

Note: Executive Summary and Uses of Funds Prepared for Landlord

Company
Street Address
City
Telephone

INTRODUCTION

ABC Spa is the trade name of ABC, Corp., a corporation owned by John Doe. Mr. Doe is committed to a personal investment of \$_____ into the business to open ABC Spa, a spa that will provide various services including massage, exercise, skin treatments and other services and related products. The business is anticipated to be located at _____ subject to final agreement on a lease with the landlord. The building is freestanding and is located in a busy _____ neighborhood in close proximity to _____. This high traffic and highly visible location is well suited to a spa that will offer the services contemplated by ABC Spa. Mr. Doe will leave his current career and dedicate himself to the new business serving as the Manager of ABC Spa.

SERVICES

Various types of massage will be offered by licensed massage therapists to be employed by ABC Spa including, but not limited to, Swedish massage, deep tissue massage, Tai massage, shiatsu and other massage techniques. Prices for a massage will start at \$40 for ½ hour and \$70 for 1 hour, which is the low to mid-priced range for treatments at other similar businesses in the extended area.

Body treatments will be the second focus of ABC Spa and will include Brazilian fat burning massage, mud treatment, salt glow treatment and other similar treatments. The small store that will be built adjoining the reception area will include products that focus on body/skin treatments, anti-aging and other types of products that promote health wellness and youth enhancements.

The third area of focus for ABC Spa will be exercise. ABC Spa does not intend to compete against large-scale gyms or exercise chains like LA Fitness or Gold's Gym. However, the Company will offer exercise programs and provide equipment with a cardiovascular focus as well as the use of small hand-held weights so that its clientele can develop a full program for wellness and physical enhancements during their ongoing visits to Sun's Spa. Cardiovascular equipment will be provided in a section of the business and will include treadmills, stationary bicycles and StairMasters. There will also be an area with exercise mats that will be utilized for hand-held weight training, yoga and Tai Chi, with other mind and health combined exercise programs to follow.

BUILDING / RENOVATION PLANS

Upon reaching agreement on the lease, the Company will engage professionals, including a contractor and potentially an architect, to redesign the interior space. The renovations will include the creation of a minimum of five small treatment rooms, which will be

utilized for massages and body treatments, a small reception area that will include a desk/work station for the receptionist, and a sitting area. A small store will adjoin the reception area. This will allow the receptionist to have sight line into the store to be available for questions of the clientele as well as purchases of the various products that will be offered to enhance the experience of Sun's Spa's clientele to accomplish their personal goals related to their general well-being.

A small business office will be located at the rear of the space which will have a small break area nearby for employees that will include a mini-kitchen and bathrooms located nearby. A shower/changing room will be in this vicinity in order to somewhat limit costs such as plumbing. A dry sauna will also be constructed near the shower room.

OPERATIONS

The business will be operated by John Doe, who will serve as the Manager and take a lead role in developing ABC Spa's Web site and implementing its marketing plan. Mr. Doe has spent a substantial amount of time in the planning and development of the anticipated services, marketing and related programs that will lead to ABC Spa's success. His efforts have included an assessment of available staffing which has resulted in assuring the availability of top quality massage therapists who will best serve ABC Spa's clientele and bring access to their existing clientele for the expanded services ABC Spa offers.

In addition to massage therapists, other staff will include a receptionist who will be on duty during all business hours, which are anticipated to be 9:00 AM until 10:00 PM six days a week, and 10AM to 7PM on Sundays. As part of his/her job description, the receptionist will also book appointments on the phone, have responsibilities to confirm appointments through the Company's Web site, and conduct various marketing efforts including phone calls, preparation of marketing materials, and other marketing directives. Classes such as yoga, Tai Chi and personal training will be led by contracted employees who will not be on staff but will lead these programs on an as-needed, scheduled basis.

Mr. Doe will be responsible for staff supervision, full business bookkeeping, as well as have a hands-on role in marketing and business development. As the business expands, bookkeeping may be assigned to a contracted bookkeeper who will report to Mr. Doe and the CPA that will complete the tax returns and other related documents for the Company.

MARKETING AND BUSINESS DEVELOPMENT

There are small massage parlors and professionals within the extended neighborhood, but none that offer the planned combination of exercise, beauty, spa and massage services and products and related renovations tailed to a comprehensive wellness experience at the ABC Spa.

The ABC Spa has a tremendous advantage in visibility from drive-by and foot traffic, which will be further enhanced by the renovations to the exterior and attractive signage. ABC Spa will also take advantage of the close proximity to the _____ Convention Center, _____ stations and larger midi-rise and high-rise residential housing in the

extended neighborhood. The Company will largely be marketing to these areas in addition to other multi-tiered efforts. These efforts will include advertising in the city and local newspapers, and discounted services will be posted on area bulletin boards at supermarkets, pharmacies, mid-rise to high-rise buildings and other locations within the extended neighborhood. Flyers will be developed and distributed throughout the neighborhood on car windshields and other locations, which will offer information on all its services as well as the pricing for said services. The Web site will be interactive, which will allow the Company's clientele to book their appointments to suit their schedules. Lastly, the Web site will offer information on various products and sales of those products that will enhance their experience at the Spa. Information on the various programs and body treatments will be included on the Web site including a link to the various programs/treatments and defined benefits.

FINANCIALS AND USES OF FUNDS

John Doe will capitalize the business from his own funds, which he will lend to the solely owned company, ABC Corp. The three largest uses of these funds are Renovations - \$30,000, Security Deposit and Advance Rent - \$15,625 (two months of rent as security deposit and first month's rent), and Equipment - \$20,000. See Use of Funds.

PRINCIPAL'S BIO

John Doe of ABC Corp., has a B.S. in International Business from _____ University in _____, CA. Recent positions have included _____ Communications and _____ as Senior Account Representative. John Doe has been #1 in sales in the region twice within one year. Mr. Doe has a depth of technical experience in IP, VPN, MPLS and thin client technologies. Business Development and Customer Service are two areas in which he has hands on experience that will be important to the success of the Spa. Fluent in English, _____ and _____, his personable and open personality is well suited to the needs of the Spa, its staff and its clientele.

CONCLUSION

The well thought out business model for ABC Spa is one that has been successful in neighborhoods across the United States. By replicating this model and developing a comprehensive and integrated approach to meet the wellness and therapeutic needs of this clientele, ABC Spa is well positioned as a successful venture.