

EXECUTIVE SUMMARY

This Management Field Project was intended to identify the reasons for the low revenue growth at Salon Fleur De Lis, Qatar (SFDL), a start-up, high-end full services salon and spa that commenced operations on 01st April 2019 and recommend corrective actions to mitigate the issues and problems faced to increase revenue and achieve profitability. Beauty and personal care is an industry that is flourishing not only in Qatar but also globally due to increased consciousness among women about their appearance due to various reasons. In Qatar, women spend an exorbitant amount of money and time on beauty and personal care and visit salons and spas frequently. Despite being in the highly demanded and fast-growing beauty and personal care industry in Qatar, which is growing at a CAGR of 15.4%, SFDL has shown revenue growth of 3% only. The low revenue growth has resulted in continuous operating losses which is threatening the survival of SFDL.

Lack of revenue generation to cover even the operational expenses has resulted in the owners' injecting funds into SFDL every month. SFDL has incurred a net operating loss of QAR 778,032 for the year ended on 31st March 2020. Although SFDL generates revenue from both product and services sales, it is mainly a personal and beauty care services provider. This project drew attention to the evidence that internal inefficiencies are precluding SFDL from operating in its full capacity and increasing revenue. An in-depth root cause analysis was conducted to identify the leading causes of the internal efficiencies that resulted in low revenue growth. The analysis revealed issues related to three major areas: marketing, customer service and people management. Also, A SWOT analysis on SFDL was carried out to identify the internal strengths that will be useful when providing solutions, internal weaknesses that need to be repressed, external opportunities that SFDL can take advantage of and external threats that SFDL needs to be protected from when addressing the key problem of low revenue growth.

Subsequently, a detailed theoretical underpinning was carried out to establish a theoretical background to the identified problem and solution generation. The three major areas identified in root cause analysis were affirmed by the literature review as components that affect the revenue generation. Thus, the study framework work was built based on

marketing, customer service and people management to provide solutions and recommendations. Moreover, techniques that were used to solve the issues identified were also selected from a theoretical perspective. The techniques used were SWOT analysis, root-cause analysis, marketing communications plan, sales incentive plan, training plan, CRM implementation, job profiling and recruitment and selections procedures.

This project's primary objective was set to increase the sales revenue of SFDL by 82 %, which will result in achieving sales revenue of QAR 2.75 million. Sub objectives for each project component were also set to facilitate the achievement of the primary objective. After that, each project component's current situation was recapitulated, and solutions were developed based on the techniques identified. A project team was established to implement the project, and its members' roles and responsibilities were detailed. A detailed budget was prepared to provide a holistic understanding of the project's costs and each solution. As per the benefit-cost analysis, SFDL has the prospect of deriving a net incremental benefit of QAR 0.98 million and a benefit-cost ratio of 4.9:1 if this project is implemented. Moreover, the projected output and outcomes of the project implementation were also established.

Finally, the findings of the project were discussed with theoretical backing. Thereafter, recommendations were listed out under each project component. Under marketing, it is recommended to implement a marketing communication plan to increase brand awareness and brand visibility and a sales incentive plan to motivate services employees to engage in cross-selling and up-selling to tactics to promote products sales. Conducting continuous training to increase service quality by improving employees' technical and personal skills and making use of the existing CRM tools to provide a more personalised and efficient service to customers were recommended under customer service. Recommendations provided to improve people management were hiring a competent and experienced salon manager for the efficient and effective management of the salon and streamlining the recruitment and selection procedure to hire the right person for the right job and avoid over recruitment and subjectivity.