

Elizabeth Grady Franchise Opportunities

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BUSINESS IS BEAUTIFUL®

ELIZABETH **GRADY**

Our Philosophy

Professionalism and an innovative approach to skin care coupled with dedication and an unswerving regard for the best interest of our customers are the underlying strengths behind the success of the **Elizabeth Grady** skin care salons. With emphasis on individual consultation and clinical analysis, treatments by professional estheticians and a prescribed home care program, our goal has always been to promote achievement and maintenance of the healthiest skin for all people, young or old, male or female alike. Our commitment to serve the best interest of our customers is reflected in the quality of our products, attractive pricing and above all excellence in customer service.

We are sure that if you adopt this philosophy as your own while you operate your **Elizabeth Grady** skin care salon, you too will realize the many valuable rewards that come with owning a successful business built upon a solid base of satisfied customers.

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The Company and the Industry

The U.S. Department of Commerce has identified personal care as one of the top ten growth industries of this decade. It is one of the most dynamic, consistently growing and potentially profitable industries in the country; and yet one of the most disorganized. It is this combination of the huge market potential and the lack of organization in the industry that has produced the opportunity for **Elizabeth Grady** and its franchisees. **Elizabeth Grady** recognized the need and developed a proven system that disciplines and controls the business. The result? A highly successful and growing chain of skin care salons which is the largest of its kind in the United States.

At **Elizabeth Grady** the standards for products, services and overall environment are high and rigidly maintained. To ensure highest quality of products, we offer our own complete line of skin care products. Quality of service is assured by the high skill standards required of our estheticians. All estheticians must be approved prior to being accepted and all must complete a company training program before beginning their employment. Each salon must adhere to our high maintenance and appearance standards, both inside and outside, and all personnel are required to wear career apparel at all times to enhance the professional atmosphere of the entire **Elizabeth Grady** operation.

This proven system of standardized operation at each **Elizabeth Grady** skin care salon attracts a volume business. Customer satisfaction is apparent by a repeat business factor that is much higher than the norm and this contributes substantially to the success of each individual center. With a proven system the norm and this contributes substantially to the success of each individual center. With a proven system like this and a track record of years of success, **Elizabeth Grady** is most definitely poised to lead the way for people who have the desire to become part of this growing industry which is thriving with opportunities and to write their own success stories.

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The Opportunity

Welcome to a new choice in franchise investment opportunities. The franchising industry is exploding, but burgers, pizza and tacos aren't the major part of that boom. It's a service explosion and according to experts there is an even bigger outburst to come in service franchising. In the past three years, service franchises have grown twice as fast as have traditional franchises like fast food and auto centers and it is predicted that their growth rate will be even higher in the next three to five years – **TRIPLE THAT OF TRADITIONAL FRANCHISES.**

A profitable business depends on two important factors: Good business practices and qualified people to carry them out. **Elizabeth Grady** is the leader in the skin care industry. For years we have been setting the standards of performance for the industry. In 1978, we established the first fully licensed esthetics school in the country and to further promote industry control measures and safeguard the public in the area of skin care, that same year Joseph A. Grady, the president of **Elizabeth Grady**, authored a legislative bill in Massachusetts that bears his name, becoming the first law of its kind in the nation.

An **Elizabeth Grady** franchise offers its customers the best of both worlds. A staff of estheticians provides consultation, clinical analysis and expert treatment for various skin problems and needs our customers might have. Additionally, as a retail store, we offer a complete line of skin care and cosmetic products to our customers of which many are specifically developed for **Elizabeth Grady** salons.

The public's demand for our products and services, coupled with the lack of major competition makes an **Elizabeth Grady** skin care salon a very attractive investment opportunity. The key to our success has been our ability to bring sound business precepts to the largely fragmented skin care industry which is plagued by sloppy business practices, lack of attention to customer needs and preferences, and ignorance of modern marketing techniques. You'll agree that if you take a highly demanded service such as skin care, package it attractively, promote it intelligently and price it competitively, your success can almost be assured.

Why Should I Buy A Franchise?

According to the U.S. Department of Commerce, "Franchising is one of the most creative of the various marketing techniques which have emerged in this century. The key to a successful franchise is a strong **system**. It is the **system** that provides the appearance that all outlets belong to a chain; it is the **system** that all franchisees can follow; it is the **system** that provides the know-how to franchisees to keep one step ahead of the competition; and it is the **system** that will continue to provide abundant opportunities to all that want to fulfill the dream of owning one's business."

Franchising keeps on growing because it offers long term assurance, the security that comes for working with industry experts, coupled with the independence of owning your own business. As the U.S. Department of Commerce sums it, "Franchising may be the best hope of the small business person to be able to compete with giants by using franchisor's know-how and trademarks. It also offers unique opportunities to people with limited capital and experience." The statistics tell it all.

It Is No Accident

Franchisors serve a multifold purpose by providing greater efficiency through sophisticated marketing techniques, technological development, standardization and quality control. Add to this list such things as Headquarter Training, Site Selection, Volume Purchasing Power, Well-known Names and Logos and Continuous Management Assistance, and the reasons for franchisees' phenomenal success become more than apparent.

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Our System

The **Elizabeth Grady** Franchise support system blends every aspect of your operation with the comprehensive business training and assistance you'll need to get your business off to a good start.

Here's what you get with your **Elizabeth Grady** franchise:

Site Selection and Design: We will help you select the best possible location for your store with high visibility, the professional image you want, and adequate size for optimum use. Then we will show you how to design it, including guidelines on everything from layout to color schemes, and from displays to lighting.

In-Depth Training: You will be thoroughly familiarized with all aspects of running an **Elizabeth Grady** skin care salon before opening your doors for business, including everything from accounting to inventory and from personnel to cost controls. On the job training at our headquarters office and a company store will give you the experience you need to get started.

Daily Operations Guidance: Your confidential operations manual covers all aspects of your day to day business operations. It also contains samples of the forms you will use as well as instructions for using them. Additionally your employees will be trained in using skin care techniques developed exclusively by **Elizabeth Grady** salons.

Grand Opening: You will want everyone in your market to know about your new business right away. We will help you design your grand opening celebration to make sure they do.

Advertising and Promotion: We will share with you our advertising and promotional strategies that have proven successful over the years. Your marketing materials, of course, will stress the professional image and the customer benefits you offer your clients.

Products and Supplies: We will provide you with a complete line of skin care and cosmetic products which many are specifically developed for **Elizabeth Grady** skin care salons by estheticians, dermatologists and cosmetic chemists.

On-Going Support: Our operations experts will periodically visit your location with suggestions on how to improve your business. Your continued satisfaction is our primary goal. We will always welcome your questions, comments and suggestions and will continue to keep you informed of new products and developments. Remember, we want the **Elizabeth Grady** Corporation to keep growing together!

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Estimated Initial Investment

The following is an estimate of franchisee's initial investments for a 1,000 - 1,500 square foot **Elizabeth Grady** skin care salon.

Item	Low	High
Franchise Fee	75,000	75,000
Leasehold Improvements**	120,000	160,000
Rent Deposit	2,500	5,000
Signage	3,500	5,000
Furniture, Fixture & Equipment	45,000	55,000
Opening Inventory	18,000	22,000
Opening Advertising	5,000	7,000
Travel Expenses	500	2,000
Insurance	2,000	4,000
Working Capital	50,000	75,000
Total	321,500	410,000

** may vary upon geographic location
This is an estimate and may be subject to change.

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Frequently Asked Questions

The answers to the following most frequently asked questions about an **Elizabeth Grady** franchise are provided here to help you accurately assess and make a fully informed decision concerning our franchise opportunity.

What Type of franchises are available?

We are currently offering individual and multiple franchise locations.

What kind of experience and background do I need?

No prior experience in a beauty salon or skin care business is required. Our comprehensive training program is designed to educate a new franchisee in all areas of operating an **Elizabeth Grady** business.

What is the nature of training and ongoing support provided?

Everything you need to know to operate a successful **Elizabeth Grady** skin care salon is included in our training program. Among other things it includes advice on store layout and design, equipment selection, methods of inventory control, maintenance, standards of quality, advertising and promotion, personnel policies and employee training. The tuition cost is included in your franchise fee; however, you will be responsible for your personal expenses such as transportation, lodging and meals, etc.

You will receive an **Elizabeth Grady** Operations Manual covering all the above areas of importance to your business plus a lot more as a ready reference source. Since we are continually striving for excellence, you will be periodically updated and kept current on all industry trends, new products and services, as well as new advertising and promotional techniques, etc.

To help your business get off to a good start, one of our representatives will work with you for one week during your first month of operations. In addition, you will be provided total ongoing supervision and support in the form of periodic visits by our experienced staff to consult with you and your staff on all aspects of your operations. You can also call our office whenever you need advice. Remember, our goal is to provide you with all the guidance and support you need to help you maximize the return on your investment and the enjoyment of owning your **Elizabeth Grady** franchise.

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Frequently Asked Questions

What does an Elizabeth Grady franchise cost?

The franchise fee is \$75,000. An initial payment of \$37,500 is required to secure a territory to find a suitable location for your business. The balance must be paid within the 60 day option period. After opening for business, each franchisee pays a monthly royalty fee of 6% of gross sales. For information on total investment required, please refer to the Initial Investment Analysis sheet included in this package.

Does Elizabeth Grady offer financing?

Elizabeth Grady does not offer direct or indirect financing but may choose to at their discretion. Elizabeth Grady does not guarantee your note, lease or obligation.

How can I determine if a geographic area is available for my franchise?

Availability of geographic areas can change quickly as franchises are awarded. However, one of the advantages of getting in with a relatively new franchise is that choice markets are still available. You may designate where you wish to locate as long as it does not infringe upon any other franchisee's territory. Naturally, the more flexible you are, the quicker a location can be found.

How do I select a location?

Based on our experience, we can provide valuable assistance to our franchisees in site location decisions. Your business may be located in a shopping mall, a strip center or agree standing building on the prevailing market conditions in the area of your choice.

Will my territory be protected?

Yes. Each franchise is granted an exclusive area in which no other franchise is awarded.

What is the term of the franchise agreement?

The initial franchise agreement is for a ten year term with an option to extend for two consecutive five year terms with no additional franchise fee required.

Am I required to purchase equipment, inventory or supplies from you?

You may purchase required equipment from any approved supplier which conforms to our standards. To ensure consistent quality, we require that you purchase all your inventory and supplies from us.

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Frequently Asked Questions

Do you provide business aids I can use?

Yes. We have developed appropriate forms to support our business system and to make inventory control, bookkeeping and accounting, purchasing, daily record keeping, reporting and payroll easy to accomplish in an efficient and accurate manner. You will also have available to you advertising and marketing aids which have been professionally prepared to help to promote your business.

How will advertising be handled?

Building recognition of the **Elizabeth Grady** name and reputation is an essential ongoing objective of our organization that benefits everyone. For this purpose, each franchisee is required to contribute an amount equal to 3% of gross sales into our advertising fund to be utilized for research and development, promotional and advertising strategies and materials. In addition, franchisees are required to spend an amount equal to 2% of gross sales on local advertising with our guidance.

Can I sell my Elizabeth Grady business?

Yes. Our franchise agreement details all the terms and conditions of business sales and transfers.

How soon can my business be in operation once I have been accepted for a franchise?

Once a mutually agreed upon location has been secured, construction and supplying your new business for opening should take approximately sixty days.

Ok. I am ready to proceed. What do I do next?

First fill out the enclosed initial franchise questionnaire and mail it to our office. Upon receipt, we will contact you to set up a personal meeting. After we have had an opportunity to meet each other and the necessary disclosure requirements have been met, a franchise agreement may be executed.

WE HAVE ATTEMPTED TO ANSWER THE MOST COMMONLY ASKED QUESTION ABOUT THE ELIZABETH GRADY FRANCHISE OPPORTUNITY. WE ARE SURE YOU MUST HAVE A FEW MORE THAT WE HAVE NOT COVERED, SO PLEASE FEEL FREE TO ASK OUR REPRESENTATIVE ANY OTHER QUESTIONS AND THANK YOU FOR YOUR INTEREST.

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Initial Franchise Application

Date: _____

Name: _____ Name of Spouse: _____

Address: _____

Telephone: (Daytime): _____ (Evening): _____

Preferred Location(s): _____

Single () Married ()

Your Current Occupation: _____

Company: _____ Years Employed: _____

Current Occupation of Spouse: _____

Company: _____ Years Employed: _____
(we will not contact your employers without your prior approval)

Your Birth Date: _____ Last year of Education Completed: _____

Financial Information:

Will you have a financial or managing partner in this business? Yes _____ No _____

Assets

Cash in Bank(s): \$ _____
Real Estate- Home: \$ _____
Real Estate- Other: \$ _____
Money Market Funds: \$ _____
Stocks and Bond: \$ _____
Certificates of Deposit: \$ _____
Automobile(s): \$ _____
Net Worth of Business Owned: \$ _____
Funds Receivable: \$ _____
Other Assets: \$ _____

Total Assets: \$ _____

Liabilities

Notes Payable: \$ _____
Mortgage Balance: \$ _____
Real Estate Loans: \$ _____
Other Liabilities: \$ _____
Total Liabilities: \$ _____

Net Worth: \$ _____

(This is not an application for a franchise and is for information purposes only. It is, however, understood that the information contained herein has been supplied to the best of your knowledge and EGFC can rely on this fact in assessing your desirability as a potential franchisee in the **Elizabeth Grady** franchise system.)

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