

Barbershop Business & Ownership — Workbook

This workbook turns the course into the actual decisions and numbers you need to open and run a profitable barbershop. Work through each section as you progress: model your pay structure, walk your licensing and sanitation requirements, build a chair-filling marketing system, and plan your retail and growth. The templates are built to be filled in with your own numbers and reused every week.

How a Barbershop Makes Money

Decide your pay model and prove a single chair makes money before you commit to a lease or a team.

Exercise: Choose Your Pay Model

Work through booth rental versus commission for your own situation. Be honest about how much control you intend to have over your barbers, because that determines which model is legally correct, not just which one you prefer.

- Will you control your barbers' hours, prices, and methods, or will they be genuinely independent? Based on that, are they contractors (booth rent) or employees (commission)?

- At a booth rent of your local market rate, how much does one chair pay you per month regardless of how busy the barber is?

- At a 55 percent commission split, how much does a chair producing your target monthly revenue pay the shop before overhead?

- Which model gives you more predictable income, and which fits the kind of business you actually want to run?

Worksheet: Single-Chair Unit Economics

Fill in real numbers for one chair so you can see its contribution margin. Use realistic daily cuts (10 to 12), not the theoretical maximum.

Realistic cuts per chair per day

Average service ticket including add-ons (dollars)

Working days per month

Monthly service revenue per chair (cuts x days x ticket)

Pay model and split or weekly rent

Shop's gross from this chair after the split or rent

This chair's share of monthly fixed costs (rent, utilities, insurance, software, supplies)

Chair contribution margin (shop gross minus fixed-cost share)

Checklist: Revenue Streams Beyond the Haircut

- Defined two or three honest add-on services with prices (beard trim, line-up, hot-towel, gray blend)
- Selected 6 to 10 retail SKUs to sell at the chair and front desk
- Designed a membership or prepaid package with a monthly price and what it includes
- Set premium or peak-time pricing for senior or master barbers
- Wrote a short recommendation script every barber can say mid-cut

Licensing, Legal Setup, and Insurance

Walk every license, entity, and insurance requirement so the shop is legal and protected before you open the doors.

Worksheet: Licensing Requirements Tracker

Go to your state board of barbering .gov site and fill in the actual requirements for your state. Confirm whether barbering and cosmetology share one board where you operate.

State board name and official website

Individual barber license: required training hours and exams

Shop or establishment license: application fee and renewal period

Facility requirements for the inspection (sinks, disinfection, signage)

City or county business license: where to apply and fee

Federal EIN obtained (yes/no)

State sales-tax permit for retail obtained (yes/no)

Booth renters' individual licenses copied and on file (yes/no)

Exercise: Entity, Bank, and Tax Setup

Make the structural decisions that protect your assets and keep your taxes clean. Plan to revisit the S-corp question with a CPA once profit clears roughly 40,000 to 60,000 dollars a year.

- Will you form an LLC, and with which state? What is the filing fee?
 - What percentage of net profit will you move to a separate tax-savings account each week (target 25 to 30 percent)?
 - Which bookkeeping tool (QuickBooks or Wave) and which payment processor will you connect to the business account?
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- What is your rule for never mixing personal and business money, and how will you pay yourself (draw or salary)?
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Checklist: Insurance and Sanitation Readiness

- General liability policy in place (target 30 to 70 dollars per month)
- Professional liability (malpractice) coverage secured
- Property and contents coverage for chairs, clippers, mirrors, and inventory
- Workers compensation in place if you have W-2 commission employees
- EPA-registered hospital-grade disinfectant (e.g., Barbicide) stocked at every station
- Single-use neck strips and a sharps container in place; sanitation log posted
- State board inspection checklist turned into a daily opening and closing routine

Filling Chairs: Local Marketing and Retention

Build the marketing and retention system that wins local search and turns first visits into regulars.

Checklist: Google Business Profile Optimization

- Claimed and verified the profile with exact name, address, and phone
- Set primary category to Barber Shop and added relevant secondary categories
- Uploaded real photos of the shop, team, and finished cuts
- Listed accurate hours, services with prices, and a booking link
- Built a review-ask into checkout (QR card or automatic post-visit text)
- Confirmed identical name, address, and phone on Yelp, Apple Maps, Facebook, and Booksy

Exercise: Local Marketing Plan

Design the channels that will feed your funnel. Keep paid spend small, local, and measurable, and always send ads to a booking link rather than a phone number.

- What will your weekly content rhythm be on Instagram or TikTok (how many before-and-after posts and clips)?
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- What is your first paid offer, budget per day, radius, and target audience?
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- Which local partnership will you pursue first (sports team, gym, sneaker or tattoo shop)?
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- How will you measure whether each channel produces booked, paying clients within two weeks?
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Worksheet: Retention Metrics Baseline

Pull these numbers from your booking software and set a target for each. Rebooking at checkout is the single most powerful lever here.

Current rebook rate (share leaving with a next appointment booked)

Target rebook rate (aim toward 60 percent)

Current no-show rate

No-show policy (card on file and fee percentage)

Client return rate within expected window

Referral reward structure (credit for referrer and friend)

Win-back trigger (e.g., text clients not seen in 6 weeks)

Retail, Operations, and Multi-Chair Growth

Earn margin on product, run the shop on tight systems, and plan profitable growth from one chair to many.

Worksheet: Retail Margin Planner

Open a professional account with CosmoProf or SalonCentric, then plan a tight, curated retail lineup. Price retail at roughly double wholesale to hold a 50 percent margin.

Distributor account (CosmoProf or SalonCentric) opened (yes/no)

Product 1: name, wholesale cost, retail price, margin

Product 2: name, wholesale cost, retail price, margin

Product 3: name, wholesale cost, retail price, margin

Barber retail commission percentage (commonly 10 to 15 percent)

Where each product is displayed (chair-side and front desk)

Sell-through review date (drop SKUs that do not move in 60 to 90 days)

Checklist: Operations Systems Setup

- Chosen an all-in-one booking and POS platform (Squire, Booksy, or Vagaro)
- Enabled online self-booking by specific barber and time
- Turned on automatic text and email reminders with a card-on-file no-show policy
- Connected QuickBooks or Wave to the business bank account and set monthly reconciliation
- Set a fixed weekly time to review revenue per chair, average ticket, rebook rate, and retail percentage
- Built a client database with visit history and notes for win-back marketing

Exercise: Add-a-Chair Decision

Use this before signing a bigger lease or hiring a new barber. Prove demand first, then run the marginal economics for the new chair the way you modeled your first one.

- Are your current chairs booked solid with a waitlist? What evidence shows the demand is real?

- Where will you recruit (barbering schools, instructor referrals, team referrals, social), and what does your trade test look like?

- Will the new barber be booth rent (established book) or commission (building a book)? Why?

- What is the new chair's marginal cost versus its expected monthly contribution once booked?

Checklist: Barber Retention

- Pay split or rent is fair for your local market
- Marketing support actively fills each barber's chair
- A growth path exists (rising commission tier or future management)
- The shop environment is clean, professional, and well-equipped

[] Per-barber production and rebook numbers reviewed monthly with coaching

Your Action Plan

1. Decide your pay model (booth rental, commission, or hybrid) using the single-chair unit economics and an honest read of how much control you will have.
2. Complete licensing: confirm your barber license, apply for the shop establishment license, get a business license, EIN, and state sales-tax permit.
3. Form an LLC, open a dedicated business bank account, connect bookkeeping software, and set up a weekly tax-savings transfer of 25 to 30 percent of net profit.
4. Secure general and professional liability insurance and stand up a sanitation system built directly from your state board's inspection checklist.
5. Claim and fully optimize your Google Business Profile and build a review-ask into checkout to start climbing the local map pack.
6. Launch a weekly social content rhythm and one small, measurable paid offer that sends new clients to a booking link.
7. Adopt an all-in-one booking and POS platform, turn on rebooking at checkout, automatic reminders, and a card-on-file no-show policy.
8. Open a CosmoProf or SalonCentric pro account and stock a curated 6 to 10 SKU retail lineup priced at a 50 percent margin with a barber commission.
9. Set a fixed weekly review of revenue per chair, average ticket, rebook rate, retail percentage, and new-versus-returning clients, and act on what you see.
10. Add a chair only after current chairs are booked solid with a waitlist, then recruit, trade-test, and onboard a barber whose chair contribution beats its marginal cost.

