

# Great Clips®

## Script

### INTRODUCTION STATEMENT:

I may have found the perfect business for you with this concept...

With flexibility, this business allows you to stay in your current profession, while building a solid, recession-resistant, manager-run business at the same time. The average franchise owner in this system owns 4-7 units after 5 years in business. More than 100 franchisees own 10 or more units each, and their largest franchisee owns over 80 units. This company has over 4,400 units in North America. The industry has been around for over 40 years and continues to grow at a rapid pace. The service this company provides can never be duplicated by the internet, and it will never be outsourced overseas. Your people management skills will prove invaluable in this business- your manager will be hiring a team of licensed professionals. Finally, this brand is the largest of its category in the world and is in the top 10 of all 4000+ franchise companies in the United States.

### KEY TRAITS:

- Great Exit Strategy: build your empire so you can leave your corporate job
- Repeat Business: customers visit every 4-6 weeks
- Recession Resistant
- Technology Resistant
- Manage the Manager; you are one level removed from front line employees
- Low time commitment-evenings and weekends; spend anywhere from 10-20 hours/ week
- Company has been in business for over 40 years
- In the top 1% of all franchisors in the US.

### SUMMARY OVERVIEW:

The name of this franchise is Great Clips. Great Clips is the #1 brand in the North American salon industry- focused on the entire family with affordable prices; and they are growing daily. Great Clips is a billion-dollar company and is an international leader in this category. With steady growth, and over 4,400 salons across the US and Canada, their success rate is exceptional.

Take a look at the economic indicators, and you will understand why this is such a great business to consider. First of all, hair grows- no matter what the economy looks like. Families will always want a good haircut for a reasonable price, especially when they are working within a budget. Haircuts are not likely to be outsourced overseas or replaced by AI anytime soon either; this is a stable, safe franchise that you can grow on the side while you keep your full-time job and build your exit strategy. The ongoing training and support provided by the franchisor is unparalleled in the franchise world, allowing your employees to go to home office experts or local support networks for day-to-day issues. You need only focus on the people-hiring, screening, team building and coaching- and the franchisor has resources to assist you in these areas as well.

#### INDUSTRY:

This is a \$70 Billion industry. Repeat Business every 4-6 weeks; it is not a matter of will someone get their hair cut, it is a matter of where someone will get their hair cut. Great Clips embraces technology within the industry as well, they have proprietary software that runs every aspect of the business, including Online Check-in, Readynext texting and Clip Notes to name a few.

#### INVESTMENT:

Total investment range is between \$188-420K per unit. The cost varies depending on real estate, but the average cost of a unit usually falls somewhere around \$225K. If you do multiple units, the costs could go down somewhat as well. Of the \$225K investment, most franchisees will invest \$50K of their own money and borrow the rest from GCI recommended finance companies. The Three Star Program (3 pack) allows franchisees the rights to sign 3 leases in 2 years for a total franchise fee of \$40K. The fee for a single unit is \$25K.

#### HOURS:

This is an operation where you can work ON the business, not IN the business. You can manage the business from a home office nights and weekends, stop into the salon as often as you see fit, and keep the security of your regular full-time job, as long as you have flexibility. Many franchisees will partner with a spouse so that they maximize the opportunity with one keeping a full-time job and the other managing the business. Franchisees invest different amounts of time in the business depending on the stage of development and how detail oriented they are; but it IS a manager- run business.

#### FRANCHISEE PROFILE:

Great Clips is looking for “achievers” with a long-term focus. They typically attract middle to upper-level executives from corporate America as well as small business owners. Strong management, leadership, communication, and people skills are qualities that successful franchisees possess. This is a business about managing people, and not so much about cutting hair.

#### FRANCHISEE ROLE:

Most Great Clips franchisees don't know the first thing about cutting hair, and don't ever have to. The owners act as CEOs of their own organizations, managing the business through salon managers and then, as they build their units, through General Managers. Being involved and engaged in your business is key to success. You don't need to be in the salon every day- but you will need to drive your growth and use the tools Great Clips provides to stay on top of day-to-day operations.

**SUPPORT:**

Great Clips uses market dominance development strategy. When they go into a market, they do it right. They will only open in markets that they can support! They have an average of three support persons for every 10 franchisees. That compares with an industry average of one support person for every 30-50 franchisees.

**CHALLENGES:**

One of the challenges with this business, as with every business, is employees- finding and keeping good stylists. Great Clips provides franchisees with the tools to help recruit and retain excellent stylists. The fact of the matter is Great Clips already has approximately 30,000 stylists coming to work on a daily basis. Really, this business is more about people management and people development than it is about cutting hair. The wonderful thing about this business- that you won't find in many other industries- is that there are schools across the country graduating 100,000 stylists every year! These stylists pay an average of \$7,000 to learn how to do this. Great Clips has established relationships on a national level through their corporate industry relations liaison with schools that produce the kind of employees you will be seeking; you will be required to build relationships with a few cosmetology school owners on a local level.

**CLOSING STATEMENT:**

Great Clips is a clear favorite for keeping your job and quietly investing on the side as you build a multi unit business. Big, recession-resistant industry, top notch company that is #1 in their category, and GREAT support: it's perfect.

**CONTACT INFORMATION:**

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