

Relax The Back

Franchising Micro-Site Content

Relax The Back

Franchising Guide

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Launching Your Own Small Business

For many, it's like fulfilling The American Dream: that moment when you swagger into your bosses' office and tell him he can "take this job and shove it," or some softer, more genteel version of quitting your day job. Starting your own business and becoming your own boss is the realization of a dream for many employees, entrepreneurs and would be investors. However, the path to starting your own business can often be treacherous, confusing and fraught with peril, not the least of which can spell financial disaster. You can't be too careful or gather enough good advice in the process of launching your new business. The following are list of tips, strategies and instructions to help you successfully launch your own small business.

Do What You Love and the Money will Follow

Taken from the title of a popular self-help employment guide, the above phrase is not necessarily true. Unfortunately, you can toil away for an eternity at your life's great "passion" and never make a red cent. But the sentiment applies in the sense that the more excited you are about your business, the better the results. So, when you sit down and put on your thinking cap to come up with your business venture, makes sure you select a business that is practical, but also something you find interesting and engaging.

Business Plan

Once you've settled on the type of business you want to start, the first and most important step is creating your business plan. Your business plan is a complete analysis of the proposed business. The plan should include: a complete description of all logistical requirements necessary to launch the business, a detailed review of costs and capital requirements to start and sustain the business, progress/status projections for the end of years one, two and three, and a complete marketing analysis with an outline of market conditions in the area the business is to be located, including list a of your major competitors.

Creating a business plan forces you to evaluate your potential new business from a practical perspective. Does the data you've collected support the notion that your business is a viable profit generating entity? This process often brings to light many unforeseen obstacles that you may not have considered. It's not uncommon for individuals to reconsider a particular business venture due to discoveries made while researching their business plan. A complete business

plan is also a lender requirement if you intend to secure financing for your new venture.

Financial Position and Lender Financing

Now that your business plan is complete, it's time to evaluate your financial position. What are your capital assets? How much money do you have in the bank? Do you have additional resources, such as stocks, bonds or mutual funds? What about life insurance or retirement accounts that you can borrow against and repay later? Your finances must be in order to move forward with your new business.

Can you, based on your assets, afford to launch your business? This question is more complicated than it seems. You have to account for more than just the logistical costs involved in the process. Simply having enough money to cover your start-up costs is insufficient. What if your business doesn't make a profit at first? What if six months goes by and you're not making a profit? Will you be able to sustain the business, while supporting you and your family? If your business fails and you have to walk away, what do you have to fall back on? These questions need to be answered before you sink any money into your new venture.

If you plan to keep your current job, and develop your new business as a side project, these questions hold much less weight. However, if you are depending on this new business as your sole source of income, you need to have a clear picture of your finances, in addition to the potential liabilities involved.

You can't depend on financing to help you launch your business. Unfortunately, due to the volatility in the current economic climate, financing is more difficult to obtain than ever before. Many lenders, especially in the small business arena, are unwilling to make loans unless the borrower can provide evidence of liquid assets in excess of the amount they're seeking to borrow.

Marketing Plan

Marketing is one of the most overlooked aspects of launching a new business. You may be well capitalized, with an outstanding concept, but if people don't know about your business, how can you expect to succeed? In essence, marketing is selling your business, and many people are uncomfortable or intimidated with the "sales" process. However, a well thought-out **Marketing Plan** makes the process much easier.

Lets say you've selected your business venture, created a comprehensive business plan and organized all of you finances. Now you need to figure out how to "sell" you business. How are you going to conjure up customers? Where do your clients come from, what is your consumer base, and how do you alert them and interest them in your business? This is where your *Marketing Plan* comes in. A *Marketing Plan* is your blueprint for customer generation, and ultimately making your business financially successful. Creating a *Marketing Plan* is easier than you may think. The following are four basic steps to creating an effective marketing plan:

Define your target market. Who are you customers and how do you reach them?

What is your *Unique Selling Proposition (USP)*? What makes your business different from the competition and how can you use it to your benefit?

Establish your budget. How much of your resources can your afford to dedicate to marketing?

Choose your media. What is the best advertising vehicle to reach your target audience?

Use the answers to these questions to generate your initial marketing campaign. When your new business, whatever the particular vehicle may be, is approaching it's "grand opening," kick your campaign into gear with the "coming soon" buzz and continue rolling out the campaign from there. No matter how favorable the results, marketing doesn't stop with initial campaign. Your *Marketing Plan* should cover ongoing marketing efforts, and is intended to be fluid in nature, open to changes and updates as you discover what advertising works and what doesn't. The continued success of your business depends upon marketing. Setting aside time to evaluate your marketing efforts and update your *Marketing Plan* is a key component to the overall success of your business.

The preceding outline offers you the basic tools you need to get started. Now it's time to seize the opportunity and make the leap. Realizing your dream of personal and financial freedom is within your grasp.

What is a Franchising?

More than likely you've heard about the concept of franchising. You're also probably aware that companies such as McDonalds, Subway, Roto-Rooter, SuperCuts and a host of others franchise their businesses. But what does this really mean? How does a franchise actually work? And most importantly, how can a franchise benefit an entrepreneur or investor like you?

The Dilemma of Business Growth

In the business world, a company can only expand and grow within the limits of their capital means, or based on the amount of credit they can secure.

Traditionally, there are two options for a company seeking to expand their business; either they must have sufficient funds saved in their capital reserves to cover the costs of securing a property and building a new store, or they have to convince a bank or investor their company is worthy of a loan to fund the purchase of land and the opening of a new store.

Growth is the key to increasing revenue for any business, but there are specific drawbacks in both of the scenarios outlined above. First of all, a business may not have the cash necessary to expand into new territory and build another location. Even if the company has enough capital to cover the expenses involved in the expansion, it may deplete their reserves. This could place the company in a precarious position in the event of some unforeseen disaster. If a company borrows money from a bank, they have to pay interest on the loan, which cuts into their profits. If the expansion fails, the company is on the hook to repay the loan, without the benefit of revenue from the location they were seeking to launch. Additionally, given the current turmoil in the economy, particularly in the financial and banking sectors, securing a new loan is a difficult and lengthy process. By the time funding is acquired, the proposed expansion may no longer be an advantageous investment for the company.

An Alternative Growth Solution

Franchising offers an excellent alternative to the traditional model for business expansion. A company offers entrepreneurs and investors the opportunity to open their own location beneath the umbrella of the parent company's corporate **Brand**. For all intents and purposes, the business is the same. For example, a retail store or restaurant location would appear exactly the same as a "company store," and the products and services would mirror those offered by the parent company. The franchising company charges the franchisee an initial fee to

purchase the franchise, in addition to an ongoing licensing fee based on a percentage of revenue earned at the franchise location.

A Win-Win Arrangement

A franchise business represents a win-win arrangement for both parties. The franchising company is able to grow at a more expedient rate without putting up their own funds or borrowing any money. The franchising company only receives a percentage of the revenue earned in the franchise location, but the initial purchase fee they receive offsets the lower rate of return. Additionally, the parent company is not burdened with the cost of managing and maintaining the franchise location. The franchisee is afforded the opportunity to launch a business with a recognized **Brand**, versus establishing a new business from the ground up. The franchisee also receives the benefit of guidance and administrative support from the parent company, in addition to ongoing company-sponsored marketing programs and advertising promotions.

A Successful Business Model

With roots that can be traced back more than 150 years, franchising has proven to be an enduring and eminently successful business venture. Franchising is common in more than 70 industries, accounting for approximately \$1.5 trillion dollars in revenue, based on statistics gathered by *The National Franchising Association*. The breadth and depth of expansion, and the revenue earned in the franchising realm, illustrates its importance to business growth, and the growth of the economy as a whole.

How Does Franchising Work?

Let's say you're an entrepreneur or investor and you want to launch your own business. What kind of a business should you choose? The possibilities are endless. The key to success with any new venture is selecting a business that's proven to be financially successful over a sustained period of time.

Unfortunately, when you start a new business from the ground up, you're entering uncharted territory. A new business represents an unknown commodity; who knows how you will be received by potential consumers?

What's more, there's no road map to creating a new business. Finding the location, securing the property, building out the space and gathering the necessary supplies are only a few items on the laundry list of vitally important concerns. In a startup business scenario, you're stepping into the marketplace with zero *Brand* recognition and no logistical support.

An Alternative Model for Business Growth

But there is an alternative to the traditional model of launching your own business: purchasing a *Franchise*. How does a franchise actually work? To begin with, growth is imperative to increasing revenue for an established business. However, the growth of most existing businesses is limited by their capital means, logistical constraints and practical concerns. By itself, a company can only grow so fast. But, the business world has developed a system to circumvent the various issues limiting their growth: *Franchising*.

In a franchise scenario, a company offers entrepreneurs and investors the opportunity to open their own location as a franchisee of the parent company. Let's say you want to open a restaurant location or a retail store. You purchase a franchise of the particular business you're interested in, for example a Subway or 7-Eleven, and open a location that physically looks and operates exactly the same as one of the parent company's stores. You offer the same products and services, and do business in the same manner. Patrons of the business are unaware there is any difference between your franchise location and a "company store." Your franchise is seamlessly connected to the parent company.

Costs & Benefits

The franchising company charges you an initial fee to purchase the franchise, along with a continued licensing fee based on a percentage of the revenue earned

in your franchise location. Franchising represents an advantageous arrangement for both parties. The franchising company is able to grow without spending any money, and relieved of the burden involved with managing and maintaining the new location. As the franchisee, you have the opportunity to launch a business that's already recognized as a proven commodity in the marketplace.

Additionally, you receive practical and logistical support in the process of starting your new business. The franchising company helps you identify available territories and helps you select a suitable site. They also advise you in the leasing process, building out the space and purchasing the supplies needed to operate the business. In addition to all of this logistical support, you also receive the invaluable benefit of ongoing marketing and advertising conducted by the parent company to promote the business.

A "Turnkey" Business Opportunity

Franchising represents an ideal business venture for any entrepreneur looking for a turnkey business opportunity. The concerns of gaining market position and navigating the pitfalls of the startup process are dismissed, as the groundwork is already laid out for you. All you have to do is turn the key, fire up the ignition and drive your new business along the road of success.

Purchasing a Franchise: A How-to Guide

The following five-step guide is a road map to help entrepreneurs and investors successfully navigate the path to purchasing a franchise.

Step 1: *Determine your assets and evaluate your financial position*

Nearly every franchising company requires potential franchisees to demonstrate a minimum level of capital assets. This requirement varies widely, depending upon the industry and type of franchise you're purchasing. Asset requirements range anywhere from tens of thousands to several million dollars. There are some exceptions, as certain home-based franchises have little to no asset requirements.

The other aspect of this issue relates to your overall financial position. Let's say you have the level of assets required for franchise approval. Can you also afford to purchase the franchise, fund all the steps necessary to launch the business and support you and your family until the business begins to make a profit? If you're a seasoned investor with extensive assets in reserve, this may not be an issue. If you intend to keep your current "day job" and maintain a stable income, you're also probably in good shape. However, if you plan to sink your life savings into the franchise and derive your sole income from this business, you need to carefully evaluate your financial position. Make sure you have enough money to sustain yourself until the business begins to make a return. Keep in mind, this could be anywhere from 6 to 18 months.

Step 2: *Identify the franchise opportunity that's right for you*

Make a list of all potential franchise opportunities of interest to you. Pare the list down to your top 3 to 5 choices. From this short list, carefully evaluate each franchising company, and their franchising program. Examine the company's financial prospectus, investigate their performance figures, and if possible review three years worth of accounting documentation, including tax returns and profit and loss statements. Review the company's franchising program, and determine all of the initial and ongoing fees and costs. Make sure the company explicitly spells out all of the initial and ongoing support services they provide. Speak with other franchisees and ask any and every question that comes to mind about the business. Ask them to evaluate the pros and cons of the business. Take the information you've collected to a qualified professional business advisor (a third party) and ask their opinion on whether your selection appears to be a sound investment opportunity.

These evaluations are of particular importance if you plan to secure financing to purchase the franchise. Due to the current economic climate, financing (especially for small businesses) is extremely scarce. In many situations, lenders require that borrowers have capital assets in excess of the amount they hope to borrow.

Step 3: *Draft a Business Plan*

Generally speaking, the first step in launching any new business is the creation of a business plan. In a franchise situation, you acquire much of the information necessary to draft a business plan through your research into the franchising company. Hence, creating the business plan comes a bit later in the process. Your business plan is a comprehensive analysis of your proposed business from the ground up. The plan includes: a complete description of all logistical requirements necessary to launch the business, a detailed review of costs and capital requirements to start and sustain the business, and progress/status projections for the end of years one, two and three. The plan also incorporates a complete marketing analysis with an outline of market conditions in the area the business is to be located and list of your major competitors.

Creating a business plan serves several functions. First of all, it forces you to take a critical look at the situation you're diving into. This process often uncovers issues you may not have been aware of. Many would-be business owners have abandoned a particular business venture due to obstacles identified in the process of formulating their business plan. Additionally, if you hope to obtain financing for your new business, lenders require a comprehensive business plan.

Step 4: *Acquire a Franchising Attorney*

Due to the unique nature of launching a new business through the purchase of a franchise, using an attorney that specializes in franchising is highly recommended. Contact your state bar association or the *American Bar Association*; both entities have resources to help you locate an attorney in your area that specializes in franchise purchases.

Step 5: *Finalizing the Franchise Agreement*

The **Franchise Agreement** is the final step in the franchise purchase process. Your finances are in order, your research and due diligence to qualify the franchising company is done, your business plan is complete and you've acquired a franchising attorney. Now it's time to sit down and finalize all the

details, in writing, with the franchising company. The **Franchise Agreement** serves as the blueprint for your relationship with the franchisor. You should never sign an agreement, or pay any type of deposit, before conducting a meticulous review of this agreement with your attorney. There are six primary provisions that should be specifically defined in the **Franchise Agreement**:

Fees

Fees includes the initial purchase fee in addition to all ongoing fees covering licensing, royalties, trademarks, advertising and any other franchising expenses.

Territory

Your exclusive territory should be specifically outlined.

Support

Support governs all training, logistical, real estate, business management, accounting and marketing/advertising support provided by the franchisor.

Obligations

Obligations define the basic standard of service franchisees must adhere to in operating the franchise business. This includes all restrictions and limitations as to what a franchisee can and cannot do in the representation of the franchise.

Term

The length of the initial term and options to renew the **Franchise Agreement** (after the initial expiration) should be specifically defined.

Cancelation/Termination

If, for whatever reason (as the franchisee), you're unable to continue operating the business. How can you cancel the **Franchise Agreement**? What is the franchisor's recourse if you fail to meet the obligations outlined in your agreement, i.e. under what circumstances may the franchisor terminate the agreement? This portion of the agreement should also include the financial liabilities of both parties in the event the **Franchise Agreement** is canceled or terminated.

Owning a Franchise

Why it makes sense for entrepreneurs, investors and everyday people like you

The entrepreneurial spirit that fuels the burning drive to start your own business is akin to realizing the promise of the *American Dream*. However, the reality of launching your own business can be a foreboding prospect. Amid today's troubled economic landscape, there are few financial guarantees. Starting your own business requires a sizable capital investment, with no assurances of any return on your money.

But there is a proven and profitable alternative to the traditional model for starting a new business, one with the potential to alleviate many of the common pitfalls in this complex process: purchasing your own *Franchise*. By purchasing a *Franchise*, entrepreneurs and investors are afforded an excellent opportunity to sidestep some of the largest hurdles to founding a new business.

Name Recognition and a Successful Business Model

Creating a recognized *Brand* and establishing an identifiable *Name* are more than half the battle in achieving success with any business. When you purchase a franchise, this is already done for you. Essentially, you're plugging into a nationally or even internationally known commodity. What's more, if a company is in a position to franchise their business, they have established a solid, salient business model that has proven to be financially successful.

Locations and Leasing

Franchisors maintain lists of available territories for new franchisees in communities they feel will be receptive to their business. Companies often have in-house real estate departments with a roster of available sites that meet the company's ideal criteria. Landlords and leasing agents love "mom and pop operators" because they represent an "unsophisticated tenant." Meaning, they are unaware of all the tricks of the trade and can be manipulated into signing a lease with unfavorable terms. A franchisor's real estate department can provide assistance with lease negotiation and document review, protecting your interests and securing the best possible deal.

Operations and Training

Unfortunately, a new business doesn't come with an owner's manual. However, a franchise does. The countless franchisees that came before you created a blueprint for success. You don't have to guess about what steps to take or in

which order to establish your business. The franchisor gives you a tried and true method, in writing. The franchisor will also provide the training necessary to properly operate your business prior to opening your doors.

Construction, Equipment and Supplies

Franchisors offer instruction and advice on cost effectively building-out your new space and purchasing the equipment required for your business. The franchisor's large quantity purchasing power enables them to buy in bulk, securing strong discounts on the supplies you need to run you business.

Success in the Long Run

The number of new start-up businesses that fail is staggering. Whether you're an entrepreneur trying to realize a lifelong dream (with your life savings) or an investor looking to make a return on your investment capital, the failure of a business venture can be devastating. Purchasing a franchise offers you a distinct advantage over the traditional start-up business scenario because your business is connected to a proven commodity with an established name and you're gaining the benefit of back-end administrative support from a major corporation. If you consider your business from a long-term perspective, in a franchise situation there's a much greater probability that you will still be in business 10-15 years down the road.

Selecting a Franchise Attorney

Launching a new business through the purchase of a franchise involves a unique set of circumstances that differs from most new business situations. Selecting an attorney that specializes in handling franchise transactions to help guide you through this process is highly recommended. A franchising attorney's expertise is critically important for the review and negotiation of the *Franchise Agreement*. This agreement is a legally binding contract that holds significant financial implications. It is imperative that you tap the knowledge of an experienced attorney to review the agreement, and advise you of the responsibilities and obligation the agreement defines.

The two most effective methods for locating a franchising attorney are contacting your local bar association or requesting a referral from another franchisee.

Most county or state bar associations enable member attorneys to designate their specialty. In addition, the *American Bar Association* publishes a membership directory for the *Forum of Franchising Committee*, a special committee within the *American Bar Association* dedicated to the study of legal issues relating to franchising, and the promotion of education for attorneys in this field. The directory includes a comprehensive list of committee members and their contact info. You can learn more about the *Forum of Franchising Committee* online at www.abanet.org/forums/franchising. For further information on the committee or franchising attorneys in general, visit the *American Bar Association* website at www.abanet.org.

If you've already identified the company from which you intend to purchase a franchise, they can put you in touch with an existing franchisees. It's in your best interest to use an attorney experienced in dealing with the particular franchising company you're working with. Current franchisees are your best resources for locating an attorney that has previously dealt with the company from which you're purchasing a franchise.

Once you've identified potential candidates in your particular area, there are several key factors to consider in your final selection process:

The Franchise Agreement

Understanding the *Franchise Agreement* is the primary reason for using a specialized franchising attorney. The *Franchising Agreement* is a binding contract

that defines all terms governing the franchise arrangement. This includes costs, fees, your duties and responsibilities to the franchising company, and their duties and responsibilities to you. A properly qualified franchising attorney has the experience and knowledge necessary to help you decipher and fully digest the *Franchise Agreement*. As previously mentioned, it's in your best interest to seek an attorney with as much relevant knowledge as possible. The most qualified choice, with the greatest knowledge of your situation would be an attorney experienced in dealing with the particular company you have selected. Short of this, you should seek an attorney well-versed in the same franchise industry.

Is the Agreement Open to Amendment?

Before you actually hire the attorney, make sure the franchising company is open to accepting potential amendments your attorney may suggest. Some franchising companies have strict policies forbidding revisions or amendments to their *Franchising Agreement*. This doesn't mean you shouldn't to hire an attorney. The agreement should still be reviewed and explained to you by a qualified professional. However, the cost of hiring an attorney for a straightforward review is considerably less than the cost of hiring an attorney to draft amendments and negotiate any subsequent changes to the agreement.

Ask for a Set Fee Up Front

Many attorneys interpret the franchising company's willingness to negotiate the *Franchise Agreement* as an open invitation to request significant revisions. This can facilitate a great deal of back-and-forth negotiation with the franchising company, and cost you big money in attorney's fees (not to mention creating friction with the franchising company). Therefore, it's wise to outline the scope of work involved and negotiate a fee with your attorney up front, ensuring there are no surprises down the line.

Food For Thought

The main reason for hiring an attorney to review the *Franchising Agreement* is to gain the benefit of their critical analysis. It's the attorney's job to point out any and all flaws in the agreement. This is not an attempt to dissuade you from making the purchase (unless some aspect of the agreement is so grievous it motives the attorney to advise you as such). Your attorney specifically illustrates imperfections in the agreement to educate you, and make sure you understand what you're getting into. It's very important to pay close attention to the attorney's analysis and carefully consider his or her advice as you move forward with the franchise purchase.

Franchising FAQ

Frequently asked questions about *Franchising*

1. What is Franchising?

A franchise is a business arrangement in which an established company sells an entrepreneur or investor, the franchisee, a license to use the name, and sell products and/or services of the franchising company.

2. How Does a Franchise Work?

The franchising company charges the franchisee an initial fee to purchase the rights to franchise their business. The franchising company also charges an ongoing licensing fee based on a percentage of the gross revenue earned by the franchisee in their business. In return, the franchisee is able to do business acting as an extension of the franchising company, while retaining the majority of the revenue earned from the franchise business.

3. Why do Companies Franchise their Business?

The franchising company is able to expand their business without spending any out-of-pocket capital or borrowing added funds. Additionally, the franchising company does not have to manage or maintain the franchised business, as this responsibility falls to the franchisee. Basically, the franchisor earns revenue licensing out their **Brand** name.

4. What are the Benefits to the Franchisee?

The entrepreneur or investor purchasing the franchise is able to establish their own business using a proven business model, selling products or services already familiar to the public. Additionally, the franchising company provides the franchisee logistical support and advice in selecting a site, securing a lease, building out the space and purchasing supplies to operate the business. The franchisee also benefits from the ongoing marketing efforts of the franchising company.

5. How Much Does it Cost to Purchase a Franchise?

The cost varies widely, depending largely on the franchising company and the type of industry. Hotels and many restaurants require a multi-million dollar investment for the initial purchase. The initial purchase fee for service providers (auto care, appliance service and home repair), and larger consumer retail stores

generally ranges from \$200,000 - \$500,000. Smaller consumer retail stores and home-based franchise businesses can be purchased for \$5,000 - \$75,000.

6. How Much are the Ongoing Licensing Fees?

Again, the ongoing licensing fees depend upon the franchising company and the industry. Generally, ongoing fees are based on a percentage of gross monthly sales, ranging from 4% - 8%. Some franchisors charge a flat annual fee and a monthly percentage, while others charge a flat monthly fee with an annual percentage. The fees are usually broken down by royalties, trademark fees, advertising, etc...

7. How Do I Determine the Right Franchise Option for Me?

Similar to any investment opportunity, purchasing a franchise involves a certain amount of risk. The franchising company's stability, the type of product or service the franchise offers, the degree of competition in the marketplace, and the level of support and advertising the franchisor provides are among the key considerations in selecting a franchise. Selecting a franchise with strong **Brand** recognition, and a proven financial track record, is imperative. When you purchase a franchise, you're trading on the company as an established commodity with strong financial security. The support offered by the franchisor is another key consideration, particularly if you're not experienced in running a business, or running the type of business you're purchasing.

Demand vs. Competition

If you're looking to set up shop in a particular area, you need to evaluate the marketplace. What types of products or services are in demand in the area? What's the level of competition for products or services consumed in the area? For example, just because fast food is popular and successful in your area, that doesn't mean there's room for another operator in the marketplace.

8. How do I Find an Attorney that Specializes in Handling the Purchase of a Franchise?

Purchasing a franchise and establishing your franchise as a new business involves a unique set of circumstances. Using an attorney that specializes in handling franchise purchase arrangements is highly recommended. The best place to start is your state or even county Bar Association. Most local Bar Associations allow member attorneys to designate their specialty. Additionally, The American Bar Association publishes a membership directory for the **Forum**

of Franchising Committee. The directory includes contact information for attorneys belonging to the committee. You can contact the Forum Committee through their website: www.abanet.org/forums/franchising, or for further information, contact the *American Bar Association*: www.abanet.org

The Advantages of owning your own *Relax the Back* Franchise

You've decided to take the plunge and purchase a franchise. But what now? There are hundreds of franchise opportunities: restaurants, service providers, retail outlets and more. How do you determine the criteria for your decision? Ideally, you want a nationally recognized company with financial stability that supports its franchisees. What about a company that's lead their industry for more than 20 years, with a successful business model that hinges upon the achievements of its franchisees? If this sounds like a winning formula, *Relax The Back* may be the ideal franchise opportunity for you.

Why *Relax The Back*

Relax The Back generates approximately \$91,000,000 dollars in annual revue, solely from sales made by its franchisees. *Relax The Back* doesn't own a single "company" store; each store is owned and operated by a franchisee. You're not in competition with the company; you hold a **strategic partnership** with the company. *Relax The Back* has developed a financially successful business model based on an integral partnership with its franchisees. *Relax The Back's* success depends on your success. It's in their best interest to see your business triumph, and franchisees receive top to bottom support.

Territory and Site Selection

Relax The Back provides franchisees with a list of "protected" territories. Once you select your location from this list, and no other *Relax The Back* store can open in this territory; you're granted exclusive domain. The real estate department also helps you choose a suitable site and advises you in the leasing process.

Relax The Back University (RTBU), Training & Mentorship

Relax The Back realizes training is imperative to the success of your business, and they deliver with a comprehensive program. **RTBU** educates franchisees through an intensive two-week curriculum with in-depth instruction, covering product knowledge, spinal health, business management and marketing. You also receive practical in-store training prior to your grand opening. Mentorship is the real key to the success of the training program. Your mentor guides you step-by-step through the process of opening your store. An existing franchisee mentors you with hands-on training in their *Relax The Back* store. Additionally,

your mentor conducts pre- and post-opening visits to your store, to evaluate your progress, and offer suggestions for improvement.

Merchandise Support

Merchandise selection and inventory control are among the most difficult aspects of managing a retail store. The *Relax The Back* merchandise support team will help you with your initial inventory selection, and offer ongoing support and advice on proper inventory management. The merchandise support team will also help you create effective visual displays, ensuring your store appears polished and professional.

Ongoing Support

The support you receive from the *Relax The Back* team doesn't end with the launch of your store. When you purchase a *Relax The Back* franchise, you're entering into a lifelong partnership. *Relax The Back* has a vested interest in the success of your business and they're with you every step of the way.

Healthy Living

An estimated 76 million Baby Boomers are reaching retirement age and the demand for health related products within this group is at an all time high. A dramatically increasing number of young people are shifting toward living healthier lifestyles. As an industry leader in health related retail products, *Relax The Back* is perfectly positioned to take advantage of this rapidly expanding market. Unlike many franchise opportunities, *Relax The Back* offers franchisees the opportunity to create a business that really **helps** people and promotes healthy lifestyles.

The Advantage is Clear

Market position, outstanding revenue, continued financial success and unparalleled franchisee support—the *Relax The Back* advantage is clear. If you're interested in forming a **partnership** with an organization that's dedicated to your success, *Relax The Back* is the ideal franchise opportunity for you.