

Fastest Labs

Two-Minute Drill

last updated:
April 15, 2024

Contact Information

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Corporate Office Location	San Antonio, Texas

Overview – Presentation Points

Brand Summary

Fastest Labs is the first and only drug, alcohol and DNA testing franchise in the United States that is non-medical and operates as a brick and mortar opportunity. Fastest Labs is already the number one fastest growing drug testing franchise in this industry, with over 210 physical franchise locations and thousands of drug tests conducted each year. We see clients within 5 minutes rather than a typical 1 hour wait at a medical facility. LabFusion, our proprietary drug testing technology, reads and immediately reports a client's drug test results in a confidential portal (rather than 1-3 days) enabling Fastest Labs to be an industry disrupter. We offer a Clean, Fast, and Affordable testing experience with the professionalism and comfort of dealing with a nationally branded entity that is locally owned and operated. Low start-up costs, high margins, 9-5 banker's hours, minimal staffing and square footage requirements, and thorough Franchisee training make a FastestLabs drug testing franchise extremely appealing.

Having started franchising in October 2010, Fastest Labs is now servicing in 35 states. We are a franchise company built by Franchisees, for Franchisees. Our Founders, Dave and LeDonna Clafin, have over 28 years of experience as franchise owners of two other service based franchise businesses. They understand what it is like to be a Franchisee from a startup owner operator to a Franchisor. This is a unique strength that few Franchisors have as a skill set.

Fastest Labs has a proven client acquisition system utilizing Zoom Info and Engage CRM. We provide customized proprietary incoming and outgoing sales guides developed in-house and also utilize Scorpion for digital marketing to acquire customers. We have relationships with national laboratories such as CRL, Quest, DNA Diagnostics, DNA Solutions, Alere and many more developed by the franchisor. This offers us group buying power that provides a lower cost of goods on high-quality testing kits, branded materials and lab related services necessary for this industry.

Summary

- First & Only Non-Medical Drug, Alcohol & DNA Testing Franchise in the United States
No HIPAA requirements. No Medical Director. No medical liability.
- Proprietary & Industry Disruptive Drug Testing Technology & FAST Processes
B2B & B2C rapid services that drive recurring revenue and a positive customer experience
- Simple Business Model with Low Operating Cost .
Small Real Estate Footprint. Minimal overhead. 1-2 Employees. M-F 9-5 banker's hours.
- World-Class Franchisor Systems, Lead Gen Program & National Vendor Partnerships
Values-based, Franchisee-focused organization built by experienced Franchisees
- Rare ~\$125K Brick & Mortar Investment
Multi-unit, Executive Model unicorn. High profit margins.

Competitive Advantages

- Completely Non-Medical and no HIPAA requirements means zero medical liability repercussions
- Strategic buying power with national vendor partnerships allow Franchisees to have access to low prices on testing supplies and laboratory related services
- Extremely low overhead expenses giving Franchisees the ability to be competitive with their pricing and services
- Our proprietary drug testing technology solution allows us to be an industry disrupter
- Redesigned the business model of Drug and Alcohol testing by staying out of anything related to medical testing. This allows us to keep our operating costs lower than our competitors and means we don't have to have a licensed medical professional on staff
- We offer clean and inviting clinics with world class customer service that is uncommon in this industry
- Short lobby wait times and no appointment necessary gives the customer a better experience
- Our rapid test results are reported immediately upon completion of the test rather than hours or days later

Top 5 Selling Points

- Proprietary LabFusion drug testing software provides immediate encrypted test results via email and stores them in a powerful, secure client portal.
- A Unicorn Business Model: Low investment, B2B, minimal real estate, 1-2 employees, recurring revenue and high profit margins.
- Innovative technology for growing sales, client prospecting and a customized CRM lead flow.
- World class Franchisee support, training, and coaching along with custom programs to develop strong Franchisee knowledge and relationships.
- Fastest growing drug testing franchise – #1 in category according to 2022 Franchise 500 ranking in Entrepreneur Magazine
#1 in category for Best of the Best in Entrepreneur Magazine 2022.

Ideal Franchise Candidate

We are looking for franchise partners who have outgoing personalities, great customer service skills and enjoy sales and marketing. We are a sales and marketing company that happens to do drug testing. Fastest Labs owners are not required to have any medical background, medical license or drug testing experience.

Traits of the Perfect candidate:

- Good People Skills
- Enjoys Networking
- Strong Oral & Written Communicator
- Sales & Marketing Background
- Ability & Willingness to Sell Services
- Driven to Achieve Goals
- Customer Service Oriented
- Passion for Our Business

Major Competitors

Mom & Pop, Quest, Labcorp, AnyLab and Test Now

Industry	Drug & Alcohol Testing
Industry Size	\$3.83 Billion
Year Business Started	2008
Year Started Franchising	2010

Franchise Units Awarded	Over 400
Franchise Units Open	210
Company Units Open	1
Number of Franchisees	162
Royalty	7%
Brand Fund	2%
VetFran Discount	\$1,500 off initial territory franchise fee
SBA Registry	Yes
Group Health Insurance	No
In-House Financing	3rd Party Recommendations
Semi-Absentee Ownership	No
E2/Visa Candidates	No

Financial Details

Investment range	Standard terr. \$125,500–\$164,500 Mid terr. \$111,150–\$150,500 Large terr. \$146,500–185,500
Required Net Worth	\$400,000
Required Liquid Capital	\$100,000

Item 19 Earnings Claims

- Single Unit Gross Revenue: \$575,975
- Single Unit Adjusted Earnings: \$262,931 (45.56%)
- 37.8% YOY System Wide Gross Revenue Growth 2022 – 2023

Franchise Fees (1 – 10 Units)

1 Unit	\$59,500
2 Units	\$115,000
3 Units	\$167,500
4 Units	\$217,000
5 Units	\$264,500

State Registrations & Territories

Approved Registration States	CA, IL, IN, MD, MI, MN, ND, RI, SD, WA, WI
States Not Registered	AK/ HI / NY
Available in Canada/Internationally	No
Territory Description & Minimum Requirements	8,500 Businesses
Territory Protection	Yes
Master/Area Development Opportunities	Yes

Sold Out Markets

- Houston, TX
- Dallas, TX
- San Antonio, TX
- Atlanta, GA
- Orlando, FL
- Tampa, FL
- Columbus, OH
- Cleavland, OH
- Dayton, OH
- Cincinnati, OH
- Phoenix, AZ
- Charlotte, NC
- Greensboro, NC
- Raleigh, NC
- Columbia, SC
- Philadelphia, PA
- Richmond, VA
- Arlington, VA
- Washington, DC
- Minneapolis, MN
- New Hampshire
- Portland, OR
- Los Angeles, CA
- Bakersfield, CA
- Fresno, CA
- Stockton, CA
- Sacramento, CA
- San Diego, CA
- Memphis, TN
- Nashville, TN

Knoxville, TN
 Providence, RI
 Kansas City, KS
 Oklahoma City, OK
 Denver, CO
 Colorado Springs, CO
 Salt Lake City, UT
 Indianapolis, IN

Business Operations

Function & Daily Tasks of the Owner Operator	• Conduct and oversee delivery of all the different test types and services we offer at the facility. • Conduct sales prospecting by utilizing Zoom and Engage CRM to sign B2B contracts • Attend networking events to drive local exposure in your market. • Oversee employees with day to day operations • Drive marketing for B2B and B2C sales • Hire, train, schedule and motivate employees; • Plan future growth and manage financial performance • Franchisee Attends Training • Franchisee Facilitates Building A Team and Maintaining the Team (Hiring and Firing) • Franchisee is the CEO of their Franchise
Number/Type of Employees	1-2 to start: • 1 Sales Representative (Should be Owner at the start) ◦ Grows the business through Zoom info and networking • 1 Office Admin / Certified Drug Test Consultant ◦ Conducts the testing and answers sales calls • 1 Certified Drug Test Consultant (Can come a little later) ◦ Conducts the testing and manages customer service Once the business starts to hit the \$10,000 per month mark, you will need to add an additional Certified Drug Test Consultant. At \$25,000 per month you will need one additional employee to stay effective with your time in sales and service.
Real Estate Description	600 to 1,200 sq. ft of office space. Must have a private bathroom with an exterior sink and countertop area for testing. Need a waiting room, administrative office, two private testing rooms.
Home Based	No
Target Customer	Small to Midsize and large commercial companies. Private individuals needing drug, Alcohol, and DNA testing services for Court or personal purposes. As well as schools, local businesses, private businesses, and government agencies.

Business Model	B2B & B2C
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Support & Training

Confirmation Day Structure

We now offer an in person or virtual (upon request) meet the team day.

Virtual

- Online tour of our facility
- Meet our Leadership Team
- Tour of our LabFusion drug testing software
- Overview of our Franconnect portal, proprietary Incoming Sales Guide, Outgoing Sales Guide and Operations Manual Overview of our customized Zoom Info and Engage prospecting software
- Overview of our PPC and SEO Scorpion marketing program

In Person

- Facility tour of the original Fastest Labs clinic started in 2008.
- Overview of one of our 3 working clinic labs
- Lunch provided with Home Office Team
- Overview of our Franconnect portal, proprietary Incoming Sales Guide, Outgoing Sales Guide and Operations Manual Overview of our customized Zoom Info and Engage prospecting software
- Overview of our PPC and SEO Scorpion marketing program
- 1-1s with the Founder

In order to maximize your investment and get the most out of your Confirmation Day, we have arranged to spend the bulk of the time at the Fastest Labs home office.

Initial Training

Fastest Labs® provides 3 weeks of training: 2 weeks of our online university virtual training and 1 week of training at our home office in San Antonio, TX. Training covers all necessary drug testing certifications, one on one sales instruction, internet and marketing strategies and business operations. Prior to arrival, we provide additional online training modules, complete with instruction videos and tutorials that track your progress. Our home office offers ongoing coaching and technical support to help Fast Track the launch of your new business.

On-Going Support

Fastest Labs offers support in all areas of the business including:

- Franchise Experience Coordinator's (FEC)
 - o Test/Lab questions
 - o Test collection review (upon request)
- Phone Support M-F 9-5 CST
- Marketing Team:
 - o Scorpion SEO and PPC support
- Monthly Systemwide NitroBoost webinar with founder/home office team
- Annual franchise convention with entire Fastest Labs franchise systems)
 - o Circle of Excellence awards for performing Franchisees
- Online library of documents and FAQ's
- Fastchat - Online chat between Franchisees
- Preferred vendor programs: laboratories, MRO services, printed materials, customized apparel, insurance, and marketing materials

Marketing Strategies

- Utilization of Scorpion for local digital marketing provides support, customized budget, strategy for SEO, Organic and PPC

online marketing. Franchisees are assigned a Scorpion representative and are required to spend \$1,500 per month for their first 12 months of advertising to kick off their digital campaign. Franchisee must pay a total of \$18,000 when you sign the Franchise Agreement.

- Grand Opening ribbon cutting
- Utilization of customized Zoom Info database for in person and/or telemarketing prospecting
- Utilization of Engage CRM for automated and in person follow up on prospecting
- Franchisor will provide the Franchisee with a proprietary Outgoing Sales Guide and training with the strategies, tactics, and suggested B2B marketing activities.
- Franchisor will provide the Franchisee with a proprietary Incoming Sales Guide along with training on strategies, tactics, and scripts. Franchisees will also receive suggested monthly investment amounts for B2B and B2C marketing activities.
- The marketing and advertising process should start with an internal goal-setting session. Franchisor will provide the Franchisee with the "Cookbook" template (part of the Outgoing Sales Guide). The Cookbook will allow the Franchisee to set up internal Office Goals, KPI's, Sales Behaviors, and alternative marketing ideas such as trade shows and guest speaking opportunities. This guide is utilized to plan your 6 weeks of marketing activities and can be reviewed and renewed every 6 weeks. During training, the marketing team spends time with the new Franchisee focused on all aspects of marketing.
- Networking strategies are shared for marketing within professional organizations such as:
 - o SHRM Society of Human Resource Management
 - o Manufacturing Association
 - o AGC American General Contractors
 - o ASA American SubContractors Association
 - o Car Dealer Association
 - o Trade Shows

Management Strength of Franchisor

Founders, Dave and LeDonna Claflin, opened the first company owned clinic in 2008 and began franchising in 2010. Their background is in the franchise service sector with 28 years of experience in two other service franchise businesses. In 1994 they started as Merry Maids Franchisees and the owner operated that business for 13 years. In 2005 they became Worldwide Express Franchisees and owner operated that business for 10 years. They understand what it is like to be a Franchisee from a startup owner operator to a franchisor, this is a unique strength that few franchisors have as a skill set. Fastest Labs has expanded nationwide and continues with the same mantra that has fueled their growth by offering "Clean, Fast and Affordable Drug Testing."

Leadership Team:

President and CEO: David M. Claflin

David Claflin has served as the Founder, President and Chief Executive Officer for Fas-Tes Franchise Systems, LLC since October 2010 in San Antonio, Texas. Mr. Claflin has also served as Founder, President and Chief Executive Officer of Enhouse America, Inc., the original affiliate clinic for Fastest Labs in San Antonio, Texas since August 2008. Mr. Claflin served as CEO for Triune Global LLC and owner-operator for a Worldwide Express franchise in Beaumont and Boerne, Texas from 2006 to 2016. Mr. Claflin served as CEO for Claflin Investments, Inc and owner-operator for a Merry Maids franchise in Beaumont, Texas from 1994 to 2005.

Executive Director of Franchise Sales: Brennan Claflin

Mr. Claflin has served as our Director of Franchise Sales since April 2022 in San Antonio, Texas. Since October 2020, Mr. Claflin has also served as a Fastest Labs Franchisee in Austin, Texas and then in San Antonio, Texas. Mr. Claflin served as a commercial pilot and Certified Flight Instructor for Air Austin services, Van Bortel and American Flyers from November 2016 to June 2021 in Austin, Texas.

Executive Director of Operation: John Smith

Mr. Smith has served as our Director of Technology & Marketing since April 2022 in San Antonio, Texas. Since March 2021, Mr. Smith has also served as President of Fastest Labs of NW San Antonio in San Antonio, Texas. From September 2017 to February 2021 Mr. Smith served as a franchise owner/operator for Fastest Labs of Addison in Addison, Texas. From October 2018 to June 2020, Mr. Smith served as a Project Manager at The Brandt Companies in Dallas, Texas.

Director of Franchise Support: Tina Andre

Ms. Andrie has served as Director of Franchise Support since September 2023 in San Antonio, Texas. From September 2020 to August 2023, Ms. Andrie served as customer relations and estimator for Mattern & FitzGerald custom home builders in Boerne, Texas. Before being a stay-at-home mom for 16 years., serving on school boards, PTO, and non-profit fundraising/galas in Beaumont, Texas, and Boerne, Texas. Ms. Andrie served as District Trainer for Gap Inc. and ran a corporate Gap/Baby Gap retail store in Houston, Texas from 1995 to 1999. Ms. Andrie served as Regional Manager and Junior Apparel, private label buyer for B.U.M. Equipment, Sportswear Outlet Stores division in California from 1991 to 1995.

Director of Onboarding: Waiikaleina Luna

Ms. Luna has served as our Franchise Development Coordinator since March 2022 in San Antonio, Texas. Prior to that, Ms. Luna served as our Franchisee Liaison from May 2019 to April 2022 in San Antonio, Texas. From September 2018 to May 2019, Ms. Luna served as Clinic Technician for Enhouse America, Inc. in San Antonio, Texas. Ms. Luna was seeking employment from January 2018 to August 2018. Prior to 2018, Ms. Luna was a student.

Catherine Koehler: Director of Franchise Marketing

Mrs. Koehler has served as our Director of Franchise Marketing since October 2023 in Omaha, Nebraska. From January 2022 to August 2023, Mrs. Koehler served in multiple roles as Director of Social Media and Marketing Operations manager at Horse Power Brands. From December 2018 to January 2022, Mrs. Koehler served in multiple roles as Public Relations, Content and Marketing Specialist at Right at Home, LLC.

Thomas Ince- Director

Mr. Ince has been our Director in Austin, Texas since April 2023. He is also the Managing Director of LP First Capital in Austin, Texas and has been since February 2018.

Matthew Jackson- Controller and Treasurer

Mr. Jackson has been our Controller and Treasurer in Austin, Texas since April 2023. Mr. Jackson is also the Vice President of First Capital in Austin, Texas and has been since September 2020. Previously, he was Senior Associate at KPMG in Houston, Texas from August 2017 to August 2020.

Financial Strength of Franchisor

Fastest Labs has zero debt on its balance sheet and has excess cash and working capital resources available to fuel its continued planned aggressive growth by building on its 10+ year track record of steady, strong growth.

Site Selection Assistance	Yes
Lease Negotiation Assistance	No
Recruiting Assistance	No

Overcoming Objections

Issues & Ambushes

No Prior Industry Experience – Fastest Labs has successfully trained, coached, and mentored 100+ Franchisees. Over 95% of them had no prior industry knowledge

Supply Chain issues – Drug testing kits and collection materials are produced overseas. Bulk purchasing power and manufacturing with select vendors allows Franchisees to take control of their supply chain inventory needs.

Medical Licensing Requirements– No medical licensing is needed because Fastest Labs does not allow medical testing services. No HIPPA, No blood borne pathogens, No needles, No biohazardous waste pick up, No high priced Work Comp insurance, No High priced Medical PL and GL insurance and No Medically trained employees are necessary saving Fastest Labs major expenses lowering the break even point.

Seasonality– When the Thanksgiving Holiday starts up until Christmas, Fastest Labs will experience a lower sales volume due to HR being on vacation and private individuals saving their funds for Christmas. We are slower at this time which makes a great time for Franchisees to take off and let their staff handle the slower traffic.

Hooks & Hangers

Substantial buying power with national vendors – we pass on our buying power and abilities to utilize the largest laboratories in the USA because of our relationships and volume accounts. Our buying power allows us to be less expensive than competitors.

Increased margins through national relationships. Franchisees take control of their supply chain and purchase test kits, insurance, branded materials, testing services and testing equipment through our required vendors causing healthier bottom lines.

Proprietary drug testing technology solution that allows for easier business management and client relationships.

Zoom Info and Engage CRM along with Scorpion for marketing and growing the Franchisees sales both

B2B and B2C Proven franchise model resulting in positive Franchisee financials.