



Contact Information

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Business Basics

Industry	Hair Care	Year started franchising	2010
Year business started	1974	Franchise units open	27 Franchisees; 37 Awarded
# of Company units open	27	Investment Range \$	Single: \$180,794 - \$273,939
Franchise fee	1 unit: \$35,000 2 units: \$25,000 3 units: \$10,000	Required liquid capital	\$100,000
Required net worth	\$ 270,000	Royalty	6%
Industry size	\$60 Billion	Available in Canada/ Internationally	No/No
SBA Registry?	Yes	VetFran/Minority Fran	Yes/No
Offer Group Health Insurance?	No	State Registrations	ALL except WA, HI
In House Financing?	No	Item 19	Yes
Semi Absentee/Absentee	Yes	Semi-Absentee Ramp-up Time Frame	From start with Manager

Business Overview

Lemon Tree is Your Family Hair Salon®. We provide affordable, high-quality salon services and products for every member of the family. Using only brand name professional products such as Paul Mitchell®, we offer a full range of salon services including cutting and styling, blowouts, smoothing, color services and more. Whether it's a child's first haircut or services for seniors, we care for the entire family's hair care needs.

Lemon Tree provides Franchise Owners with brand recognition that is the direct result of decades of community outreach and marketing efforts. With a low cost of entry, multiple revenue streams, and prime territories available, we equip our Franchise Owners with the tools they need to make a return on their investment while offering flexibility and growth potential.

We are different from most salon franchises. Once a franchise is awarded, our Owners become part of the Lemon Tree family. With family-owned roots that date back over 58 years and having been Franchise Owners in other systems, we understand what it means to commit time, money, and relationships to becoming an entrepreneur. It is not only about dollars and cents - it's about the people with whom you're doing business. We genuinely care about their success.

Recession Resistance

Everyone has their hair cut, colored, and/or styled no matter the economic situation. Because of our competitive prices, clients will often "trade down" to us during a recession, because we are more affordable than other professional salons. During more bullish times, our commitment to providing quality services builds customer loyalty.

Issues and Ambushes

There are too many hair salons

We are a full-service salon. Other salon chains focus strictly on haircuts. We handle the entire family, from children to grandma. The business is recession-resistant. Everyone needs a haircut.

Stylist turnover

What we have found is that a stylist wants to make money and work in a conducive environment. We train our franchisees to deliver a welcoming salon where their employees can achieve their goals. Staff turnover is a problem in any business but our philosophy is to minimize turnover, you need to be the employer of choice and treat your staff the way you would want to be treated.

Failures

Paducah Kentucky – The franchisee was undercapitalized. It was a shame since they were ramping nicely but ran out of gas **during COVID**.

Hooks and Hangers

- Brand recognition: Lemon Tree is the oldest and largest hair salon franchise on Long Island. Established in 1974, Lemon Tree salons have become synonymous with affordable, professional hair salons.
- Low Cost: The low cost of opening a Lemon Tree allows entrepreneurs to get into business quickly and with less risk.
- Semi-Absentee Friendly: Perhaps one of the greatest advantages of owning a Lemon Tree is the ability to grow the business without the need to be on-site every day. Our Franchise Owners can own one salon or several while maintaining flexibility in their lifestyle. More than 43% of our owners own multiple salons.
- Scalable: When you combine lower start-up costs with high revenue and profitability, our franchisees put

themselves in a position to be able to grow their business quickly. At Lemon Tree, we are looking to award franchises to those individuals who want to reinvest their profits into additional salons.

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- **Multiple Revenue Streams:** We are a full-service salon and have 6 streams of revenue: haircuts & styling, coloring, body-waves and perms, keratin treatments, facial waxing, and retail hair products.
- **Flexibility & Growth:** Lemon Tree offers flexibility and high growth potential for our Franchise Owners. Franchise Owners do not have to be a salon professional or have experience in the haircare industry. We provide them with an established business model and personalized support backed by decades of experience.

Training

- Several weeks of Virtual Training
- One week of on site training at franchisees salon (up to 28 hours)

Support

- Demographics analysis
- Site selection assistance
- Store layout and design
- Grand opening planning and implementation
- Ongoing Operations Support

VetFran/Minority Discounts

10% - Veteran Discount

E2 Visa/EB-5 Program Status

Yes

State Deferments

VA, MD, ND, IL

Candidate Sales Process

1. Intro Call
2. Brand Overview
 - a. Send out RFC (if necessary) & FDD
3. FDD Review
4. Executive Call
5. Validation with Franchisees
6. Discovery Day
7. Decision Day

Owner Roles

What will be the role of the owner?

Owner Operator/Salon Manager

- Review sales reports
- Prepare the salon for the day with staff
- Address the needs of the staff and observe how well personnel is performing
- Manage the books and payroll
- Work on local marketing initiatives to attract new clients
- Order Product
- Organize periodic stylist training to ensure they provide quality service to clients

Multi-unit operators

- Semi Absentee
- Executive level management
 - Salon manager direct report
- Scale the business by opening and managing multiple salons