

BUSINESS PLAN

AJA MASSA

“A caring touch from a healing hand”



By:

Quezon City Division

EXECUTIVE SUMMARY

AJA Massa is a general partnership formed by first year students of University of Caloocan City taking up Bachelor of Science in Accounting Information System (BSAIS). In January, 2018, the group conceptualized a business model for a massage service which they named as **AJA MASSA**. Aja is a term used in Korea and worldwide meaning simply "never give up, never stop fighting".

The initial capital requirement in putting up the said business is Php 15,000. This amount will cover immediate pre-operating expenses and supplies need for the first few days of business operations. J

AJA Massa would like to be known in providing not only good massage service but rather a CARING massage service to its clients. Through the caring hands of its masseuses and masseurs, which are called associates, customer satisfaction is guaranteed. AJA Massa's service differs from its competitors since it provides not only physical but also psychological wellness to its clientele thought its therapeutic oil and lotion which are basically made out of from organic materials.

The business will operate as a concessionaire service provider of Atrium Hotel in Pasay City. Furthermore, virtual presence of the company will be established through different social media platforms such as Facebook, Instagram and twitter.

Based on the company's financial projected, a daily profit of Php 2,055.71 is expected which translates future values about the promise that the business offers on a monthly and annual basis to its partners.

The business shall start its first day of operation this February 1, 2018.

I. BUSINESS OVERVIEW

1. Business Name

Aja is a term used in Korea and worldwide meaning simply "never give up, never stop fighting". The word **Massa** is a Portuguese word which was the origin of the word *massage*.

2. Business Logo



The logo of AJA Massa represents the type of service that it offers, that is, a massage service. The color green conveys the materials used in the oil and lotion used in providing the service which is organic in nature. The shape resembling a flower signifies the aroma or scent of that oils used by its masseuses or masseurs. Finally, the half-circle represents that uniqueness of its service, that is, caring not only for the physical but also the psychological wellness of its clients.

II. THE PROBLEM/ NEED ANALYSIS

1. The Need

Based on the survey conducted by the proponents to 50 prospect Atrium clients, the data revealed that the proposed business is viable.

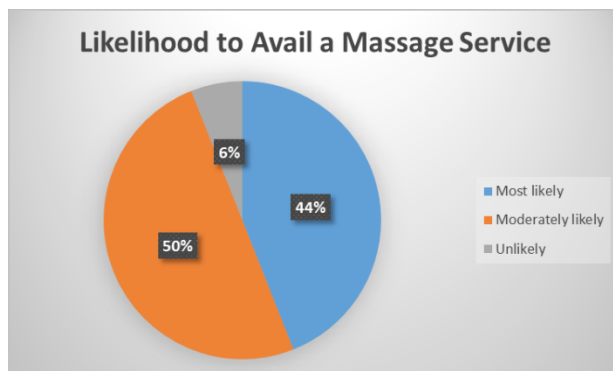
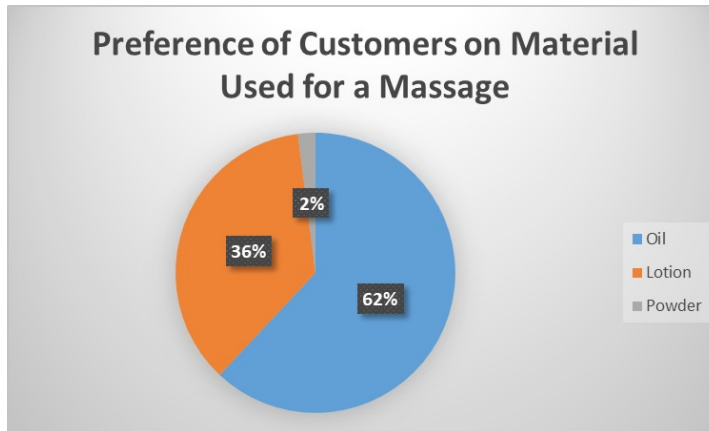


Table figure revealed that out of 50 respondents, 50% are moderately likely to avail a massage service while 44% are most likely to avail of the service. The data is suggestive that there is indeed a market for massage service.

2. Business Model

AJA Massa decided to focus on providing therapeutic services since most massage clients sought said services from any massage service or spa. This is validated by the following survey result.



The table highlights that 62% of the respondents chose oil as a main material for massage service and it is followed by 36% who preferred lotion.

III. MARKETING ASPECT

3. Service Description

AJA Massa offers a variety of massage services, from Traditional Hilot, to Swedish, Siatsu, combo massages, among others. The company guarantees, through its masseuses and masseurs, a caring touch that will not only provide relaxation to its clientele but also healing through the use of therapeutic oils, lotions, and aroma.

4. Service Uniqueness

The services offered by AJA Massa differ from its competitors since they are not only intended for the clients' relaxation. The company's staff were trained primarily to provide a CARING service to its clients. A care that transcends just releasing body stress and tensions to providing physical and psychological healing. These are achieved through the use of organic therapeutic oils, lotions and aroma. AJA Massa also promotes care to its associates by designating a chaperone to its masseuse or masseurs who would perform the service to residents of private condominiums.

5. Marketing Mix

5.1 Product/ Service

AJA Massa offers a caring touch that promotes not only relaxation but also physical and psychological healing through the use of organic therapeutic oils, lotions and aroma.

5.2 Place

The services of masseuses and masseurs, which are called “associates”, of AJA Massa can be availed primarily by clients of Atrium Hotel, located at Pasay City. For in house guests of Atrium Hotel, our associates can be reached through the frontline hotline of the hotel or through hotel’s cellphone #09234349133. For other clients, bookings for massage services can be made by sending a direct message to the company’s FB page (www.facebook.com/ajamassa), twitter and instagram with username “ajamassa”. Further, a client may also drop a line or send a message at cellphone #09228262355.

5.3 Promotion

3.3.1 Advertising

To reach more clients, AJA Massa will utilize advertising tools such as flyers and different social media platforms. The flyers will be distributed to hotels, aside from Atrium Hotel, and condominiums within the area. Furthermore, the company will maintain Facebook, Instagram and twitter accounts where information about the company will be displayed and the services offered.

3.3.2 Unique Selling Proposition

“A caring touch from a healing hand”

Our unique selling proposition or tagline stresses the company’s unique feature, that is, providing a service that does not only promote relaxation but also physical and psychological healing which is felt through the caring hands of our associates, our masseuses and masseurs.

3.3.3 Sales Promotion

A *price cut* will be offered to clients who will avail of a massage service for more than 1 hour. A 10% discount on total service fees will be deducted for services extending 1 hours.

A *group discount* will also be offered for service requests of more than 3 guests. A 10% discount will be effected on the group’s total service fees for a 1-hour service rendered to each guest. If guest(s) who avail of a group discount demanded a service exceeding beyond 1-hour, an additional 5% will be deducted from the group’s service fees.

5.4 Pricing

The *comparative pricing strategy* will be used in setting the price for services rendered within Atrium Hotel. Since the price is set by the hotel management, AJA Massa will abide by the standard price set by the management, that is, **Php300.00** for a 1-hour massage. However, for special oils or aromatic oils, an additional **Php50.00** will be added to the total fees.

For services performed outside the hotel, on-call services (e.g. condominiums), the *good value pricing* will be used with a **Php400.00** service fee to be charged to the client. The cost is a bit higher since on-call services will require two (2) company associates, the masseuse or masseur and a chaperone. The chaperone will accompany the associate for security purposes but will stay out of the room of the client being serviced.

6. Market Environment

6.1 Target Market

AJA Massa's target market are working professionals or individuals and their families who primarily checked in at Atrium Hotel as guests.

Guests from other hotels in Pasay City and Makati City areas and residents of condominiums of the same areas are also considered part of the company's target market. These include:

Studio Zen by Filinvest
1811 Taft Avenue,
1300 Pasay City

Monaco Garden Tower
Villa Barbara,
Pasay City

Electra Palace
Dominga Street,
Pasay City

The World Center
Sen. Gil Puyat Avenue,
Makati City

La Verti Residences
1834 Donada,
1300 Pasay City

Melbourne Residences
1235 Sen. Gil Puyat Avenue,
Palanan, Makati, 1235 Metro Manila

IPI Buendia Tower
Sen. Gil Puyat Avenue,
Pasay City

The Linear Makati by Filinvest
Mayapis Street cor. Yakal and Malugay Street
Barangay San Antonio, Makati City

7. Competitors

7.1 Direct Competitors

Atrium Hotel Massage Provider – the current provider of massage services in the hotel.

7.2 Indirect Competitors

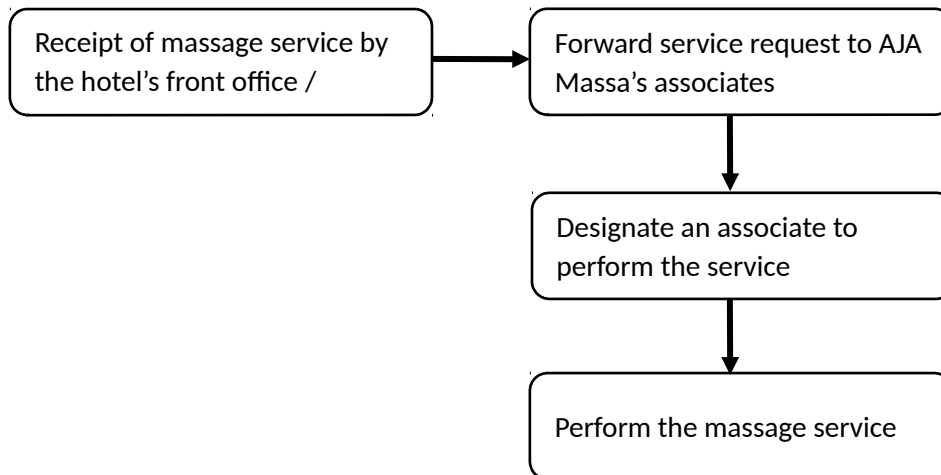
The indirect competitors of AJA Massa are those freelance masseuses and masseurs offering services within the locality and those electronic massagers placed within malls in the area.

IV. OPERATIONS AND TECHNICAL ASPECT

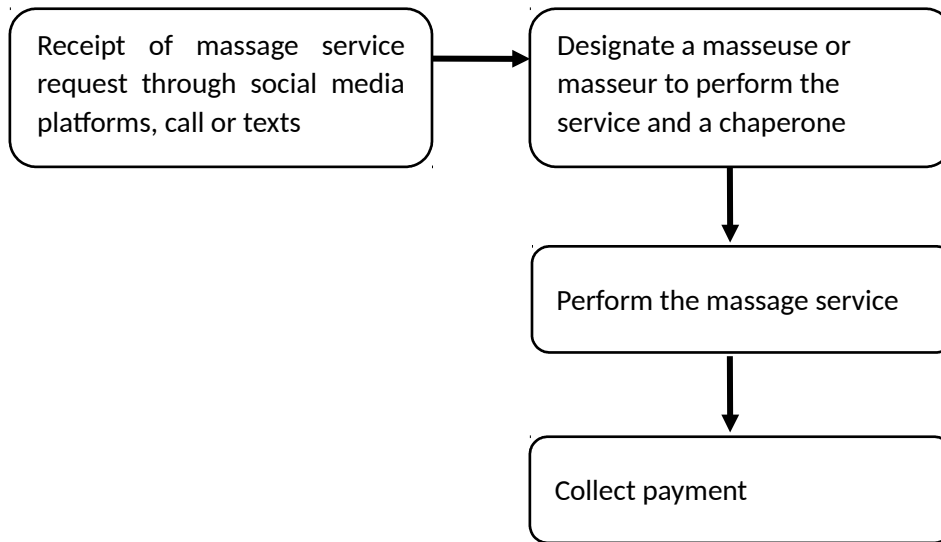
1. Service Design

AJA Massa will primarily operate within the premise of Atrium Hotel since a service contract between the hotel and the company will be established. The company's associates will be housed in a designated area by the hotel management for on-the-day massage services. On-call masseuses or masseurs will also be maintained by the company for services performed outside Atrium Hotel. The service design for in-house and external clients are depicted by the following diagram:

For in house guests of Atrium Hotel



For other guests (e.g. residents of condominiums)



2. Materials needed

Materials/ Supplies	Qty.	Price/unit	Total Cost	Suppliers
Scrub suit	7	230.00	1,610.00	Yñeguez Market
Canister (50ml)	20	10.00	200.00	Baclaran Terminal Mall
Extra Virgin Coconut Oil (1 liter)	1	470.00	470.00	Lazada.com
Johnson's Baby Oil with Aloe & Vitamin E (125ml)	5	82.50	412.50	Lazada.com
Ginger Oil (30ml)	1	406.63	406.63	Lazada.com
Lavender Oil (30ml)	1	312.90	312.90	Lazada.com
Lemon Oil (30ml)	1	334.06	334.06	Lazada.com
Piña Colada Massage Lotion (236ml)	1	719.00	719.00	Lazada.com
Aromatherapy Essential Oils (10ml set of 10)	1	499.00	499.00	Lazada.com
Johnsons Baby Powder Cooling (500g)	2	188.00	376.00	Lazada.com
TOTAL			5,340.09	

V. ORGANIZATION AND MANAGEMENT ASPECT

1. Vision

We envision ourselves to be one of the most preferred providers of therapeutic massage service to hotels and condominiums in Pasay and Makati City that promotes not only physical but also psychological wellness.

2. Mission

We are a company that provides care to our stakeholders, our clients and associates alike, in our pursuit to promote holistic wellness in both the body and the mind of working Filipinos and their families.

3. Core Values

Our core values are reflected through our thrusts in providing care to our clients:

C-ommitment in the performance of service
A-ffection to our clients
R-esiliency with our vision and mission
E-nthusiasm in everything that we do

4. Pre-operating Requirements

The following are pre-operating and taxation requirements for AJA Massa:

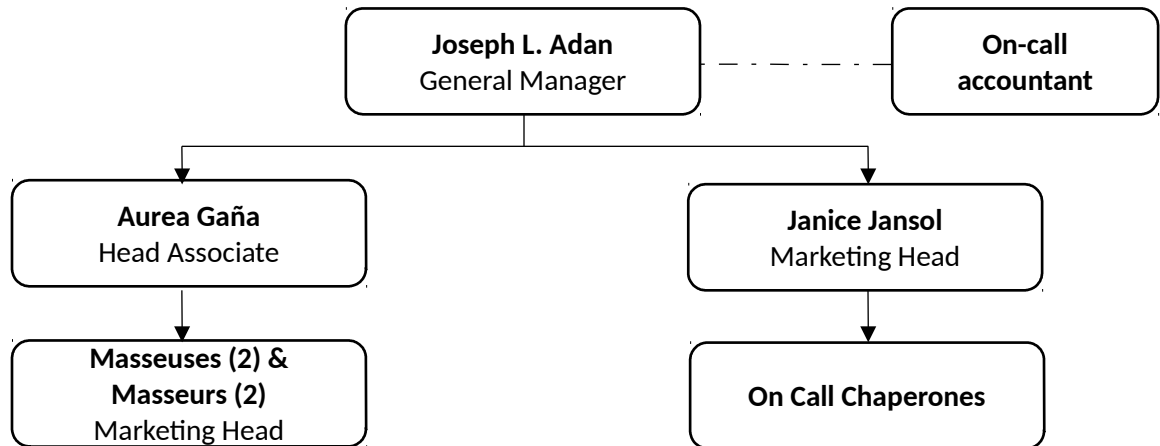
Business Permit	Php 5,500.00
SEC Registration Permit	2,900.00
Certificate of Registration (COR) - BIR	1,200.00
Buffer Cash	5,400.00
Total Pre-Operating Expenses	Php 15,000.00

5. Form of Ownership

The business will operate as a *general partnership*. General partnership is a type of partnership wherein all partners assume equal liability for the business. The following will be the partner's initial capital contribution:

Adan, Capital – Php 5,000.00
Jasol, Capital – Php 5,000.00
Aurea, Capital – Php 5,000.00
Total Capital – Php 15,000.00

6. Organizational Chart



7. Personnel Requirements

Job Titles : **General Manager, Head Associate, Marketing Head (Managing Partners)**
Job Description : Responsible for monitoring the overall operations of the business
Job Qualifications : NC II Massage Therapy Holder
Wages : 50% of net of massage service fee (for in-house)

Job Title : **Masseuses/ Masseurs (Associates)**
Job Description : Provides massage services to AJA Massa's clientele
Job Qualifications : NC II Massage Therapy Holder
 18 years old and above
 w/ experience, an advantage
Wages : 50% of net of massage service fee (for in-house)
 40% of total massage fees (external massage services)

Job Title : **On-call chaperone**
Job Description : Accompanies associates for external massage services
Job Qualifications : 16 years old or above (w/ parent's consent for 18 and below)
Wages : 20% of total massage fees

Job Title : **On-call accountant**
Job Description : Performs bookkeeping services
Job Qualifications : CPA
Professional Fee : Php 5,000 (annually)

VI. FINANCIAL ASPECT

1. Cost Estimation

Assumptions:

- 50 ml is expected to be used for 1 client (Ordinary VCO)
- 10 ml is expected to be used for 1 client (Aromatic/ Healing Oil)
- 100 g is expected to be used for 1 client

Cost Per Customer

Extra Virgin Coconut Oil (Regular Oil)	₱ 33.50
Baby Oil w/ Aloe & Vitamin E	₱ 82.50
Aroma essential Oils	
Php 33 (oil w/ aloe)	
Php 49 (essential oil)	
Php 5 (canister)	₱ 87.00
Piña Colada Lotion	₱ 31.00
Powder	₱ 37.60

2. Financial Assumptions

2.1 Daily Revenues

- Massage fee for in-house using regular oil, lotion and powder - ₱ 300.00
- Massage fee for in-house using therapeutic oil - ₱ 350.00
- Hotel commissions for every massage service – 30%
- Massage fee for external massage service using regular oil, lotion and powder – ₱ 400.00
- Massage fee for external massage service using therapeutic oil – ₱ 450.00
- Wages of associates (in-house) – 50% net of massage fee (after deducting 30% royalty of hotel and cost of materials used)
- Wages of associates (external) – 50% after deducting 20% wage of chaperone and cost of materials used.
- Wages of chaperone (external) – 20% after deducting cost of materials used.

No. of daily in-house massage service	-	12
No. of daily external massage service	-	12
No. of daily in-house massage (regular oil)-	2	
No. of daily in-house massage (therapeutic oil)	-	6

No. of daily in-house massage (lotion)	-	3
No. of daily in-house massage (powder)	-	1
No. of daily external massage (regular oil)	-	2
No. of daily external massage (therapeutic oil)	-	6
No. of daily external massage (lotion)	-	3
No. of daily external massage (powder)	-	1

Gross daily service income from in-house massage (regular oil)	- ₱ 600 (2 x ₱300)
Gross daily service income from in-house massage (therapeutic oil)	- ₱ 2,100 (6 x ₱350)
Gross daily service income from in-house massage (lotion)	- ₱ 900 (3 x ₱300)
Gross daily service income from in-house massage (power)	- ₱ 300 (1 x ₱300)
Gross daily service income (in-house)	- ₱ 3,900

Gross daily service income from external massage (regular oil)	- ₱ 800 (2 x ₱400)
Gross daily service income from external massage (therapeutic oil)	- ₱ 2,700 (6 x ₱450)
Gross daily service income from external massage (lotion)	- ₱ 1,200 (3 x ₱400)
Gross daily service income from external massage (power)	- ₱ 400 (1 x ₱400)
Gross daily service income (in-house)	- ₱ 5,100

Daily Expenses:

Supplies Expense:

Expenses from massage with regular oil	- ₱ 134 (4 x ₱33.50)
Expenses from massage with aloe oil	- ₱ 495 (6 x ₱82.50)
Expenses from with aroma oil	- ₱ 522 (6 x ₱87)
Expenses from massage with lotion	- ₱ 186 (6 x ₱31)
Expenses from massage with power	- ₱ 75.20 (2 x ₱37.60)
Cost of Daily Service from Massage	- ₱ 1,412.20

Hotel Commissions:

- Computed based on 30% net of gross daily service income and cost of daily service

Hotel Commission from in-house massage (regular oil)	- ₱ 159.90 [(₱600- ₱67) x 30%]
Hotel Commission from in-house massage (aloe)	- ₱ 285.75 [(₱1,200- ₱247.50) x 30%]
Hotel Commission from in-house massage (aroma)	- ₱ 281.70 [(₱1,200- ₱261) x 30%]
Hotel Commission from in-house massage (lotion)	- ₱ 242.10 [(₱900- ₱93) x 30%]
Hotel Commission from in-house massage (powder)	- ₱ 78.72 [(₱300- ₱37.60) x 30%]
Total Hotel Commissions	- ₱ 1,048.17

Wages for In-house Associates:

- Computed based on 50% net of gross daily service income (in-house) and hotel commissions

Wages from in-house massage (regular oil)	- ₱ 220.05 [(₱600- ₱159.90) x 50%]
Wages from in-house massage (aloe)	- ₱ 457.13 [(₱1,200- ₱285.75) x 50%]
Wages from in-house massage (aroma)	- ₱ 459.15 [(₱1,200- ₱281.70) x 50%]
Wages from in-house massage (lotion)	- ₱ 328.95 [(₱900- ₱242.10) x 50%]
Wages from in-house massage (powder)	- ₱ 110.64 [(₱300- ₱78.72) x 50%]
Total Wages of In-house Associates	- ₱ 1,575.92

Chaperone's Commission:

- 20% of gross daily service income

Commission from external massage (regular oil)	- ₱ 160 (2 x ₱400 x 20%)
Commission from external massage (therapeutic oil)	- ₱ 540 (6 x ₱450 x 20%)
Commission from external massage (lotion)	- ₱ 240 (3 x ₱400 x 20%)
Commission from external massage (power)	- ₱ 80 (1 x ₱400 x 20%)
Total Commission of Chaperones	- ₱ 1,020.00

Wages for External Associates:

- Computed based on 40% net of gross daily service income (external) and chaperone's commission

Wages from external massage (regular oil)	- ₱ 256.00 [(₱800- ₱160) x 40%]
Wages from external massage (aloe)	- ₱ 432.00 [(₱1,350- ₱270) x 40%]
Wages from external massage (aroma)	- ₱ 432.00 [(₱1,350- ₱270) x 40%]
Wages from external massage (lotion)	- ₱ 384.00 [(₱1,200- ₱240) x 40%]
Wages from external massage (powder)	- ₱ 128.00 [(₱400- ₱80) x 40%]
Total Wages of External Associates	- ₱ 1,632.00

Transportation Expenses:

- 70% of external clients will be coming from Pasig area
- 30% will come from Makati

Transportation Expense (within Pasay)	- ₱128 (8 rides x 2 pacs x ₱8)
Transportation Expense (to Makati)	- ₱128 (4 rides x 2 pacs x ₱16)
Total Daily Transportation Expense	- ₱256

Expenses Subject for Amortization (1 year):

Pre-operating Expenses	- ₱9,600 (BP + SEC + COR)
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2.2 Summary of Daily Revenues and Expense and Projected Daily Profit

Revenues:

Income from in-house services	₱3,900.00	
Income from external services	<u>5,100.00</u>	
Total Daily Revenues		₱9,000.00

Expenses:

Supplies Expense	₱1,412.20	
Transportation Expense	256.00	
Wages for In-house Associates	1,575.92	
Wages for External Associates	1,632.00	
Hotel Commissions	1,048.17	
Chaperone's Commissions	<u>1,020.00</u>	
Total Daily Expenses		<u>₱6,944.29</u>

Projected Daily Profit

₱2,055.71

2.3 Projected Statement of Comprehensive Income

Monthly Forecasted Statement of Comprehensive Income

AJA Massa
December 31, 2018

	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Revenues:											
Income from In-house Services	42,900.00	45,045.00	47,297.25	49,662.11	52,145.22	54,752.48	57,490.10	60,364.61	63,382.84	66,551.98	69,879.58
Income from External Services	56,100.00	58,905.00	61,850.25	64,942.76	68,189.90	71,599.40	75,179.37	78,938.33	82,885.25	87,029.51	91,380.99
Total Revenues	<u>99,000.00</u>	<u>103,950.00</u>	<u>109,147.50</u>	<u>114,604.88</u>	<u>120,335.12</u>	<u>126,351.87</u>	<u>132,669.47</u>	<u>139,302.94</u>	<u>146,268.09</u>	<u>153,581.49</u>	<u>161,260.57</u>
Expenses:											
Supplies Expense	15,534.20	16,310.91	17,126.46	17,982.78	18,881.92	19,826.01	20,817.31	21,858.18	22,951.09	24,098.64	25,303.57
Transportation Expense	2,816.00	2,956.80	3,104.64	3,259.87	3,422.87	3,594.01	3,773.71	3,962.39	4,160.51	4,368.54	4,586.97
Clothing Expense	1,610.00	1,690.50	1,775.03	1,863.78	1,956.97	2,054.81	2,157.55	2,265.43	2,378.70	2,497.64	2,622.52
Wages for In-house Associates	17,335.12	18,201.88	19,111.97	20,067.57	21,070.95	22,124.49	23,230.72	24,392.25	25,611.87	26,892.46	28,237.08
Wages for External Associates	17,952.00	18,849.60	19,792.08	20,781.68	21,820.77	22,911.81	24,057.40	25,260.27	26,523.28	27,849.44	29,241.92
Hotel's Commissions	11,529.87	12,106.36	12,711.68	13,347.27	14,014.63	14,715.36	15,451.13	16,223.68	17,034.87	17,886.61	18,780.94
Chaperone's Commissions	11,220.00	11,781.00	12,370.05	12,988.55	13,637.98	14,319.88	15,035.87	15,787.67	16,577.05	17,405.90	18,276.20
Pre-operating Expenses	9,600.00	-	-	-	-	-	-	-	-	-	-
Total Expenses	<u>87,597.19</u>	<u>81,897.05</u>	<u>85,991.90</u>	<u>90,291.50</u>	<u>94,806.07</u>	<u>99,546.38</u>	<u>104,523.69</u>	<u>109,749.88</u>	<u>115,237.37</u>	<u>120,999.24</u>	<u>127,049.20</u>
Net Income	<u>11,402.81</u>	<u>22,052.95</u>	<u>23,155.60</u>	<u>24,313.38</u>	<u>25,529.05</u>	<u>26,805.50</u>	<u>28,145.77</u>	<u>29,553.06</u>	<u>31,030.72</u>	<u>32,582.25</u>	<u>34,211.36</u>

VII. SUSTAINABILITY OF THE BUSINESS/ SOCIAL ASPECT

1. SWOT Analysis

Strengths <ul style="list-style-type: none">• small startup capital• highly trained associates• minimal operating costs (place of operation)• secured place of operation	Weaknesses <ul style="list-style-type: none">• new in the market• brand equity is still low• does not operate on owned/leased space
Opportunities <ul style="list-style-type: none">• more service contract with other hotels and condominiums• increasing number of condominiums in the area• establishing own spa	Threats <ul style="list-style-type: none">• direct competitors• indirect competitors• new entrants in the market

2. PEST Analysis

Political <ul style="list-style-type: none">• business regulations• tax compliance	ECONOMIC <ul style="list-style-type: none">• growing number of medium to high rise condominiums• inflation
SOCIAL <ul style="list-style-type: none">• increasing demand for massage service or spa	TECHNOLOGICAL <ul style="list-style-type: none">• advent of social media platforms

VIII. ADDENDUM

Quick Survey Form

AJA MASSA
QUICK SURVEY

Name (Optional): _____

Cluster: _____ Gender: _____ Age: _____

7. While staying in a hotel, how likely would you avail of the hotel's massage service?
 Most Likely Moderately Likely Unlikely
8. When availing a massage service, how do you like the massage to be done?
 Oil Lotion Powder
9. When availing a massage service, how long do you like the massage to be done?
 1 hour 2 hours 3 hours
10. What type of massage do you prefer the most?
 Traditional hilot Swedish Shiatsu
 Reflexology Combo Others _____
11. What is your gender preference as regards the one performing the massage service?
 Male Female
12. How much are you willing to pay for a 1-hour massage service?
Php _____

Vicinity Map

