

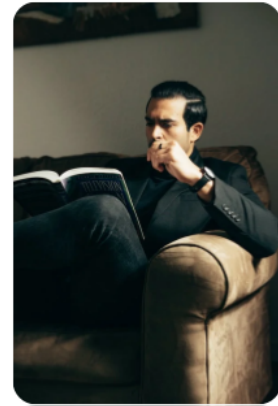


U-STYLE

We Bring the Style to You

Berkeley
ELPP

Team 2
Fall 2023



Lisa McGill
CEO



Gary Clark
CMO



THE U-Style TEAM

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Team 2, ELPP Fall 2023 : Lisa McGill, CEO ; Gary Clark, CMO ; Suresh Muppala, CTO ; Jeremiah Hebding, CFO ; Vikram Singh, Architect

Problem Statement

U-Style captures a unique opportunity to solve a problem for the busy male executive in Silicon Valley.

Forbes estimates that by 2025, >30% of Americans will work remotely. At the same time, business travel and back-to-back-to-back meetings ensure that tech industry leaders are as over-scheduled as they were before Covid, if not more so!

U-Style will intersect the hectic schedule of the Silicon Valley executive with post-Covid personal service providers who want control and flexibility in their growing careers. The need is clear, especially coming out of a global pandemic, and the platform can ultimately be extended beyond haircuts to adjacent personal grooming and style markets.

Proposed Solution

U-Style will connect stylists with clients for a premium mobile salon experience. We will manage everything for the client and the supplier, providing an easy contactless booking, payment, referral, and review platform.

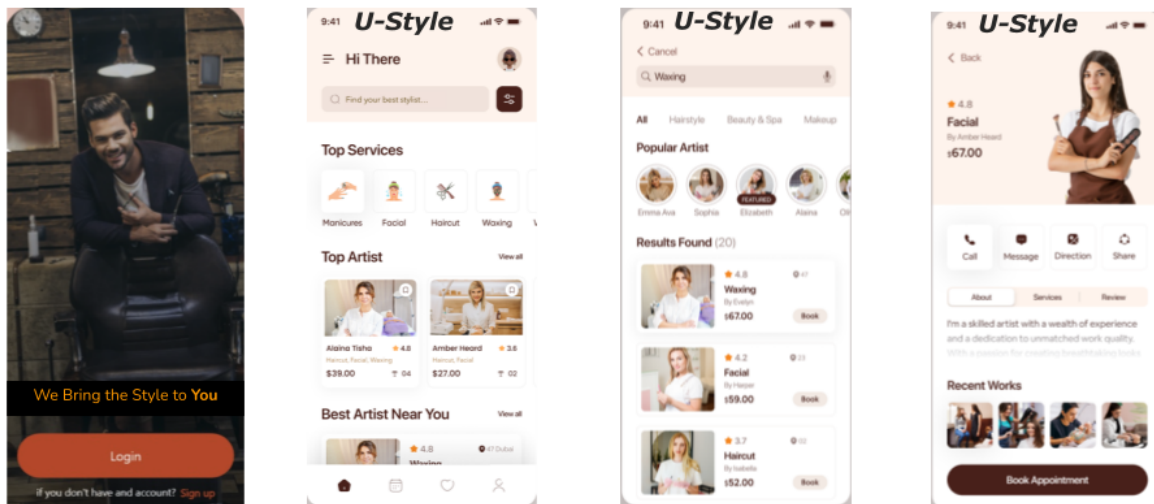
U-Style comes to the client's location, and U-Style clients will have the option to receive services in the secure and sterile mobile barber shop, or in the environment they select. Booking an appointment on our app will feel as familiar as calling an Uber, including real-time location tracking of the mobile salon. U-Style providers will be licensed, insured, and user-reviewed, ensuring a top-quality experience for our clients. The selected stylist arrives on the client's timetable, while providing the tools and environment of a high end barber service. No more wasting time getting to and waiting at the barber shop!

U-Style: Bring your Style "A" Game to every interaction

Target Market

The U-Style target demographic and location market is based in the Bay Area California. More specifically the team will target males in the 25+ age group in Silicon Valley.

THE U-STYLE APP



Platform Specifications

From the technology point of view, U-style is built on a scalable cloud platform; our customers can use it with an iPhone/Android app, and we also have a website. We built our features based on the initial feedback from our barbers and beta users. This helped us to deliver significant value prop from the beginning. U-style enables contactless booking, payments, tipping, and reviews.

Virality is built into the product, and users can recommend their favorite barber to their friends, and users can also request recommendations from friends and other users. U-style encourages user recommendations and ratings by providing them with discounts. We expect these features will drive organic growth.

Users can book the service with their location preference- either in the van, at home, at an event location, or at the office. With a return-to-office policy becoming normal nowadays, we expect many users to schedule their services at the office.

Users and barbers can communicate before and after the service for the best personal experience. At the time of appointment, users can track the barbers location in real-time and be ready when they arrive.

Our barbers are licensed, insured, and verified by our professional team.

U-style is integrated with Facebook and Google; users can register and sign up with these accounts. The mockups shown above provide a glimpse of the different features of our app

- searching available services,
- finding barbers,
- browsing through barbers profiles and their ratings.



Competitive Landscape

Traditional, local brick and mortar shops are a perennial option, but the client may not have time to travel there, or the available schedule may not work. On the side of convenience and quick accessibility are shops such as Supercuts

and Great Clips. The experience and quality of these providers will not meet the expectations of our target demographic. Luxury-market local barbers often have long wait times to book and may be geographically distant. These barriers can be so frustrating that the appointment is never booked at all.

Independent mobile barber options do exist in some geographic markets; however, these are limited in reach and often are not well-known. These barbers in fact represent potential future U-Style providers.

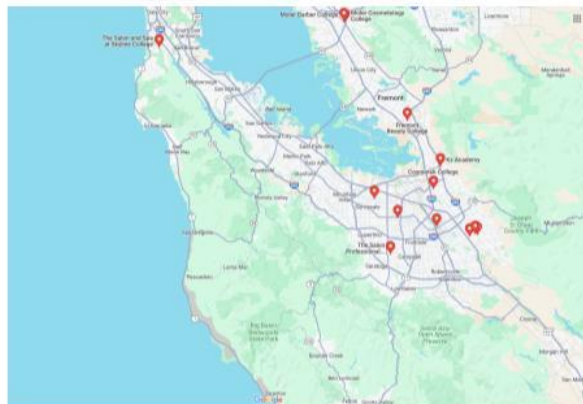
Dashstylists and MarketBox offer direct competition in the platform and mobile personal services space. Dashstylists target the same low-cost space that can be accessed with Supercuts and Great Clips. MarketBox lacks a cohesive target market and an appealing product design. Neither implementation has achieved widespread adoption.

We have gained an understanding of the market through interviews of recent barber school graduates and speaking with the schools. A large number of new barbers struggle to find their first chair to rent in an established brick and mortar, and once they do it takes years to establish a loyal clientele that comes to them and fully fills their booking calendar. Many barbers struggle in this start-up time, and the U-Style platform would break down that start-up barrier and open up a convenient client base looking for services.

INITIAL TARGET MARKET

Start in Silicon Valley Market:

- 12 Cosmetology Schools in the area
- Target newly certified barbers
- Strong potential client base of new engineers, entrepreneurs, salesmen etc.



Business Model

We would begin with an initial hiring target of 10 barbers in Silicon Valley. With the right market conditions we would look to expand this to 12 barbers in our second year. In year 3 we would expect more growth and to break even, so we anticipate growing our headcount to 20 barbers. With the outlook of expanding into the LA and or Seattle markets. By year 4, we would like to grow to 30 barbers in these regions.

We would hope that the brand will have established itself by year 4 and 5, so would try to forge relationships with established independent mobile barbershop owners. This relationship has many advantages for U-Style and one that will be explored earlier in our life cycle. With the application being used to unite these providers through our booking system. This has many benefits for the supplier as the app will easily schedule appointments and gain them more marketing and selling opportunities by being part of the U-Style brand. U-Style would capitalize on this agreement with additional money gained by service provider fees to this group. With prospects of two more markets in Year 5 and potentially grow to 50 barbers with expansion in targeted locations outside of the West Coast.

Provider Model

Salary data from Glassdoor, places the average annual salary for a barber in San Francisco (which is part of the greater Silicon Valley area) at \$45,369 as of April 2023. We would have U-Style barbers sign on with us for a fixed \$55K salary on a 1 year contract. The higher guaranteed salary would incentivise sign ons for the brand. In subsequent years we would move this group onto a commission / booking compensation model with an assumed average salary of \$65k per year.

Note:

Case studies and market research also suggest the potential for a platform-only business model. In this alternate incarnation, U-Style would function as a B2C platform and App to connect clients with independent stylists. Our preferred barber-partner would already operate a mobile shop, and would be looking to expand the reach of their business and to offload marketing, booking, and billing to U-Style for a fixed partner cost plus commission.

As U-Style grows, we would look to facilitate the startup of new mobile-barber stylists through partnerships with van and supply dealers, as well as advising stylists on transitioning to the mobile model. With platform growth, this could extend to loans or subsidies for new providers.

Financials

U-STYLE: SIMPLIFIED PROJECTIONS

	Year One	Year Two	Year Three	Year Four	Year Five
# of Client Appointments	15000	21600	42000	72000	120000
REVENUE	\$3,000,000	\$4,320,000	\$8,400,000	\$14,400,000	\$24,000,000
GROSS PROFIT	\$2,175,000	\$3,132,000	\$6,090,000	\$10,440,000	\$17,400,000
FIXED COSTS	\$2,460,000	\$2,960,000	\$4,350,000	\$6,150,000	\$9,710,000
NET PROFIT	-\$285,000	\$172,000	\$1,740,000	\$4,290,000	\$7,690,000

Break-even is in Year 2 with strong profitability beginning Year 4

U-Style Financials

	Year One	Year Two	Year Three	Year Four	Year Five
Appointments/Day	5	6	6	7	8
Days/Week	6	6	6	6	6
Weeks/Year	50	50	50	50	50
# Total Barbers	10	12	20	30	50
# New Barbers	10	2	8	10	20
# Carryover Barbers		10	12	20	30
# of Appnts /Year	15000	21600	42000	72000	120000
Van Costs	100000	100000	100000	100000	100000
# of Client Appointments	15000	21600	42000	72000	120000
Price/Appointment	\$200	\$200	\$200	\$200	\$200
REVENUE	\$3,000,000	\$4,320,000	\$8,400,000	\$14,400,000	\$24,000,000
Material Cost (\$20/appnt)	\$300,000	\$432,000	\$840,000	\$1,440,000	\$2,400,000
Transportation Cost (\$30/appnt)	\$450,000	\$648,000	\$1,260,000	\$2,160,000	\$3,600,000
App and transaction costs (\$5/appnt)	\$75,000	\$108,000	\$210,000	\$360,000	\$600,000
COST OF GOODS SOLD	\$825,000	\$1,188,000	\$2,310,000	\$3,960,000	\$6,600,000
GROSS PROFIT	\$2,175,000	\$3,132,000	\$6,090,000	\$10,440,000	\$17,400,000
GROSS MARGIN	73%	73%	73%	73%	73%
CEO Salary	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000
CTO Salary	\$120,000	\$120,000	\$120,000	\$120,000	\$120,000
CMO Salary	\$120,000	\$120,000	\$120,000	\$120,000	\$120,000
CFO Salary	\$120,000	\$120,000	\$120,000	\$120,000	\$120,000
Architect Salary	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
Barber Salaries (55k first yr -> 65k/yr avg based on booking after)	\$550,000	\$760,000	\$1,220,000	\$1,850,000	\$3,050,000
Personnel Costs	\$1,160,000	\$1,370,000	\$1,830,000	\$2,460,000	\$3,660,000
General and Admin Costs	\$200,000	\$240,000	\$295,000	\$350,000	\$550,000
Marketing	\$100,000	\$150,000	\$225,000	\$340,000	\$500,000
Van Cost (training, outfitting, purchasing)	\$1,000,000	\$1,200,000	\$2,000,000	\$3,000,000	\$5,000,000
FIXED COSTS	\$2,460,000	\$2,960,000	\$4,350,000	\$6,150,000	\$9,710,000
NET PROFIT	-\$285,000	\$172,000	\$1,740,000	\$4,290,000	\$7,690,000

Go To Market Strategy

U-Style is seeking \$3M funding to enable a strong Go To Market and profitability in Year 4. We will use this funding to first jump start the physical capital with ten vans outfitted in our luxury mobile barber shop model. Secondly, funds would be used to create and host the app and establish the booking and advertising infrastructure.

During platform roll-out we will focus on marketing and provider partnerships. U-Style will intelligently scale infrastructure to grow and capture market share. In support of this success, we will hire in the key areas of business development, marketing, and platform design.