

Franchise Advantages	Traditional Franchise	Salon Suites Franchise	Independence through SCG	Notes
Brand name recognition	Yes	Irrelevant	Un-needed	Your clients (your tenants) care about cost, location, amenities, cleanliness, access, parking, etc. in about that order. They really don't care what name is on the front of the building, and their customers certainly don't.
Supply chain	Yes	No	No	There is no on-going product or supplies that the franchisor needs to provide, so why pay royalties?
National and Regional marketing	Yes	For what?	No	Irrelevant and un-needed. Salon suites are a highly localized business, and marketing is handled on a very local level.
Operational procedures/best practices	Yes	Yes	Yes	Critical to success as a salon suites operator is the best practice day-to-day operational procedures. All franchises provide these as part of the franchise agreement, and so does SCG (at over 200 pages, the most comprehensive in the industry).
Ongoing assistance and support	Yes	Yes, but not really needed.	Yes, but not really needed.	One of the main reasons a salon suites facility is so attractive to entrepreneurs is the lack of constant hands-on management and high maintenance. Once you have built the facility and populated it with tenants, the business requires much less daily attention than most other businesses, allowing you to focus on leisure time or your next facility. Any ongoing support is so minimal, there is no value-added from royalty fees. Of course, SCG provides any ongoing support needed. We're just a call, text, or click away.
Site Selection	Yes	Not really	Yes	A critical task that requires experienced guidance, but most franchises divert this responsibility off to a commercial broker, who is earning huge commissions, which will negatively impact your lease rates.
Construction guidelines	Yes	Yes, for a cost	Yes	A critical task that requires experienced guidance
Business plan assistance	No	No	Yes	By law, franchisors are limited by the information and assistance they can provide when it comes to evaluating their franchise, which is a huge part of your business plan. Regulations dictate many things that franchisors cannot claim, and they are interested in reducing any liability should your business not meet the expectations brought on by their promises. SCG, as an independent consultant, has much more liberty in helping you through the analytical process, which is grounded in years of experience.
Initial Training	Yes	Yes	Yes	We provide the training you need to be successful, and you take it from there.
Ongoing product research	Yes	No	No	How much product research do you really think a salon suites franchise needs? Some franchisors like to claim this as a huge value-added service, but SCG strives to stay on top of trends in the industry, and passes this information to our clients as part of our standard services.

Franchise Disadvantages	Traditional Franchise	Salon Suites Franchise	Independence through SCG	Notes
Royalties	Yes	Yes	No	This one is pretty obvious. Traditional franchise fees vary depending on the services and products they provide, with salon suites royalties averaging 5%-7% of GROSS REVENUE. Independence from a franchise keeps that money in <u>your</u> pocket, not theirs. Additionally, owning a franchise means that the franchisor has the right to access your books at any time, which is an anathema to many entrepreneurs.
Advertising fund fees	Yes	Usually	No	Again, traditional franchises vary considerably in their national advertising fund fees, but for salons suites, national advertising is irrelevant and un-needed. Salon suites are a very localized business, and advertising is handled on a very local level.
Territorial restrictions	Yes	Yes	No	Why be artificially restricted on where you establish your business? This should be driven on the financial merits of the location and not artificial boundaries.
Operational, branding and design control	Yes	Yes	No	Most entrepreneurs don't like to be told what to do, and how to do it. Create your own identify and your own style by operating independently.