BEAUTY, BARBER AND PERSONAL CARE

A playbook for salons, barbershops, nail, lash and braiding businesses: licensing, business models, pricing and growth.

TYPE: PLAYBOOK REVIEWED: NOVEMBER 2026 TIME: 13 MINUTES LEVEL: BEGINNER

AT A GLANCE

- Beauty businesses are built on **skill, trust and repeat clients**. Rebooking and referrals drive growth.
- Most services require **state licenses**, and shops need establishment licenses and health and safety compliance.
- Choose a model that fits your stage: **mobile or home-based**, **booth or suite rental**, or your **own shop** with staff.

WATCH OUT

Licensing rules for cosmetology, barbering, nails, esthetics and braiding vary widely by state. Some states exempt natural hair braiding; others require a license. Check your state board.

Business models

Model	How it works	Good for	Watch out for
Mobile or home-based	Serve clients at their home or yours	Starting with low costs	Local zoning and licensing rules for home services
Booth or chair rental	Rent a chair in someone else's shop, keep your service income	Building a client base	Weekly rent is due whether or not you're busy
Salon suite	Rent a private room in a suite building	Independence with a professional space	Higher rent than a chair; you handle all marketing
Your own shop, commission staff	Staff earn a percentage of their services	Growing a team and brand	Payroll, management, employee rules. See **O-02 Employees vs. Contractors**.
Your own shop, booth renters	Renters pay you weekly	Steadier rent income	Less control; renters must truly be independent

Startup costs (illustrative)

Item	Notes
Licenses and exams	Personal license and, for a shop, establishment license
Chairs, stations, dryers, sinks	Used equipment can help
Products and tools	Professional supplies
Booking system	Online booking with deposits and reminders
Buildout	Plumbing and electrical for shampoo bowls and stations
Insurance	General and professional liability

How the money works (illustrative, own shop with commission staff)

Line	Share of service sales
Service sales	100%
Staff commission and payroll costs	40% to 55%
Products and supplies	8% to 12%
Rent and occupancy	10% to 15%
Other (booking, card fees, marketing, utilities)	8% to 12%
Profit before owner pay	**Often 5% to 20%**

Retail products often have strong margins and add to every visit.

> EXAMPLE
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> **Tasha** started braiding at home, moved to a chair rental, then a salon suite, and finally opened her own salon with three commission stylists. Online booking with a deposit cut no-shows from about 1 in 8 appointments to about 1 in 30. Rebooking clients before they leave the chair kept her schedule full.

Numbers to track

KPI	What it tells you
Rebooking rate	Share of clients who book their next visit before leaving
Client retention	Share who return within a set time
Average ticket	Service plus retail per visit
Chair or room utilization	Share of available hours booked
No-show rate	Effect of deposits and reminders
Retail sales per client	Product sales strength
Reviews and referrals	Reputation

Funding

- Savings and equipment financing. See **R-07 Equipment Financing and Lines of Credit**.
- Microloans and community lenders. See **R-05 Microloans and Community Lenders**.
- Grants for women- and minority-owned businesses. See **R-04 Grants and Pitch Competitions**.
- Landlord buildout allowances. See **B-13 Renting Your First Space: Leases Explained (Main Street)**.

Ways to grow

- Add services (color, treatments, lashes, nails) or a retail product line
- Memberships for regular services
- Training and education: classes for other stylists
- A second location or a team of renters. See **G-04 Opening a Second Location**.

Common mistakes

- **Underpricing skilled, time-intensive services**
- **No deposits or cancellation policy**
- **Treating employees like contractors**
- **Not tracking rebooking and retention**
- **Skipping professional liability insurance**

Launch checklist

- ☐ Confirm your state license and any establishment license
- ☐ Choose your model: mobile, rental, suite or shop
- ☐ Set prices by time, skill and product cost
- ☐ Set up online booking with deposits and reminders
- ☐ Build a portfolio of your work for social media
- ☐ Get general and professional liability insurance

Where to go next

- **L-03 Social Media for New Businesses**
- **L-11 Customer Service That Brings People Back**
- **O-02 Employees vs. Contractors**

IMPORTANT
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