

# Franchise Report



2022

# The Salons by JC Story

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## 1997

In 1997, Jack Griffey and Cecil Miller began their journey to transform the beauty industry one salon suite at a time. Like most entrepreneurs, they started with a big idea, but had to learn how to start and run a business from scratch.

## 1998

After a lot of perseverance and hard work, Salons by JC opened its doors in 1998 in Dallas, Texas, welcoming beauty and wellness specialists ready to break free from the traditional salon model.

## 2022

The company has since moved its headquarters from Dallas to San Antonio, where it continues to grow through franchising, recently celebrating 25 successful years. Today, Salons by JC has over 100 locations in 25 states and Toronto, Canada.

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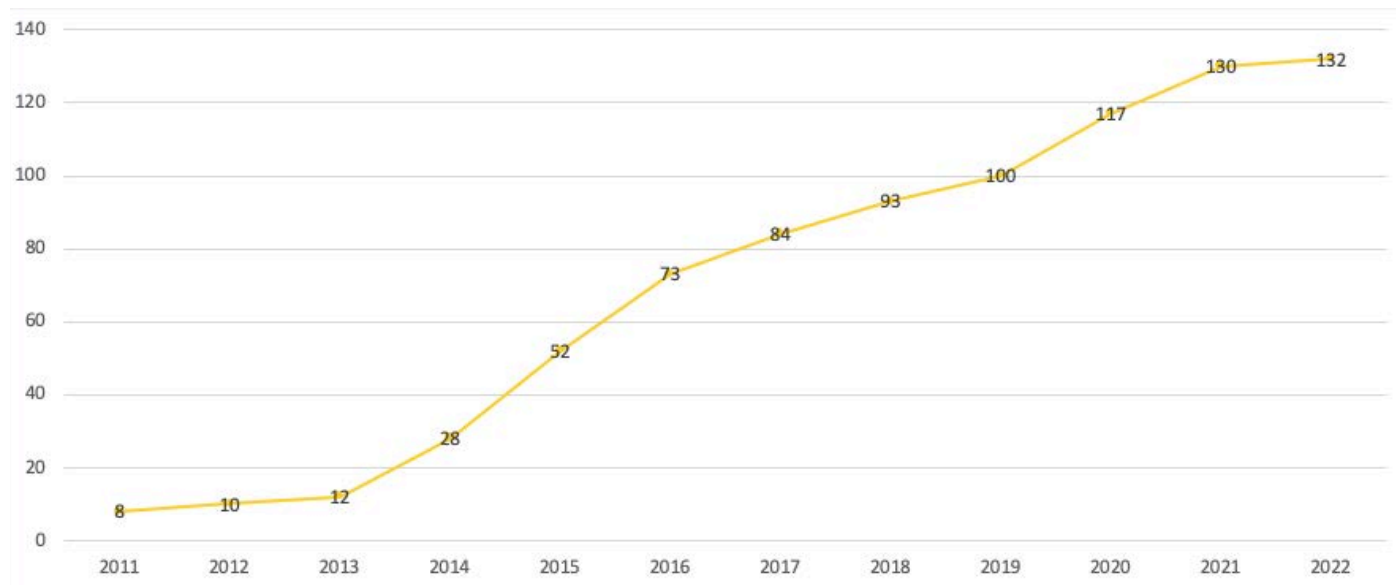
# Salon Suite Industry

Salons by JC is an integral part of the 46-billion-dollar salon industry and on the forefront of the dynamic salon suite business. Salons by JC provides high-end salon suite space to licensed professionals including cosmetologists, nail technicians, massage therapists, aestheticians and other professionals in the beauty and wellness industry.

According to a most recent Professional Beauty Association (PBA) Economic Snapshot Report, “The nation’s salon and spa industry has continued to outstrip the overall economy in recent years. This report also indicated that the industry has added 3800 locations, a 4.2% gain as compared to all other establishments which netted a 3.2% gain.” The PBA goes on to add that “Independent business entities within the salon industry account for 83% of all establishments and 93% of total salon revenues.” More importantly, according to other industry figures, the salon suite business accounts for 37% of all U.S. salons and for nearly \$20 billion of total salon industry revenue. The Bureau of Labor Statistics confirms this growth with data that shows the meteoric rise of non-employee establishments in the industry.



## Salons by JC Growth



The Salons by JC concept is simple and straightforward. Salons by JC secures between 6000 and 10,000 square feet of A+ retail space in trade areas identified by specific demographic study and in centers that meet the needs of both the salon professionals and their guests.

Each location is master planned to accommodate as many as 50 salon professionals in setting that is both elegant and functional. Each stylist is provided with turnkey furniture and fixture package along with essential business tools to manage and coordinate a full-service salon. Our salon model is distinguished from the competition by the presence of a trained salon concierge who provides service to both the suite owners and their guests. A second and equally distinctive feature is the ability for the suite owners to customize and individualize their suite in a way that reflects their personality and their business. The interior construction and design is managed by a well-known national firm that reinforces brand standards while incorporating local market elements.

The overall layout of the facility accents the individuality of the salon professional. A high-level finish out detail and stylish interior design elements convey a sense of being in a luxury resort setting or a fashionable boulevard. Architectural features include expansive hallways, high ceilings, detailed trim-work, and elegant lighting features. The overall effect creates an impression of openness while providing the sense of privacy demanded by the patrons.

The salon suite concept has evolved into a lucrative business by offering services and value to the attending salon professionals. The typical suite owner is well-established with typically more than 3 years of experience in their field. Generally, each suite owner has a stable and regular list of guests that can approach 200 or more people. The suite owners and their guests value the Salons by JC atmosphere because it offers the following amenities and features:

- Work setting in an A+ retail center that is both locally well-known and secure
- Full-time concierge services
- Freedom to conduct business in the fashion that best promotes their own sense of style
- Accommodation for their own unique circumstances, allowing them to choose their work hours by using the security access system and giving them access to their suite 24 hours a day
- Guest privacy in a quiet and controlled atmosphere
- Avoidance of long-term financial commitment associated with leasing traditional retail space
- Freedom from responsibility for maintenance of the physical facility
- Marketing and business guidance

# How Much Does It Cost To Open A Salons by JC Franchise?

According to item 7 of our 202 FDD, here is a detailed breakdown of our start-up costs. The chart below shows ranges from low to high. Your cost will depend on your location and size.

Type of Expenditure	Low Amount	High Amount	Method of Payment	When Due	To Whom Payment is to be Made
Initial Franchise Fee	\$50,000	\$50,000	Lump Sum	Upon execution of the Franchise Agreement	Us
Initial Training	\$0	\$1,000	Lump sum, if applicable	When training begins	Us
Travel and Living Expenses During Training	\$1,500	\$2,500	As incurred	As incurred	Airlines, hotels, and restaurants
Site Selection Assistance and/or Site Evaluation Expense	\$0	\$1,000	As incurred	As incurred	Third party supplier
Security Deposits- Lease and Utilities	\$10,000	\$35,000	As incurred	When you sign your lease or start an account with a utility company	Landlord, utility company
Insurance Premium- 3 months	\$900	\$1,500	As incurred	Prior to opening	Insurance agent or carrier
Business License and Permits	\$100	\$300	As incurred	As incurred	Government agencies
Rent- 3 months	\$0	\$65,000	As incurred	As incurred	Landlord
Blueprints, Plans, Permits, Architectural Fees	\$45,000	\$65,000	As incurred	As incurred	Approved Supplier, planner, city, county, state
Leasehold improvements	\$780,000	\$1,170,000	As incurred	As incurred	Approved supplier
Signage Graphics	\$8,000	\$25,000	As incurred	As incurred	Third party supplier
Furniture, Fixtures, and Equipment	\$85,000	\$175,000	As incurred	As incurred	Third party supplier
Internet - 3 months	\$375	\$900	As incurred	As incurred	Third party provider
Initial Inventory and Operating Supplies	\$2,000	\$4,000	As incurred	As incurred	Third party supplier
Initial Marketing Spend	\$15,000	\$20,000	As incurred	60 days from signing or 30 days prior to opening, whichever comes first	Third party providers
Additional Funds - 3 months	\$10,000	\$20,000	As incurred	As incurred	Employees, utilities, suppliers, and other third parties, etc
<b>Total Estimated Initial Investment</b>	<b>\$1,007,875</b>	<b>\$1,636,200</b>			

# Do I Need Salon Industry Experience?

The short answer is NO! Our customer is the beauty and wellness professional and not the beauty consumer. You will be in the business of identifying and attracting beauty professionals to lease and operate a fully independent business. Our Salons Fundamentals Course and the proprietary marketing and operations plans will assist you in managing the location and minimal staffing requirements.



## What Support Does Salons by JC Offer?

Salons by JC corporate provides an intensive two-day Salon Fundamentals Course at our corporate location. The course provides an overview of the industry as well as training objectives to include:

- Brand standards
- Concierge management
- Real estate & construction
- Marketing strategy & assistance
- Operations management & technology support
- Salesforce and Rentec training



# Marketing Support

Salons by JC is dedicated to providing the tools and services franchisees need to be successful with their marketing campaigns. From assisting with pre-opening marketing plans to providing high quality marketing content and strategy consultations for digital advertising, we are committed to delivering top-level marketing support to every franchisee.

Through our internal marketing team and key partnership with strategic marketing vendors, Salons by JC franchisees have access to professional marketing materials and paid media programs from a talented team of industry experts.

## Available Marketing Services Include:

- Dedicated location specific webpage development to drive mobile and desktop traffic.
- Paid Media advertising on Google, Facebook, and Instagram, developed and managed by our ad agency and Digital Marketing Strategist.
- Access to our library of paid and organic media assets, including photography, graphics, ads and videos.
- Organic social media support and account management, including 3-5 weekly postings on both your Facebook and Instagram business pages to supplement your local postings.
- Salesforce email marketing and CRM, including automated campaigns and re-targeting leads.
- Highly targeted direct-mail campaigns with professionally created postcards.
- Monthly Digital Marketing Reports, so you can see all your valuable KPI's in one easy-to-use report.

## Professional Advertising Services

Through our partnership with Silvercrest Advertising, Salons by JC franchisees have access to professional marketing materials. Silvercrest Advertising offers franchisees a web portal where they can order customizable marketing materials and cross channel media initiatives at a fraction of the cost of directly ordering..

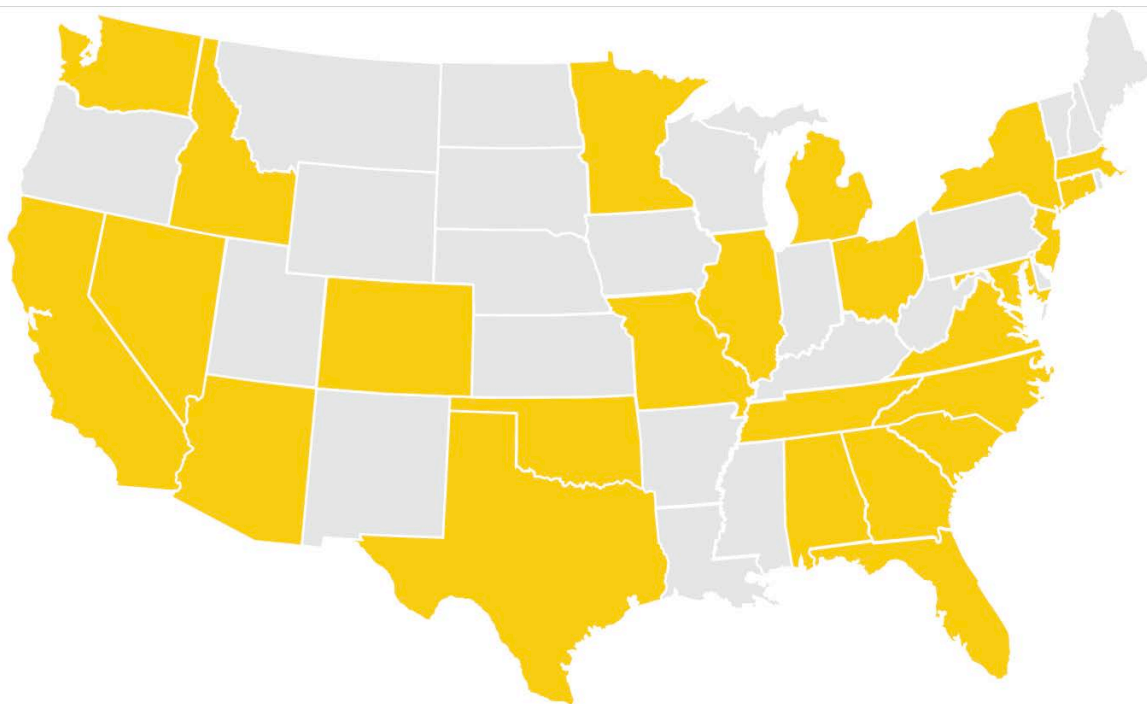
# Operations Support

Operations Support begins with new salon construction and continues through the life-cycle of your franchise. The goal of the Operations Support team is to make sure you have all the resources to effectively run your salon and grow your business. This is accomplished through several programs:

- Dedicated Operations Consultant
- Competitor Analysis
- Salon Fundamentals Course
- Field Visits
- Operations Calls
- Training Conference
- Operations Bulletins and Webinars



# Locations Across The United States



## **Alabama**

Huntsville  
Mobile

## **Arizona**

Scottsdale

## **California**

Fremont  
Huntington Beach  
San Diego  
San Jose  
San Ramon  
Walnut Creek

## **Colorado**

Denver

## **Connecticut**

Danbury  
Milford  
Norwalk  
West Hartford

## **Florida**

Hollywood  
Lighthouse Point  
Kendale Lakes  
Naples  
Orlando  
Palm Beach Gardens  
Pembroke Pines  
Sarasota  
Valrico  
Brandon  
Kendall Palm  
Corral Gables

## **Georgia**

Alpharetta  
Midtown Atlanta  
Buford  
Newnan  
Roswell  
Sandy Springs  
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## **Idaho**

Boise

## **Illinois**

Highland Park  
Arlington Heights  
Bolingbrook  
Chicago

## **Maryland**

Columbia  
Crofton  
Towson

## **Massachusetts**

Burlington  
Stoneham

## **Michigan**

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## **Minnesota**

Apple Valley  
Blaine  
Burnsville  
Coon Rapids  
Edina  
Maple Grove  
Minneapolis  
Minnetonka  
Waite Park  
Woodbury

## **Missouri**

Town & Country

## **Nevada**

Sparks

## **New Jersey**

Shrewsbury  
Wyckoff

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## **New York**

Bay Shore  
New York City  
Westbury

## **North Carolina**

Cary  
Charlotte  
Greensboro  
High Point  
Huntersville  
Raleigh  
Winston-Salem

## **Ohio**

Cincinnati  
Columbus

## **Oklahoma**

Moore  
Oklahoma City  
Tulsa

## **Pennsylvania**

Philadelphia

## **South Carolina**

Greenville  
Spartanburg

## **Tennessee**

Chattanooga  
Cool Springs  
Mt. Juliet  
Murfreesboro  
Nashville

## **Texas**

Allen  
Arlington  
South Austin  
Austin  
Corpus Christi  
Dallas  
Denton  
Georgetown  
Houston  
Lewisville  
Missouri City  
New Braunfels  
Pearland  
Round Rock  
San Antonio  
Southlake  
Sugar Land  
Trophy Club  
Waco

## **Virginia**

Arlington  
Sterling

## **Washington**

Seattle

# What Territories Are Available?

The search for your first location is a team effort that involves several resources and franchise partnerships. We have a well-established relationship with several national real estate groups to assist you in the following manner:

- Territory research and site analytics
- Lease review and negotiation
- Lease execution

You and your broker will have at your disposal powerful tools to identify prime space. We do this through thoughtful and careful analysis of the following data:

- Demographic analytics
- Population and salon count density
- Income levels

The ideal location for a successful Salons by JC store is primarily in a vibrant, highly trafficked shopping center that provides adequate parking, easy ingress/egress and security to our tenants and their guests. Since our business model is more B2B, we have as secondary conditions decent signage and storefront visibility.

The advantages and benefits we bring to the search are numerous:

- Landlords want to work with an established national brand
- Landlords want to work with established commercial real estate brokers
- Our real estate services are at no cost to you
- It's a streamlined process with checklists, specific guidance, and oversight by Salons by JC
- Single source for ongoing transaction management
- During the Discovery Process, you will be provided information about available markets and trade areas.
- Currently, we have availability in nearly all 50 state

# How Do I Build My First Store?

Construction Services are provided by CDS Management. CDS provides a turn-key approach with years of experience in construction management on a national level. As you narrow your real estate search and prepare for LOI, we strongly encourage you to begin meeting with CDS so you are prepared to perform construction due diligence while you are negotiating your lease. This will reduce your opening time.

In addition, we encourage you to work directly with our corporate construction team to ensure the budget and corporate standards are being followed. All franchisees are required to use CDS for due diligence and design. The entire construction window of your project follows a very strict program.

CDS Management will assist you in developing and creating preliminary floor plans, surveys, site investigation reports, and architectural plans. In addition, they bring years of experience in managing large national brand expansions which ensures you have the expertise you need to handle contractor bids, zoning issues, permitting problems, and governmental compliance requirements.

Our construction commitment to you:

- Experienced construction management team
- National roll-out program fees
- Single point of contact during construction
- Budget and schedule management
- Representation to landlords, city inspectors, vendors and general contractors

# How Do I Finance My First Store?

We take great care to ensure you meet the financial qualifications to open a new location. Some of our owners elect to obtain 3rd party financing. We have relationships with several franchise funding and equipment leasing companies who can help you in the process. In addition, our real estate group works to obtain Tenant Improvement dollars to help bring the deal together.



## Meet The Founders

Salons by JC was envisioned and created by Jack Griffey and the late Cecil Miller. Their entrepreneurial spirit led them to found the company as a way to help other entrepreneurs reach for and accomplish their goals in the same way they worked to reach their own.

Jack Griffey and Cecil Miller worked together for nearly 40 years. The last 20 years they partnered to co-found and co-own Salons by JC. Jack and Cecil were intimately involved in all facets of the franchise organization to include real estate, construction, marketing, and operations. Together they opened 10 luxury salon suites in Dallas, Waco, New Braunfels and San Antonio, Texas.

Jack and Cecil were seasoned professionals in the retail management area serving in various positions. Jack developed a region for a national retailer starting with 10 stores and expanding to over 150 locations. Cecil opened 100 stores throughout the U.S. with a national discount store retailer and was responsible for the sales and management of over 150 locations.

**25**

**States**

**132**

**Open locations**

**24+**

**Years of success**

**#1**

**Ranked salon in the industry**

# Frequently Asked Questions

Here are some common questions we receive from candidates across the country.

**01.**

## **How long does it take to open a Salons by JC Franchise?**

From franchise agreement signing to the store opening can take 12-15 months. The largest variable here is the time needed to review and perform due diligence. Typically, once a lease is signed, owners are open within 6 months.

**03.**

## **How much is the franchise fee?**

\$50,000 for a single license. Area development fees are based on territory size.

**05.**

## **How many employees will I need?**

You will need a minimum of 1 employee per location.

**02.**

## **What are the financial qualifications to become a franchisee?**

For a single license franchise agreement, we ask that you have a minimum net worth of \$2,000,000 and liquid assets of at least \$500,000.

**04.**

## **How long is the franchise agreement?** 10 years.

**06.**

## **Can this business be run absentee?**

This is a semi-absentee business. A successful owner will dedicate a significant amount of time during the real estate and construction phase. As you begin to lease your suites, you can begin turning over control to your concierge who will be trained to conduct nearly all of the day-to-day functions at your location.

# What is My Next Step?

At this point, you have read the detailed SBJC Franchise report and have completed an inquiry for more information.

## Here is what you should expect next:

1. Complete a Confidential Qualification Form
2. In-depth call with Franchise Development Team
3. Receive an electronic version of our Franchise Disclosure Document
4. Research the brand and conduct validation with our franchisees
5. Attend our Discovery Day in San Antonio, Texas
6. SBJC Review of Qualifications and Final Approval

From initial contact to Salons by JC approval takes on average around 45 days. We sincerely appreciate your interest in Salons by JC and we look forward to the opportunity to discuss what it takes to succeed as a franchisee!



## Contact Us Today!

**210-314-3126**

**[franchisesales@salonsbyjc.com](mailto:franchisesales@salonsbyjc.com)**

### DISCLAIMER

This information is not intended as an offer to sell, or the solicitation of an offer to buy a franchise. It is for informational purposes only.

Currently, the following states regulate the offer and sale of franchises:

California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Oregon, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

If you are a resident of, or wish to acquire a franchise to be operated in one of these states, we will offer you a franchise only after we have complied with applicable pre-sale registration and disclosure requirements in your jurisdiction. We are accepting applications from all states.