the existing furniture and shelving without having to purchase anything new to keep costs low. After this meeting Chance sat on a late night call with Jill and her team to figure out a full renovation plan to present to Zandile. Some really great ideas were generated during this meeting and Jill even suggested a new revenue stream idea that the team had overlooked in placing skincare products on her shelves. A new, more efficient floor plan was drawn up and a materials list was created based on the suggested improvements. We managed to keep the required materials very low, only requiring about 8L of paint and a few yards of pink tool fabric.

Week 4: This week we began the full on implementation process. At our Monday meeting we asked Zandile if she could get the existing white paint on the walls and shelves touched up by the landlord and by Thursday morning she had sent us pictures of the Philippi Village maintenance crew repainting her entire shop white and tearing out the unnecessary shelving! This was a major win and our team really appreciated how seriously she was taking our suggestions. She had also taken our advice and convinced her landlord to do this for her for free which was a huge savings and great leveraging of resources on her part.



Fig: Improvements to the water damaged ceiling (before and after).

At our week 4 Friday meeting, we talked about the improvements Chance and Jill had designed and she absolutely loved nearly every element of the new design. It was at this point that the changes started to become real for Zandile and her enthusiasm continued to build. The team created a finalized materials list based on the accepted improvements and decided that it would be worth seeking sponsorship for the paint based on the total cost of 8L being nearly 1500 rand. Unfortunately, Friday evening was spent finalizing and practicing our team's case presentation so no paint sponsors were contacted. On Saturday, we presented our case and by the time class let out nearly all of the hardware and paint stores were closed by then. Chance made a few phone calls and left voicemails but expected limited returns. On Sunday the stores were closed for the entire day. Our team made a list of potential contacts to use in the upcoming weeks. Chance also began working on restoring the salon's damaged furniture at the midweek meeting. The tools provided were limited and a new list of required tools was made to be more productive in the next session.

Week 5: This week was full force implementation. Our team made close to 15 phone calls to paint and hardware stores in the Cape Town area. We managed to reach 4 decision makers for businesses of various sizes and sent follow up emails to all 4. We received responses from Brights hardware in Tyger Valley, who declined the opportunity and the Tyger Valley branch of Midas Paints. Monday evening Chance ventured over to the Midas location to check up on the sales process and put in rapport with the branch manager. Things went pretty well and the team was informed that a response would be sent Tuesday morning. When no response was received we headed over to the location and found out that the decision makers in the head office were at a conference in Joburg and would have a decision by Friday morning. After some small talk with the store manager we confirmed that the company has acted on opportunities like this before and we had a decent shot at getting through with such a low ask. Chance asked the assistant store manager if they could work out any kind of discount if the sponsorship fell through and he responded that they absolutely could. The only issue with this was that if we picked up the paints on Friday we would need to paint Friday afternoon at the latest to meet our other deliverables before the end of the program.

At the Mam Mehlo meeting on Tuesday evening, we reported the situation and worked with Zandile's husband to create a backup plan to ensure the renovation happens. Zandile's husband worked during the week to find the best deal he could for the 8L of paint and reported it to our team. We were then prepared, if the sponsorship deal turns into a discount deal, to purchase the paints at the cheapest price available. This ensured that no matter what we would have paint on Friday and the renovation could move forward.

As far as furniture repair is concerned, Monday was a great day. A cordless electric drill and a big bag of 50mm screws was leveraged from the schools maintenance department and a hammer and hand saw was borrowed from the woodshop below her studio. We cut pieces from

the disassembled shelves to reinforce the collapsed legs and broken framework inside of her salon chairs (seen below). After the serious business was concluded for the day, the entire team got in on the action and tried their hand at engineering (with varying results).

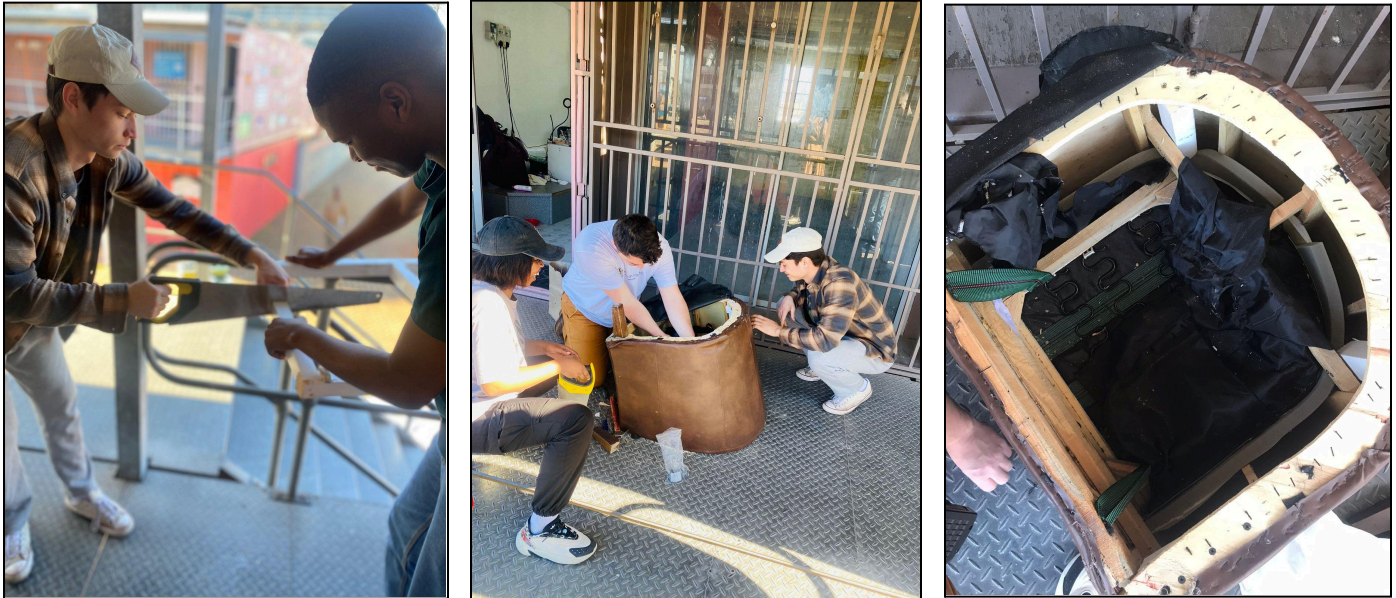


Fig: Salon chairs being brought back to life with some creative township engineering.

Friday morning came around, and the majority of the team was sent around 1:00 pm to begin clearing out and cleaning Zandile's shop for the renovations. Chance called Midas to get an answer and was told to call back later to talk to Shane (store manager). There was no time to wait so Chance and a student from another team headed over to the shop to talk in person. Shane informed us that he had not heard back from the owners yet and offered us a 15% discount. There was no way that Zandile would be able to afford this so after negotiations we had settled on a 40% discount. This was quite a bit more than we wanted to have Zandile pay but would work inside of the established budget. Just as the team was about to leave and consider having Zandile's husband buy cheaper paint in the township, the store owner walked in and we pounced on the opportunity. We spoke with him and Shane and were able to convince the owner to do a full sponsorship of the renovations. We offered quite a few value generators

including putting branded material in Zandile's shop for advertisement, sponsoring an EESA class and having a midas rep speak, and bringing in our second client AB who recently moved into a new office and would need quite a bit of paint for his renovations. In the end they were most interested in getting promo materials and word of mouth recommendations from Zandile's shop and getting a price quote from AB for his large job.

Once we called Zandile and informed her of the news she was ecstatic. We received the 4L of pink paint we had asked for, brushes, paint rollers, roller trays, tape, and drop cloths for free via the sponsorship. Unfortunately, we had to purchase the black paint in the township because Midas did not have a paint line that was durable enough to go on the floors. Chance returned to campus and immediately raced to get into the second van headed to Philippi. By the time he arrived with the supplies the entire shop was empty and swept. The team quickly taped off the necessary areas, sorted out the colors that would be needed in each section and got to work. With 7 hands getting paint on the walls, we managed to complete about 80% of the work within our 2 hour window. Below are the before and after pictures of her shop after paint day 1.



Fig x: The before and after of the beauty studio painting project.

It is important to keep in mind that in the right image the tape still needs to be removed and colors touched up.

Week 6: At our Monday meeting, we took one step back and two steps forward. We had an incident where a can of paint was opened improperly and splattered on the accent wall, floor, and ceiling which needed to be cleaned and touched up before moving on. We painted the remaining white square on the highlight wall and peeled back the tape from all around the room. The black paint on the floor was still tacky even though it was supposed to have dried in 24 hours so we set a fan to blow air into the room. However, Zandile found black faux tiles to paste on the floor instead of the paint. Zandile sent us a photo of the new flooring on Tuesday, and it looks fabulous!

At our Wednesday meeting, we plan to get quite a bit done. Firstly, we will finish the paint job and get all of the edge lines nice and tidy. We will create some shelving for her by cutting apart the disassembled shelves and nailing the pieces into place on her existing shelves. Once the container is ready and beautiful, we will begin redecorating her shop. We will create the waiting room she had always desperately needed and set up the water and snacks table. The pedicure station will be set up as well. The rest of the furniture will be set up according to the diagram we drew up in week 5 and it will look immaculate!

Standard Operating Procedures

❖ Times and customer schedule

- **Acrylic** - We figured that it takes approximately 2 hours for short acrylic nails and 3 hours for long nails and more for extra length. This means that Mam Mehlo can take 4 to 5 acrylic nails clients per day.

- **Gel Pedicure** - Gel takes much shorter time on the feet than on the hands because they are shorter and there is not much art that can be done. It takes 1 hour, and Mam Mehlo works a minimum of 8 hours a day. This means that for gel pedicures, she can take 6 to 7 clients a day, including the fact that she has to have lunch and fetch her kids from school when her husband is unable to.
- **Gel Manicure** - The gel manicure process depends on the length of the nails and the shaping. This makes the process take longer than the gel pedicure nails. We have realized that gel manicure nails take 1 hour or more to prepare. This implies that Mam Mehlo could take about 5 gel manicure clients a day.
- **Face makeup** - Face makeup up is an art that Mam Mehlo can master within a period of 1 hour. Therefore, Mam Mehlo could take 8 face makeup clients a day.



Gel Manicure



Acrylic Manicure



Gel Pedicure



Face make up

Salon Organization System

In terms of implementing this salon organization system, we have counted the number of shelves that Mam Mehlo has in her studio. We also made a list of everything that she currently has on those shelves. We did this so we could categorize the shelves and dedicate each one to certain items. So basically, one shelf will have all the nail polishes and gels while another has all her acrylics and so on. We are planning on organizing these things in a strategic way that is aesthetically pleasing but also allows Zandile to access these items easily. The ultimate goal of this system is to have her know where everything is so that when she's working with a client, she does not waste time trying to locate and gather everything.

What we also noticed was that Zandile's shelves were very disorganized and that she had everything everywhere. There were dishes on the same shelves as the nail polishes and on those very same shelves, there was a jar of water and cups. We think that this is not good for the customers to see hence in the system we have developed, things like dishes and all other

things related will be placed on the bottom shelves that are not really in line with the eyes of the customer. We want to start organizing the shelves tomorrow after we have done the little store makeover we've been planning. We also plan on bringing some cleaning materials to clean some of her inventory so we get her to notice and understand the importance of a clean working space.

Partnerships

Week 4: After the meeting with Jill and the approval of a retail space on Zandile's shelves, Chance began conversations with the other teams in the program with clients that may prove to be good partners for Mam Mehlo's studio. We identified both African Secret and Natured Skin as great potential partners as their skincare and perfume products are complementary to Zandile's services. They can also both be incorporated into her new standardized operating procedures to add value to her nail services and drive sales for the other brands. Bryson from the Natured Skin team was also looking to establish partnerships with fellow EESA brands and there was some interest from African Secret as well. We also wanted to target the My Hair Passion business as they operate less than a block from our salon and provide a complimentary service. A few of the largest competitors in the area offer both hair and nail services so it would benefit both companies to send clients via recommendation between the two Philippi Village salons.

Week 5: The partnership idea was thrown around a bit more between the groups on Monday and Tuesday and on Wednesday a solid plan was put in place. Chance and Bryson created a tentative time and place that all interested parties would meet. The Kulisinani team was responsible for solidifying logistics and getting all the necessary teams on board while Rekathusa would create a commission contract template to provide to the business owners and

prepare a walk through presentation on how to use it. The date was set to Saturday evening from 5-6pm on the UWC campus. As the week progressed, teams began to back out and schedule other of their own implementations during the time slot we had set aside. The event was called off and a smaller, more targeted group would simply create contracts at a meet and greet session instead the following week.

4.6 Next Steps

Differentiation and Renovation

The next steps in the renovation process are to upgrade the existing furniture when money becomes available, buy or create a window treatment, and hang sheer curtains in the entryway of the shop. These elements did not fit into our time and budgeting constraints but will be excellent touches to seal the completed design aesthetic. There is also talk of adding black stick-on tiles to the floor which should be completed if budget allows.

Standard Operating Procedures

Mam Mehlo took a course to do nails, she is skilled and knows exactly what she is doing. The standard procedure will assist her when she is training a new employee as she plans to hire one when the busy season starts. Our next step is to print the procedure and make it in the form of a manual so that it becomes easier to follow for her new employee. Khulisanani will also record a video from the first step of the procedure to the last so that Mam Mehlo has training equipment. This will make the job easier for her and it will save time.

Salon Organization System

What we plan to do as our next step is to check up on Mam Mehlo and see if she has used our recommendations to organize her shelves. As mentioned before, this organization system is to make the products on her shelves more accessible to her when she's working and attractive to her clients. We also want to see if she has taken the things she's not using back home. The reason why we want her to do this is so that she has more space on the shelves so that in case she decides to display any cosmetic products, she will have a place to put them.

Partnerships

With an understanding of how to identify partnership opportunities and equipped with a sample contract, Zandile should reach out to the skincare brands we have put her in touch with and negotiate a deal that makes sense for her business. We selected companies based on their margins so that they would have the most flexibility in giving Zandile a good commission amount.

Mam Mehlo's Beauty Studio

Final Recommendations

Khulisanani Consulting

Elaine Chen, Leah Clapper, Chance Johns, Dovydas Zukauskas, Aqhama Tinise, Zibele

Jonas, Amahle Nduna

Final Recommendations

After a thorough evaluation of Mam Mehlo's Beauty Studio in the SEE Model, Khulisanani Consulting found four key issues in the business that we hope to resolve in the client deliverables. The first issues being bookkeeping, when we first met Zandile, she did not have a business bank account or a system for financial tracking. In the deliverable, the entrepreneur opened a business bank account and is now using Cashbook to track her business finances. We also helped her build a cash flow statement and taught her how to create and accounts receivable and payable. We also helped her create an income and expenses sheet. With these new financial tools, she will be able to better track her business's finances and understand whether or not she is truly making profit and breaking even.

The second deliverable that we focused on was increasing her branding abilities through the marketing deliverable. The primary focus of this deliverable was to create a brand presence via the internet. One huge accomplishment was getting her business on Google maps, as well as a website for her business. We also wanted to help her create a brand image, with what she wanted her business to represent. Along with this, we created a business card for her and print advertisement flyers.

The third deliverable focused on increasing her sales through promotions. Skills taught in the deliverable are helping her gain an understanding of sales patterns and when it is necessary for her to do a discount promotion or an advertisement promotion. In addition to teaching her sales patterns, we also helped her increase her computer literacy by providing her with Canva resources, so she will be able to create her own promotional flyers and content for marketing purposes. Thus, empowering her to utilize platforms such as Canva for content creation.

The fourth and final deliverable, is focused on the operations process. Khulisanani Consulting came to the decision of doing a store renovation to develop a better process for the consumer points of contact. Since she is a fairly new business, her store lacked proper interior design that spoke to the brand of her business. After finding a paint store to sponsor this store renovation in exchange for Zandile featuring the store's advertisement in her container shop, we were able to begin the renovations. This will enhance the customer experience and hopefully bring her more business.

Moving forward, the next steps listed in each deliverable are our recommendations in addition to keeping up the work that we have already implemented. Our recommendation is to read through the next steps and implement as time goes on, within the next six months would be ideal for all of the next steps of the four deliverables.

Letter of Appreciation to Mam Mehlo's Beauty Studio

Dear Zandile,

We appreciate you for opening up your business to us. We admire your passion for your business and your community. We believe you will accomplish your goals because of the drive and determination you have. We can't wait to see how much your business will progress in the future.

We hope the implementation of these deliverables will allow you to grow your business and take your business to where you want it. We have enjoyed ourselves tremendously these past six weeks and we have learned so much from you. Thank you for your kindness and patience.

Warm regards,

Khulisanani Consulting

Elaine Chen, Leah Clapper, Aqhama Tinise, Dovydas Zukauskas, Zibele Jonas, Amahle Nduna,
Chance Johns



Khulisanani Consulting

ENGAGEMENT CLOSING LETTER

Dear Zandile,

We wish to take this opportunity to thank you for allowing us to work with you and (client business name) this past 5 weeks. In order to bring this consulting engagement to a close, let us recap our journey.

Through this engagement, we have enjoyed working on four different categories of your business. First, we developed a simple bookkeeping system to help with financial tracking. Second, we developed a comprehensive marketing plan to remove friction from the booking process and promote a consistent brand presence. The marketing plan involved creating a Google Maps presence, website, business card, print advertisements, and social media video. Third, we renovated your studio and worked on improving operations. Finally, we created a sales and promotions strategy to help increase sales during different seasons.

We hope this engagement has been impactful for your business and has been concluded to your satisfaction. Thank you for allowing Khulisanani Consultants to work with you. This letter officially brings to a close this engagement.

Very truly yours,

Khulisanani Consulting

Leah Clapper

Chance Johns



Dovydas Zukauskas _____

Elaine Chen _____

Zibele Jonas _____

Aqhama Tinise _____

Amahle Nduna _____

In recognition of engagement closing:

Client: Zandile, Owner _____