

Medical Spa Plan

Development & Implementation

2007



An Acara Partners Company

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Table of Contents

EXECUTIVE SUMMARY	4
PHASE I: PLAN DEVELOPMENT	5
A. Market Assessment & Concept Development	5
a. Defined Market Area	5
b. Target Market Segments	5
c. Consumer Profiles	5
d. Site Visit	5
e. Competitive Analysis	5
f. Program Components	5
g. Concept Summary	6
h. Market Potential & Sales Forecast	6
i. Architectural Program	6
j. Report & Presentation	6
B. Financial Pro Forma	6
a. Capital Requirements	6
b. Pricing, Staffing & Revenues	6
c. Pro Forma Financial Statements	6
d. Return on Investment Analysis	7
e. Financial Assumptions	7
f. Report & Presentation	7
C. Business Plan	7
a. Plan Summary	7
b. Plan Outline	7
g. Report & Presentation	8
PHASE II: PLAN IMPLEMENTATION	9
A. Site Selection	9
a. Site Selection Criteria	9
b. Commercial Broker Supervision	9
c. Site Selection Site-Visits	9
d. Lease Review & Negotiation Support	9
B. Design and Construction	9
a. Designer Site Visit	9
b. Architectural Program and Layout	9
c. Layout Design	9
d. Design Schemes	9
e. Furniture, Fixtures & Equipment	9
f. Mechanical & Systems Recommendations	10
g. Architectural Support	10
h. General Support	10
i. Contractor Selection	10
j. Architect/Designer Installation Site-visit	10
C. Services, Retail and Merchandising	10
a. Menu of Services	10
b. Equipment, Supplies & Inventory Specifications	10
c. Product Lines	10
d. Merchandising	10
D. Marketing, Promotion & Advertising	11
a. Brand Development Marketing Plan	11
b. Marketing Plan and Budget	11
c. Website Design	11
d. Graphic Design Package	11
e. Launch Campaign	11
f. Sales Lead Capture Program	11

g.	Public Relations	11
E.	Medical & Service Technology.....	11
a.	Medical Equipment.....	11
b.	Service Protocols	11
F.	Management Systems & Information Technology.....	12
a.	Service Protocols	12
b.	Standard Operating Procedures	12
c.	Template Employee Handbook.....	12
d.	Software Systems Recommendations.....	12
G.	National Vendor Relationships	12
a.	Preferred Vendors	12
b.	Preferred Pricing.....	12
H.	Legal & Regulatory	12
a.	Legal & Regulatory Review	12
b.	Regulatory Agencies.....	12
I.	Recruitment.....	12
a.	Job descriptions	12
b.	Interview Materials	13
c.	Classified Advertising	13
d.	Interview Support.....	13
J.	Training.....	13
a.	Onsite Training & Opening Support	13
b.	Vendor Trainings.....	13
	SAMPLE TIMELINE	14
	CONTACT US	14



EXECUTIVE SUMMARY

Acara MedSpas has been contracted to support the planning, development and implementation of your Medical Spa. Our team works collaboratively with you to provide the information and support needed to make informed decisions.

The project begins with a Launch Meeting to review the scope of the work, timeline, roles and responsibilities and how we communicate. To support the collaborative efforts between Acara and your team we establish an Acara Virtual Office (AVO) where together we post documents, project and contact information.

Plan Development

We begin with the development of a plan that is based on market research and analysis. This research and analysis will help to identify the best possible location and insure that the Concept, Program Components and Pricing are aligned with your market.

A Capital Budget and detailed Financial Pro Forma will help you to understand the business' potential and the possible Return on Investment.

All of this information is summarized in a Business Plan that allows you to clearly deliver your message to potential investors and lending institutions as well as providing you and your team with an operating road-map.



Plan Implementation

Once the research and development is complete and the plan is documented, Acara will support you and your team through the implementation process.

This begins with site selection and interior layout and design. We offer a variety of interior themes to select from for your Medical Spa. Also, your furniture, equipment and interior accessories are identified as part of this package.

Our VP of Marketing will work with your team to develop your name and image, creating a logo that reflects your brand. A pre-opening Marketing Plan is outlined and all of the creative necessary to launch the plan is implemented.

Based on your Service Menu, the supplies, equipment, inventory and medical technology are identified and proper trainings are established to insure safety and care upon the opening of your Medical Spa.

Acara supports the recruitment and hiring of your management and medical staff necessary to implement the plan. Training is identified and scheduled for each position.



One of the many Acara Advantages include being able to partake in the Acara MedSpas Preferred Vendor Program. This list of vendors offers Acara MedSpas clients discounts and special service opportunities.

At the completion of the Implementation Phase, your Medical Spa is opening its doors and welcoming your first clients. Acara is now ready to support you with ongoing management and marketing services for your new business.



Acara has conducted over 80 feasibility studies for spas and medical spas.

Location is the #1 driving factor for the purchase of spa treatments.

PHASE I: PLAN DEVELOPMENT

A. Market Assessment & Concept Development

- a. *Defined Market Area*
Identify a general geography in which to locate the business and then use demographic analysis to test specific geographies to determine which market area will provide the best opportunity for the business to succeed. This is the Defined Market Area (DMA) that Acara will use to conduct the Market Assessment.
- b. *Target Market Segments*
Identify the Target Market Segments within the DMA. This Proposal includes up to three of the following Target Market Segments:
 - i. 10 minute drive time
 - ii. 20 minute drive time
 - iii. Hotel guests
 - iv. Health club members
 - v. Daytime employment
 - vi. 5 minute walking distance
 - vii. Others
- c. *Consumer Profiles*
Discuss and document the various consumer profiles that are within the Target Market Segments. This includes gender, age, and household income as well as consumer buying behavior.
- d. *Site Visit*
Conduct a site visit of the market which may take up to three days. During this site visit, we will review competitive facilities and visit the local Chamber of Commerce, Economic Development groups, meet with a Commercial Realtor and do a general tour of the area.
- e. *Competitive Analysis*
A Competitive Set is established and site visits to each identified competitor are made to review the site, facility, rates, service offerings and amenities. If necessary, secret shopping is suggested. A summary of findings plus a competitor price chart and a competitor assessment matrix are included in the report.
- f. *Program Components*
The Initial Planning Meeting further defines the vision for the spa. Comparable locations are reviewed, market alignment as it relates to Program Components and Quality is discussed and a determination as to which Program Components to include is documented.

This Proposal includes up to six of the following Program Components:
 - i. Laser Hair Removal
 - ii. Injectibles (Botox & Restylane)
 - iii. Skin Rejuvenation (Micros, IPLs, & Laser Facials)
 - iv. Skincare (Facials & Waxing)
 - v. Massage/Body Treatments
 - vi. Retail



It is critical to align the size of the facility to the market in order to achieve maximum efficiency and profit.

In addition to these six Included Program Components, Additional Program Components will be reviewed:

- i. Integrated Medicine
 - ii. Complementary & Alternative Medicine
 - iii. Hair Care and/or Nail Care
 - iv. Food & Beverage
 - v. Fitness & Nutrition
- g. *Concept Summary*
The Concept Development process is summarized within a document that states the business' Mission, Concept and Program Components. This summary also includes a list of the Primary Services that are contained within each Program Component selected.
- h. *Market Potential & Sales Forecast*
An analysis is performed that leads to identifying the market potential (in dollars) for spa and medical spa services and the related retail. Market penetration is estimated for the proposed business and sales are forecasted by Program Component. During this process we test the alignment of the proposed Program Components with the marketplace.
- i. *Architectural Program*
The size of the facility is determined based upon the sales forecast. Based upon industry average Staffing Levels, Utilization Rates and the DMA's Productivity Rate, a determination is made as to the number of Resources needed to facilitate the Forecasted Sales. The public space, administrative areas and support functions are also determined to finalize square footage.
- j. *Report & Presentation*
At the completion of the Market Assessment and Concept Development process (approximately 4-6 weeks) a summary of findings is presented via a visual presentation utilizing the internet and teleconferencing. A complete written report with the supporting detail is also provided.

In addition to detail of the findings on sections a thru i, the report includes information regarding the spa industry and the spa marketplace along with discussion on the importance of visibility and accessibility as it relates to site selection.

B. Financial Pro Forma

- a. *Capital Requirements*
Identify the capital requirements necessary to build, equip and open the proposed business.
- b. *Pricing, Staffing & Revenues*
Detailed pricing information, an estimate of utilization levels, along with staffing plans and relevant revenues for the proposed business in the first five operating years is presented in the Pro Forma.
- c. *Pro Forma Financial Statements*
Develop financial projections that include Income Statement, Balance Sheet and Cash Flow.

The success of a Medical Spa is determined by the location, performance and profitability.



A Business Plan is only effective if it is read and referred to after the business is open and operating.

- d. *Return on Investment Analysis*
Collaborate to identify the level of debt versus equity that you wish to contribute and illustrate a Return on Investment (ROI) based on these assumptions.
- e. *Financial Assumptions*
Document the detailed assumptions to support the Financial Pro Forma and to provide an understanding of the business model.
- f. *Report & Presentation*
At the completion of the Financial Pro forma a summary of findings is presented via a visual presentation utilizing the internet and teleconferencing. A complete written Pro forma with supporting assumptions is also provided.

C. Business Plan

- a. *Plan Summary*
Prepare a business plan that outlines the vision, mission and concept of the project as well as describes the marketplace, market strategy, organizational structure, and illustrates the financial success when the plan is implemented successfully.
- b. *Plan Outline*
The following is an outline of the Business Plan:
 - A. Executive Summary
 - a. Objectives
 - b. Vision & Mission
 - c. Keys to Success
 - B. Company Summary
 - a. Company Ownership
 - b. Company History
 - c. Company Locations & Facilities
 - C. Products & Services
 - a. Product and Service Description
 - b. Competitive Comparison
 - D. Market Analysis Summary
 - a. Industry and Market Analysis
 - E. Business Strategy
 - a. Marketing Program
 - b. Promotion Strategy
 - c. Pricing Strategy
 - d. Sales Forecast
 - F. Management Summary
 - a. Organizational Structure
 - b. Management Team
 - c. Outside Consultants
 - G. Financial Summary
 - a. Key Financial Indicators
 - b. Break-even Analysis
 - c. Summary Pro forma Financial Statements
 - H. Appendix
 - a. Detailed Sales Forecast

- b. Detailed Pro forma Financial Statements
- c. Important Assumptions

g. *Report & Presentation*

At the completion of the Business Plan a summary of findings is presented with supporting materials.





A great interior design impacts all of the senses: see, hear, taste, touch, smell.

PHASE II: PLAN IMPLEMENTATION

A. Site Selection

- a. *Site Selection Criteria*
Identify the criteria for the Site Selection; this includes but is not limited to size, accessibility, visibility, architectural requirements, mechanical requirements, rent rates, and complementary adjacencies,
- b. *Commercial Broker Supervision*
Hold conference calls with Broker to monitor activity to insure accountability and timeline compliance.
- c. *Site Selection Site-Visits*
Once the Site Selection has been narrowed down to the top locations, Acara conducts a Site Visit to tour the final three sites, documenting strengths and weaknesses and collaborating on the final decision.
- d. *Lease Review & Negotiation Support*
Review the Business Terms of lease and provide recommendations. Support ownership with the negotiation of the Business Terms of the Lease. (Please note: Acara does not provide final legal review of your site lease. We encourage you to have your attorney review the final site lease.)

B. Design and Construction

- a. *Designer Site Visit*
An initial one-day Design Meeting with the Architect/Designer occurs to:
 - i. review and finalize the space plan
 - ii. review color schemes, artwork and accessories packages
- b. *Architectural Program and Layout*
Identify the highest and best use of the space of the selected site, implementing the Architectural Program outlined in the Concept Development phase of Plan Development. Careful consideration is given to client flow, Program Component adjacencies, maximization of the client experience, use of natural light, and other critical design elements.
- c. *Layout Design*
Design the layout of the facility. Up to 2,500 square feet is included within this proposal. A CAD drawing will be presented of the layout.
- d. *Design Schemes*
A choice of three established design schemes are included within this program (Ora, Aqua or Cinnabar). walls / ceiling colors
 - i. floor finishes
 - ii. door / trim finishes
 - iii. artwork / accessories
- e. *Furniture, Fixtures & Equipment*
Included is a Furniture, Fixture & Equipment Specification Package (includes design placement for furniture and equipment)



- i. waiting area
 - ii. retail boutique
 - iii. treatment rooms
 - iv. hallways & offices
 - v. front desk
- f. *Mechanical & Systems Recommendations*
Provided are placement recommendations for electrical, security, telephone, sound, and networking.
- g. *Architectural Support*
Two hours of Architectural/Design telephone support is provided to a local architect to create construction documentation that is necessary to bid and execute the construction.
- h. *General Support*
Throughout the construction process, phone and e-mail support is available from the Acara team.
- i. *Contractor Selection*
A selection process to identify a contractor is provided. This includes selection criteria, bid review recommendations and a comparative matrix to help align the bids.
- j. *Architect/Designer Installation Site-visit*
Prior to opening, the Acara Architect/Designer will be onsite for two days to support the installation of the furniture, accessories and artwork. In addition, they will create the initial Punch List.

The services identified in this section, Design & Construction are support services only and do not include full architectural planning, customized interior design or project management. These services are available upon request.

C. Services, Retail and Merchandising

- a. *Menu of Services*
Create a menu of services that supports the concept.
- b. *Equipment, Supplies & Inventory Specifications*
Identify all equipment, supplies and inventory necessary to support the service menu and operate the facility. Opening order quantities and ongoing operating par-levels are recommended for management to successfully facilitate purchasing.
- c. *Product Lines*
Select leading medical skin care line(s) and provide opening order quantities and ongoing operating par-levels for management to successfully facilitate purchasing.
- d. *Merchandising*
Provide merchandising recommendations including: retail display units, lighting, display headers, shelf-talkers and product placement. In addition, work with the Manager and Designer to properly merchandise the products for opening day.



D. Marketing, Promotion & Advertising

- a. *Brand Development Marketing Plan*
Included is a custom brand envisioning session, naming and logo design.
- b. *Marketing Plan and Budget*
A marketing plan calendar and budget from pre-opening through year one. Including a competitive review, opening event guide, community based marketing program guide and on-hold script.
- c. *Website Design*
Choose one of Acara MedSpas 5-7 page web design templates.
- d. *Graphic Design Package*
The graphic designs of the following items are included:
 - i. Stationary Package
 - ii. Service Menu & Brochure
 - iii. Gift card Program
- e. *Launch Campaign*
The brand is applied to the following applications including:
 - i. One (1) each Black & White and color advertisements
 - ii. Postcard
 - iii. In location signage
 - iv. Radio ad script
 - v. E-mail broadcast
- f. *Sales Lead Capture Program*
- g. *Public Relations*
A press kit template is provided. The templates include:
 - i. Company Backgrounder
 - ii. Fact Sheet
 - iii. Team Bios
 - iv. Launch Announcement

E. Medical & Service Technology

- a. *Medical Equipment*
Provide recommendations for medical equipment necessary to facilitate the menu of services. This includes lasers, microdermabrasion, diagnostic and other equipment to operate efficiently and cost effectively.
- b. *Service Protocols*
Provide clinical protocols for any recommended equipment (vendor provided).



The ever changing landscape of regulatory governing medical spas creates the necessity to regularly monitor new legislation and regulations.

The ability to leverage buying power provides greater opportunity for higher profits.



F. Management Systems & Information Technology

- a. *Service Protocols*
Provide Service Protocols & Client Forms for services identified on the Service Menu.
- b. *Standard Operating Procedures*
Operating procedures for all functional areas of the business.
- c. *Template Employee Handbook*
This handbook reviews Human Resources related employee concerns from benefits to FMLA. (Acara recommends that client's attorney review and modify based on client's needs and state specific labor laws).
- d. *Software Systems Recommendations*
A software system that supports medical spa functions including:
 - i. Reservations/Appointment Book
 - ii. Point-of-Sale Operations
 - iii. Retail Management
 - iv. Employee Time Clock & Commissions
 - v. QuickBooks Interface

G. National Vendor Relationships

- a. *Preferred Vendors*
Acara negotiates national agreements with a variety of well qualified national providers of goods and services.
- b. *Preferred Pricing*
Negotiated preferred pricing and discounts are all passed on directly to the client.

Acara's national presence has offers the opportunity to negotiate discounted pricing similar to what national multi-site operations are able to secure.

Included in this Proposal is access to Acara's Preferred Vendors and the discounts and special service offerings.

H. Legal & Regulatory

- a. *Legal & Regulatory Review*
Acara is a resource identifying legal and regulatory issues that need to be addressed in the development of a MedSpa.
- b. *Regulatory Agencies*
Provide regulatory information relating to the operation of the medical spa within your jurisdiction.

Acara does not provide legal services or opinion. We encourage you to have your attorney review all documents and information provided to you by Acara concerning your state and local regulatory agencies.

I. Recruitment

- a. *Job descriptions*
Job descriptions for each position within the organization are provided.

- b. *Interview Materials*
Interview questions, tests and practical evaluation tools to support the interview process
- c. *Classified Advertising*
Sample recruitment advertisements and advice on ad placement.
- d. *Interview Support*
Telephone interviews of all top clinical and management candidates
- e. *Recruit Medical Director if needed*
Identify and interview qualified Medical Director (upon request)

J. Training

- a. *Onsite Training & Opening Support*
Five days of onsite management training and support. During this time the following functional areas of the business will be reviewed with management and the operating team:
 - i. Front Desk Operations
 - ii. Sales & Marketing
 - iii. Management Training
 - iv. Reservations and Appointment Book Management
 - v. Facility Management
 - vi. Customer Service
- b. *Vendor Trainings*
 - i. On-site retail product and service training
 - ii. On-site training for each laser purchased
 - iii. IT solution training- electronic / telephonic
 - iv. Injectibles training (Botox & Restylane – client bears any costs) Training may be scheduled to take place at your location or at an off-site facility.



SAMPLE TIMELINE

Description of Work	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9
Plan Development									
Market Assessment & Concept Development	■								
Financial Pro Forma		■							
Business Plan			■						
Plan Implementation									
Site Selection		■	■						
Design & Construction				■	■	■	■	■	■
Service, Retail & Merchandising						■	■	■	■
Marketing, Promotion & Advertising				■	■	■	■	■	■
Medical & Service Technology					■	■	■	■	
Management Systems & Information Technology				■	■	■	■	■	■
National Vendor Relationships						■	■	■	■
Legal & Regulatory		■	■						
Recruitment						■	■	■	■
Medical Director						■	■	■	
Training									■

CONTACT US

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