

drybar®



FRANCHISE GUIDE



WELCOME

Thank you for your interest in a Drybar® franchise. Before moving forward, we have an introductory period that will provide you with the information you'll need to determine if owning a Drybar shop is right for you. And then, of course, we'll need to decide if you're right for us.

We pinky-promise that your get-to-know-us phase will be the most advanced and informative in the industry. We invest enormous resources to ensure that our systems and processes are helpful and informative. Oh, and really stylish. While we get to know each other, please note that the goal right

now is not to sell you a franchise. The Drybar concept is so popular (yay!), and we're so protective of the brand that we were initially reluctant to roll out a franchising program. But we agreed to do it on the very explicit premise that we'd only work with the best possible franchisees. Yes, you're kicking our tires, but we're also kicking yours (and checking under the hood!). To fit within the culture and brand, you must be obsessed with over-the-top client service. Like we are.

We congratulate you on taking the first step, and we look forward to getting to know one another.



WHAT IS DRYBAR?

The Drybar® brand has been a major “disrupter” in the hair-care industry. And in this context, the word “disrupter” is a very positive thing. Disrupters sometimes come out of nowhere and challenge the status quo in an industry. They challenge and change that industry in ways that sometimes make people think, “Why didn’t I think of that?”

What did we disrupt? Well, a lot. We challenged the notion that a blowout should cost \$80 or more and that you have to go to a full-service salon (that smells like chemicals) to get one. Oh, and there was another choice for “cheap” blowouts – the national discount chains. Oh the horror! The environment was terrible, and you never knew what type of blowout you’d end up with: the “bird’s nest,” “the frizz-fro,” or the “wait... did you just cut my hair?”





Our tagline says it all.

NO CUTS. NO COLOR. JUST BLOWOUTS.®

Alli Webb had this crazy theory that women needed a stylish place to come and enjoy the “affordable luxury” of a professional blowout. And she was right.

Instilling the “we are family” motto into everything we do is another way Drybar shops stand out from conventional salons, where stylists don’t feel as if they’re part of something bigger. In most salons, stylists rent a chair, come in, do their work and go home.

Because they rent their own stations, they are in economic competition with the other stylists at the salon. This is the opposite of a team atmosphere.

We don’t like that model. At all. Shop stylists tell us over and over that they never felt like a part of something bigger until they joined the brand.

They are passionate about the brand, the products and what they’re doing. And we love them for that. They create a wonderful experience for clients - which makes clients want to come back again and again.

Ultimately, the Drybar brand is focused on remarkable, over-the-top customer service. Stylists and other shop employees are the front-lines of the Drybar brand. If they’re happy and excited, they convey that to the clients. And when clients get a great blowout in a beautiful Drybar shop, it gives them the confidence and happiness that only a fresh dose of Drybar beauty can provide.



WORD ON THE STREET

“I love Drybar—It’s got all the ingredients of a successful retail concept. It’s got the right people, the right place, the right positioning and the right products. How fabulous is that? It cheers me up.”

- Marigay McKee, Former President of Saks Fifth Avenue

“Alli Webb turned blowouts into a booming business.”
- *Fortune*®

“With such attention to detail, it’s clear the people behind-the-scenes really have the concept down pat. Who would have thought that an “anti-salon” dedicated only to the simple blowout would have so much to offer?”
- *Vanity Fair*®

“With last-minute online booking and a relatively low price tag, Drybar has democratized good hair.”
- *Allure*

“Drybar may have an edge. Aside from being first, (Alli) Webb has been fast.”
- *Forbes*®

“Drybar products are awesome. They have voodoo-like powers that change the texture of hair from coarse and scraggly to soft and manageable—all without weighing it down.”
- *Glamour*®

“It’s a 21st century spin on the old-fashioned beauty parlor.”
- *Los Angeles Times*®

“For a city that prides itself on sun-kissed hair, looking effortlessly chic and discreetly glam, Los Angeles has found itself entangled in a steamy love affair with Drybar.”
- *Huffington Post*®

“Drybar seems to be making a bid for a world hair domination.”
- *Vogue*®

“I’ve learned where to get a perfect forty-five minute blowout in New York (Drybar).”
- *The Wall Street Journal*®

“What’s amazing is how Alli (Webb), a 37-year-old mother of two has made a \$20 million (sales) business out of nothing but hot air.”
- *Forbes*®

“That’s where Drybar has everything a luxury-loving consumer would crave...and their consumer base is swelling.”
- *USA Today*®

“By now the Drybar experience is a familiar—if not weekly—routine for so many women.”
- *New York Magazine*®

HOT OFF THE PRESS

How Drybar Founder Alli Webb Turned a Simple Concept into a \$100 Million Empire

Hint: Focus on one thing and be the best at it.

248 views

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INNOVATORS

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Pick Your NPR Station
There are at least two stations near you.

HOW I BUILT THIS WITH GUY RAZ

Drybar: Alli Webb

July 23, 2018 - 12:01 AM ET

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Featuring the Curator: Burlington Snowboards, Ring, Drybar, Gift, Gluten Free, and more

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WOMEN / Entrepreneur

COMPETITION

The Heat Is On: How Drybar Continues to Blow Past Its Competition

When Alli Webb launched Drybar in 2010, she invented a new industry—and now the competition is heating up.

205 shares

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Image credit: Gannon Webb/Drybar

TODAY

CELEBRITY

How Drybar founder Alli Webb breaks free of 'mom guilt' as an entrepreneur

No. 3 Break free of mom guilt.



— Cali Webb

July 25, 2018 / 11:36 AM PDT / Source: TODAY

BuzzFeed News

REPORTING TO YOU

TRENDING

Game Of Thrones North Carolina Election Fraud

THE HOT AIR MILLIONAIRES

by Sapna Mukeshwari

Photography by Jared Hartwell





Santa Monica, CA



Huntington Beach, CA



Phoenix, AZ



Milwaukee, WI

149 LOCATIONS & COUNTING

Phoenix, AZ	Jacksonville, FL	St. Louis, MO	Cleveland, OH
San Francisco, CA	Tampa, FL	Omaha, NE	Philadelphia, PA
Sacramento, CA	Atlanta, GA	Charlotte, NC	Pittsburgh, PA
Bay Area, CA	Honolulu, HI	Raleigh, NC	Charleston, SC
Los Angeles, CA	Chicago, IL	Paramus, NJ	Nashville, TN
Orange County, CA	Indianapolis, IN	Summit, NJ	Austin, TX
San Diego, CA	Lexington, KY	Hoboken, NJ	Dallas, TX
Denver, CO	Louisville, KY	Las Vegas, NV	Houston, TX
Stamford, CT	Boston, MA	Manhattan, NY	San Antonio, TX
Washington DC	Bethesda, MD	Brooklyn, NY	Salt Lake City, UT
Miami, FL	Detroit, MI	Roslyn, NY	Tysons Corner, VA
Fort Lauderdale, FL	Minneapolis, MN	White Plains, NY	Milwaukee, WI
		Tulsa, OK	



Midtown Atlanta, GA



Honolulu, HI



Palo Alto, CA

OUR TEN CORE VALUES



IT'S THE EXPERIENCE

The single most important part of the Drybar® Experience is the way we make people feel. We are committed to making clients feel like a million bucks.



IT'S NOT JUST BLOWOUTS

It's the confidence and happiness that comes from a great blowout.



BE YOURSELF

Tattoos, piercings, quirky laugh and all! It's what make you special and interesting. As Gaga says, "I'm on the right track baby, I was born this way."



EMBRACE THE POWER OF RANDOM ACTS OF KINDNESS

Selfless acts of kindness make someone's moment/day/week. This defines you, you define us.



HAVE FUN

Laugh, smile, dance! Look beautiful! Life is too short to be someplace lame.



ALWAYS BE GROWING

There is tremendous opportunity ahead of all of us. You commit to helping us grow and we'll do the same for you.



NOTHING IS SEXIER THAN HONESTY AND HUMILITY

Arrogance and cockiness are gross. Actions speak louder than words. Be sexy.



MAKE A DIFFERENCE

Have an opinion, a point of view. Have the courage to stand up and make a difference.



PRETTY IS AS PRETTY DOES

Be a good person. Care about people. You're only as pretty on the outside as you are on the inside.



WE ARE FAMILY

The Drybar brand was started by family. You are a part of our family.

Give 'em a little
#DRYBARMAGIC

HISTORY OF DRYBAR

We talked about how a “disrupter” sometimes comes out of nowhere. But, of course, the Drybar® brand came from somewhere. And here’s where. Prior to the opening of the first Drybar shop, Alli Webb drove around Los Angeles making house calls to women desperate for blowouts. Alli saw that the demand was deep for a great place for blowouts, but there really was no supply. Big demand. No supply. Light bulb.

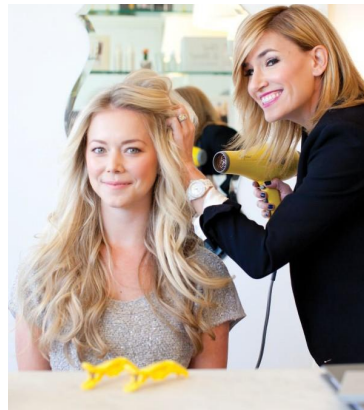
Alli’s (bald brother, Michael Landau, had doubts - especially after Alli came to him asking for seed capital to open her first location in Brentwood, California. As a former executive at Yahoo!® and a former retailer himself, Michael and some of his friends went to the spreadsheets to try to model out the number of clients needed to make the business work.

The first shop opened in February of 2010 to a whirlwind of media attention, including a high-profile



newsletter that resulted in thousands of appointments within eight hours. The Brentwood shop hasn’t stopped since. And the women of Brentwood have never looked better.

It became clear immediately after opening that Alli was onto something very big. While the Drybar brand initially focused on opening company-owned locations in major metropolitan cities, as brand awareness grew across the country, the brand’s focus evolved to embracing a franchise model.



As mentioned, the Drybar brand has been at the forefront of a disruption in a \$12+ billion industry. Like Starbucks®, Sephora® or Massage Envy® did before, Drybar shops meet a need that was previously ignored. Specifically, the desire of women to have a consistent, affordable luxury experience in an upscale setting was

A BRAND NEW INDUSTRY

huge and unmet. As one of the first movers (and now nationwide leader) in blowout services and products, the Drybar brand has captured market share and generated massive awareness about this new niche in the industry.

SERVICES

The client's experience in a Drybar® shop is quite simple. When she arrives, the Bartender will check her in, offer her a drink and promptly fetch the shop's stylist assigned to the appointment. The stylist will come and greet her in the reception area, walk her to her chair and begin a consultation of the preferred style. The Lookbook of styles offered (all with cocktail-inspired names) is at each seat and can be flipped through for inspiration and reference.

After the consultation, the stylist takes the client on a relaxing shampoo experience. If requested, the client can receive a ten-minute scalp massage. We call it "The Floater." Clients call it "Heaven." Some clients may also opt for a "Shot" that will repair and rejuvenate dry, weak or color-damaged hair. They're called shots because they're small, but strong.



After the shampoo, she will sit back during the blowout and relax, enjoy her drink, watch a chick-flick on the television, read a magazine, catch up on texts and emails, or really do whatever she wants. We've had attorneys and accountants tell us that styling their own hair at home costs them time that can be used for productive client hours (and when an attorney says "productive", she means "billable"). Getting their hair done at a Drybar shop is actually a net money-maker, we're told, as they are often able to work during that time.

On weekdays, you may see more of the professional types squeezing in a blowout before or after work. And during the week, you may see more mothers of school-aged children taking advantage of the downtime during school hours.

A Drybar visit should last about an hour. Longer hair can take more time, of course, and shorter hair takes less time. However, the price of a blowout at Drybar shops is always the same, regardless of hair length or thickness. At the end, the stylist will turn the

"Although the menus say the main service is blowouts, we've been told that we actually sell confidence."

Many Drybar shops see a different dynamic and crowd during the weekends versus weekdays. Weekend clients tend to be a bit more event focused (birthdays, dinner parties, charity events, or a big date), and they also tend to come in groups more often on weekends. Drybar shops have become a coveted destination for groups of women just before kicking off a bachelorette party, a wedding day or a bridal shower.

client's chair around towards the mirror for the "Big Reveal". The stylist will talk with the client to make sure the style is exactly to her liking. And then she leaves, with an extra bounce in her step and a smile.

Although the menus say the main service is blowouts, we've been told that it's actually confidence and happiness. You can't put a price tag on that. (Well, we actually have put a price tag on it. And it is a reasonable one.)

PRODUCTS & TOOLS (OUR SECRET WEAPONS)

After seeing the success of the first wave of Drybar® locations, Alli decided to tackle another gap in the market – products. As a professional stylist, she became accustomed to creating her own “cocktails” of other shampoos and products by mixing several different brands in her hands for clients. But surely there was a better way.



With the Drybar shops and investors supporting her, she focused on creating a new line of products, and then tools, too (just ask any woman with long hair what she thinks of the typical hotel hair dryer).

For Alli, launching the product line was a much bigger endeavor than just asking her brother for the money to refurbish one shop. It was a huge investment that took years to go from sketchpad to store shelf. But it was worth it. The products reinforce the services, and vice versa. Just ask Sephora®, who named the Drybar brand as one of their Very Important Brands within a year of launch (great idea, terrible acronym... a “VIB”). In January of 2020, Helen of Troy Limited, designer, developer and worldwide marketer of consumer brand-name housewares, health and home and beauty products purchased the Drybar Product line.

Drybar products and tools are distinctive. Women can spot a Drybar blow-dryer from a mile away. (By the way, we call the signature yellow blow-dryer “Buttercup®,” and her name is trademarked.) If you become part of our franchise system, you’ll need to learn some of our special vocabulary. So, when a client walks out of a shop with Drybar products, she becomes an evangelist for the brand every time she’s seen with Drybar products or tools. Thousands and thousands of clients keep and use Drybar products regularly in their homes and while traveling. Doing so reinforces our relationship and makes it more “sticky” (something that the products are not by the way, ew.)

It's difficult for a client to break up with us. No, not because we're psychotic and unstable, but because we're just so integral to her beauty and confidence routine. Drybar® has become the name brand for what shops do, which gives the brand an edge over competitors.

On occasion, a client will confess to "cheating" when Drybar was booked and instead going to a local competitor with plenty of openings; they almost always say, "I'll never cheat on Drybar again," (or sometimes, "Can you fix my hair? I promise I'll never do it again.")

In addition, new clients come in after they have purchased a product or tool from a retail business.

This ever-growing cycle of attention, awareness and love has been a natural byproduct of our mission to constantly deliver over-the-top customer service. The entire brand exists to deliver on this promise, and clients reward Drybar with their loyalty. And we return the favor with more great service and love. And so on. You get it.



"I'll never cheat on Drybar again!"

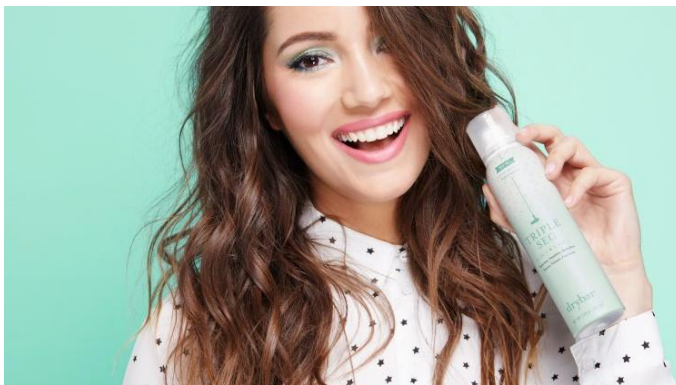


OUR AUDIENCE

When asked “Who comes to Drybar® shops?” The response is always the same: “Women with hair.” This may sound funny, but it’s true.

Over **200,000** blowout services are performed a month.

That’s over **7,000** women in the shops each and every day. This group of women ranges across generations, ethnicities and all types of hair.



WHAT FANS ARE SAYING

♥ Blowouts just because.

#pampershesh #Drybar @Tinascoop

Drybar is better than therapy.

@alyssabertzjg

If I've said it once, I've said it a million times: @thedrybar is the happiest place on earth. @laneycrowell

Photoshoot & filming bright and early today... Luckily @thedrybar opens at 7AM. @shaunabass ♥

What does this LA girl do on the first day of her trip in NYC? Get a fabulous blowout @thedrybar! @MrsCHodge

Never blow-drying my own hair again.

♥ @lissaanmaggj

The round brush and clips by @thedrybar are the best investment I've made lately! @xotaraa

4 weddings this year. I foresee many trips to @thedrybar in my future. @Esieni

TV hair, here I come.

@RebekahGeorga ♥

Nothing like a great blowout to brighten someone's day!! #MeDay @AliciaYing

It's @drybar to the rescue.

@carmelmelouney ♥

Census Bureau: Metro DC now wealthier than Silicon Valley but still no @thedrybar WHAT

WILL IT TAKE?

@lovethebay

My hair smells so good I can eat it.

@KristinCruz

Mimosas and @thedrybar blowout. Wish everyday could start like this! @_saRiot

There is NOTHING BETTER than starting off your day with a fab blowout from @thedrybar @kerenda5

This is genius!!

♥ @jennycruz

@theDrybar THE BEST!!!! I bought the whole kit w/ the products 3-Day Bender and blow-dryer. So obsessed. @HauteBeautyBlog

Birthday festivities should always include pampering in the form of a great blowout and head massage!

@zeeeeeee

Headed to @thedrybar for a meeting about an event I'm helping with and NOT getting a blowout.. talk about cruel and unusual punishment!

@TOAST_events

My life has changed forever!

@Mere_Wood ♥

AHHH THANK YOU!!

@thedrybar is heaven in the city!!!! @ericasiegel

Can't think of a better way to spend my day off than w/a glass of wine @thedrybar @LayneMcGovern ♥

My hair has never felt silkier after using @thedrybar 100 Proof Treatment Oil. Bonus: smells delicious too! @MelanieBBBX

There are very few things in life that are better than a killer #blowout... you walk out looking supermodel awesome!

♥ @urbangirlsquid

We should probably just sleep here @thedrybar

@thingsweheart

Even on my saddest days, a quick trip to @thedrybar fixes ALL.. @x_tinaaaa ♥

Treating myself before work tomorrow to a blowout. When my hair looks good, I feel good! #drybar #hairlove @sharksterr

It's a @starbucks &

@thedrybar type of morning.

♥ @tinalovesequins

Had my hair did at your Del Mar location. Loved the staff, my hair, + the compliments I received!

♥ @MirzaAPuma

@thedrybar in West Hollywood. Might be my new home away from home. #obsessed @bridgetbelene

I haven't been to @thedrybar in like 9 days 2 hours 13 minutes...but who's counting? @iamsarahwebb

What a girl wants. What a girl needs! @thedrybar

♥ #fabhair

@g_licious

Headed to @thedrybar for a meeting about an event I'm helping with and NOT getting a blowout... talk about cruel and unusual punishment!

@TOAST_events ♥

Wait. Drybar and Skinnygirl cocktails together?? If you start selling shoes I may need to start paying you rent. @mmabotstuff

WHY STYLISTS LOVE US

Drybar® shops are a crazy, fun and fast-paced environment. But most importantly, the brand embraces a team and family mentality that is otherwise lacking in the hair care industry. The Support Center has tools to help franchise owners hire stylists with great attitudes, energy, and of course, crazy-good hair skills to match. Before a stylist generates a book of regular clientele for a cut/color business, a Drybar shop is a great place to work where a stylist is virtually guaranteed a steady stream of work. For that reason, lots of stylists start their careers at a Drybar shop and then eventually “graduate” to a full-time cut/color business of their own. But, there can also be stylists who are ready to launch a cut/color career, but don’t want to leave behind their Drybar family. So, they often stay on for a reduced schedule and pursue cut/color during certain days of the week. Traditional salons are viewed as being complementary of this business model, not a threat. They don’t want to do what Drybar shops do, and vice versa.

Stylists Enjoy the Following Perks:

- Hourly base wages PLUS tips PLUS commissions on product sales.
- Flexible schedules (part-time and full-time).
- An amazingly, fun, crazy, extended-family kind of culture.
- (At some shops) year-end bonuses, which are very rare in the industry.

Outside of the Drybar shop, the life of a stylist typically involves renting a chair and being in business for themselves. And this can be a very difficult road economically (and emotionally). Stylists are artists. They want to create art, not generate business models. That’s why working at an individually owned and operated Drybar shop has been a great place for many to practice their craft. The training and product line are second to none.

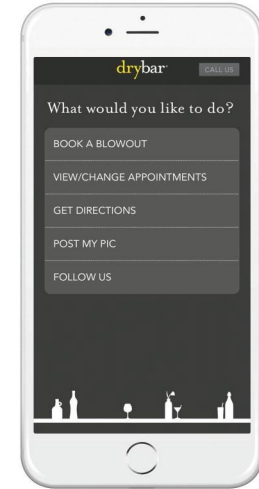


HOW ARE WE DIFFERENT?

Products & System

Warren Buffet once said, "In business, I look for economic castles protected by unbreachable moats. Our castle is made up of the beautifully created shops that stand out in a field of ordinary-looking salons. As a brand, we believe that our moat is a combination of the following:

- National (and International) brand recognition that will be extremely difficult to replicate;
- Extensive infrastructure, including site selection and construction assistance, training, marketing and operations support;
- The products that keep clients so loyal. We believe that clients will receive a lesser experience at any competitor, because (among other reasons) Drybar products were created and tailored to complement the ultimate blowout experience. No one else has that.
- Simple booking process via Web, mobile or app.



BRANDS WE'VE COLLABORATED WITH



UBER



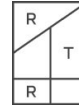
GLAMOUR

amazon



FOX

SOULCYCLE



ban.dō



ellen
the ellen degeneres show

Coca-Cola

wework

NETFLIX

Madewell

SOHO HOUSE

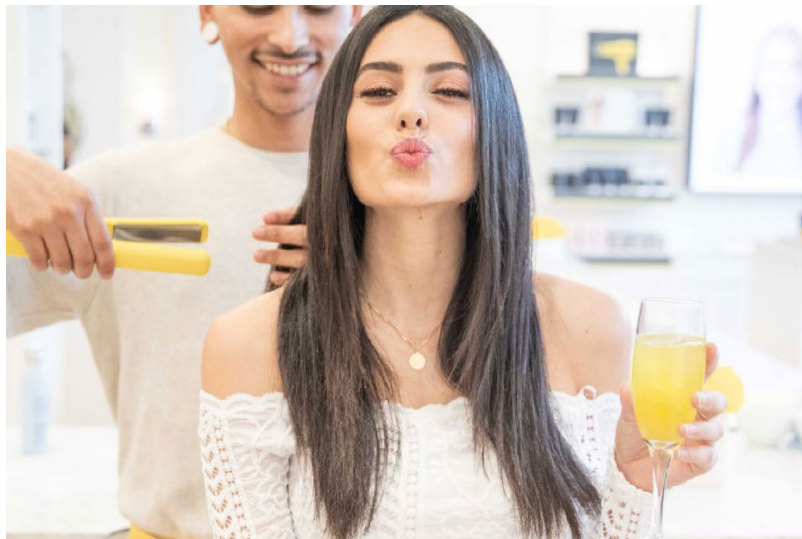
EQUINOX



kate spade

BALANCE SHEET

After establishing the concept with a handful of shops in 2011, an infusion from private equity investors early on helped the brand to expand the shop base and develop and grow a world-class product line. The product line was so successful that it attracted the attention of Helen of Troy (Nasdaq: HELE) who purchased the product line in early 2020. In 2021 WellBiz Brands, Inc., known for its experience in enabling consumer brands to accelerate scalable and predictable growth, acquired the franchising rights to the Drybar® system. As a best-in-class brand manager specializing in the beauty and wellness space, the WellBiz Brands, Inc support team continues building and growing the Drybar shops business. The infrastructure of shared services across technology, human capital and marketing support creates an even wider moat. With alligators in it. (Not really.)



CUSTOMER LOVE

Ready for some more academics? Sure you are. You've read this far. In a seminal research paper, *Zero Defections: Quality Comes to Services*, the authors established that a 5 percent increase in customer satisfaction can produce profit increases between 25 and 85 percent. It is much more effective and economical to increase the frequency and loyalty of an existing customer rather than recruit a new customer.

And what does that mean for Drybar shops? Well, it plays right into one of the major strengths of the brand. With a historical obsession to service, the Drybar brand has the privilege of a loyal clientele that is obsessed with the shops. A psychiatrist would call it codependency. We call it awesome.

OUR VISION FOR FRANCHISING

We want women everywhere to be Drybar® beautiful. Early on, Drybar shops grew through company locations and a limited number of franchise owners. Now managed by WellBiz Brands, Inc, opportunities have grown exponentially with the support and infrastructure available. The best way to share the Drybar brand and passion across the country (across the world, even) is by teaming up with franchise owners who can represent the brand well and deliver on the brand's commitment to quality.

Nothing can replace the drive, ingenuity and relationships that a great local franchise owner has in regards to their own corner of the world. Local knowledge helps drive greater success for you, for Drybar shops and for the clients. Franchisees are able to maximize local information and adapt to local differences much better than a company-owned store can, and that's a win-win!

* "Why do Franchisors Combine Franchises and Company-Owned Units?" by Ehrman and Spranger, Center for Entrepreneurship

You probably know this, but often, franchisors look to franchisees within their franchise system to learn what it takes to run the best shops possible. A number of academic papers have concluded that franchisees' revenue regularly outperforms comparably situated company-owned stores by as much as 20 percent.* But we don't need academicians to tell us that. If we engage with quality franchisees, they're going to crush it.

So, here's the deal. If you are selected as a franchise owners, we'll share the brand, systems and tips with you. But you have to return the favor. We want to constantly reinforce our position as the dominant name in this niche, and we owe it to the clients to always stay on our toes. We look forward to the community of ideas that will come from the Drybar franchise system.

"If you are selected as a franchise owner, we'll share our brand, systems and tips with you.

But you have to return the favor."





START-UP COSTS*

Okay, enough of the mushy stuff. Let's talk cash. The start-up costs for a Drybar® development are outlined in the following illustration. Yes, we know, there is a huge spread between the low-side and the high-side. Most of the difference will depend on the cost of your construction. Obviously, per-square-foot construction in New York City is vastly different from per-square-foot construction in Nashville, Tennessee.

**As per the March 31, 2022 Franchise Disclosure Document*

TYPE OF EXPENDITURE	AMOUNT
Initial Franchise Fee	\$50,000
Initial Software License and Set Up	\$2,500
Other Service & Marketing Items	\$3,000 to \$7,200
Real Property and Utility Security Deposits	\$9,750 to \$60,000
Leasehold Improvements (net of landlord TA)	\$313,544 to \$568,802
Architectural Design & MEP Fees	\$13,750 to \$20,750
Signage	\$9,416 to \$24,734
Furniture and Fixtures	\$22,000
Business Supplies	\$3,000 to \$7,927
Computer System	\$34,975 to \$56,785
Initial Inventory	\$38,700 to \$44,700
Site Development Fee	\$7,500
Grand Opening Spend Requirement	\$15,000
Marketing and Promotional Inventory	\$5,500 to \$6,800
Business Licenses, Permits, etc.	\$500 to \$15,000
Professional Fees	\$1,800 to \$12,300
Insurance Deposits and Premiums (First Year)	\$3,900 to \$9,786
Training Program & Shop Educator Program	\$9,000 to \$15,750
Pre-Opening Stylist Training	\$5,000 to \$10,000
Additional Funds (3 Months)	\$45,000 to \$70,000
Site Survey Fee	\$2,500
Total	\$596,335 to \$1,030,034

START-UP COSTS (cont.)

The \$50,000 Initial Franchise Fee is paid at the time your franchise agreement is signed. The Initial Franchise Fee provides certain protected rights to search and open a Drybar® shop in a designated area, covers the initial investment the Drybar brand makes in you with our real estate, construction, training and opening support, and gives you a 10-year term to operate a Drybar shop. In addition to the Initial Franchise Fee, many franchisees may invest in the creation of a legal entity and pay for legal or accounting advice related to their research on the Drybar opportunity.

Construction

A construction contract is typically paid in 5–6 progress installments, and construction may last about 12 weeks from commencement. During this time, you will refine your plans for your grand opening and begin training. Other fees that will be paid around this time may include: remaining balances due on furniture, fixtures, equipment, computers, initial insurance installments, exterior signage, and opening product and supplies inventory.



Working Capital

Around the time of opening, you will want to ensure that you have a surplus of working capital. Your cash cushion will help during early months as you ramp up, until you ensure that your revenues comfortably outpace expenses. We have learned that a ramp-up phase is necessary in new markets, as you spend time spreading the word in your community (through the media and just through the gradual snowballing of providing a great service day-in and day-out).

Lease Signing

By the time you sign your lease, you should have worked through your capital requirements (i.e., obtained the total capital needed from your bank, local investors and/or your piggy bank). Up front, you may have to pay the landlord a security deposit and up to the first three month's rent. You will need to pay deposits on furniture, fixtures and equipment, and often pay your first construction installment with your general contractor. Other fees that will be paid around this time may include architect fees.

THE IDEAL CANDIDATE

Becoming an approved Drybar® franchisee will require patience, passion and persistence. We will not compromise in our mission to make sure that franchisees are perfect for this cherished brand. Candidates must demonstrate the following attributes and qualities:

- Passion for customer service
- Willing to devote their maximum personal efforts in the shop during our busiest times
- Net worth of \$750,000 with liquidity of \$250,000
- Bachelor/professional degree (preferred)
- Can demonstrate retail and managerial experience
- Socially engaging
- Active in their communities
- Source of pride in seeing trends before most people
- Optimistic
- No history of litigation or business disputes

We receive an *overwhelming* number of inquiries per month, so if you cannot demonstrate these qualities, then we cannot commit to franchising with you. We are very selective and we will only choose a limited number. If you are not up for the challenge, we certainly understand.

One more thing. Yes, these shops are fun, hip and beautiful. And, yes, making clients happy is a constant endeavor. But, Drybar shops require a dedicated owner who is willing to work hard. It is expected that franchisees will be in their shop for significant portions of the week – including weekends. This is absolutely critical for the first shop in your market, as it accomplishes a lot:

1. You learn the inner workings of your shop by living it.
2. Your employees develop an important direct relationship with you, their leader.
3. Clients can also build a direct in-person relationship with you as the local Drybar owner.



If your intention is to have a Drybar shop as a cocktail-party conversation piece while delegating all responsibility to others, you should probably consider something else.



IS MULTI-UNIT OWNERSHIP POSSIBLE?

Yes, our preference is to work with candidates who can build and scale a business beyond one site. With nearly 150 locations in the system, we've developed best practices on how to manage multiple units. If you are the right franchise owner, we can share those lessons with you. Shannon and Jeff Williams own six franchise shops in Dallas, TX and have used the Drybar® playbook and key learnings to scale their business. One of their key tactics for growth is to identify which of their stylists have an interest (and ability)

in management. Their managers have all been promoted from within, and those managers know their shops intimately. Eventually evolving from a single shop (managed by Shannon) to six shops that are passionately managed by home-grown talent allowed Shannon to pivot over to focusing on more high-level strategies like employee recruitment, searching for new locations, and maximizing client and employee satisfaction.



Fort Worth, TX



Grapevine, TX

SUPPORT

We will be with you every step along the way to opening and beyond to support you including, but not limited to:

- Real Estate
- Pre-Opening Training
- On-site training
- Marketing
- Stylist Recruiting
- Ongoing support.



REAL ESTATE

Our Real Estate and Development team provides

- Site selection assistance
- Design and Construction planning support including
 - Permitting & Bidding
 - Signage
 - Furniture, Fixtures, and Equipment

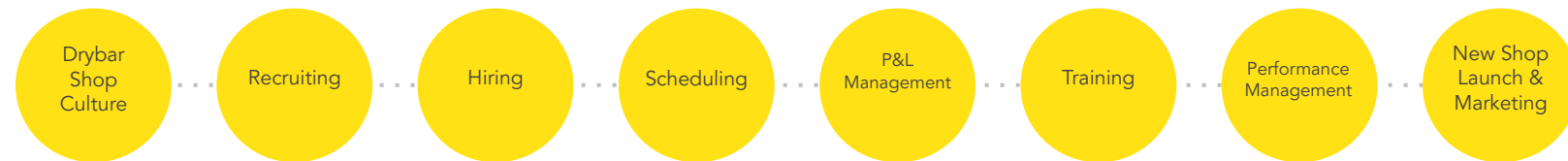


NEW SHOP OPENING

Through Franchise University

Prior to the opening of your new shop, we provide robust training and sample resources to get you and your managers up and ready for opening day and beyond.

Topics include:



NEW SHOP LAUNCH TRAINING

Our operations team supports you with onsite training prior to your new shop opening in addition to sharing other resources. You and your team will learn what it takes to deliver a Drybar® experience from the front of house to back and everything in between.

MARKETING SUPPORT

As part of the Drybar® franchise system, you benefit from the suite of services our marketing team provides such as:

- Grand Opening Support
- Drybar® Audience & Marketing Strategy
- Digital Marketing
- National Marketing
- Stylist Recruitment
- Creative Services Department
- Local Shop Marketing
- Products & Innovations



RECRUITMENT SUPPORT

FULL-CYCLE RECRUITMENT SUPPORT:

- Support and resources to help you source top talent
- Search engine optimized job postings
- Interview and selection support and resources
- National programs to help drive stylist applications to your shop
- National collaborations with Indeed® and Glassdoor®



POST-OPENING

- Support Calls
- Continued education and support
- Operational Excellence Reviews
- Coaching Calls & Scorecards
- Regional Training
- Online University Continuing Education

FINANCING MY FRANCHISE

When exploring options to fund your possible shop (or shops), it's important to know that there is not one "right way" to get it done. There are multiple options that a candidate can pursue to help fund the venture. All of these options have benefits and risks. Make sure you're being advised by competent lawyers and tax professionals when weighing these choices.

Small Business Administration Loan

Believe it or not, the SBA loan process has significantly improved in the recent past. The biggest item for a candidate to keep in mind is to interview lenders in the area to ensure that the lender does a high volume of SBA loans. If the lender does not routinely perform SBA loans, you will quickly learn why. The SBA loan process can be time consuming and burdensome. The largest advantage with the SBA loan is that new businesses have a higher rate of receiving an SBA loan since the lender's loan is partially guaranteed by the government. Lenders will typically require a cash down payment equal to 20 to 30

percent of the total start-up costs and sufficient collateral that would cover the total development costs. SBA loans typically have lower down payments, longer terms and more flexibility than other offerings. Note that if you don't have other collateral to offer, the SBA will sometimes accept a second lien on a residence. But, of course, be careful. SBA loans are not structured to be forgiven or released easily. It isn't charity. The SBA loan is a great route for first-time business owners.

Using Your Retirement Funds

Companies like Guidant and FranFund specialize in using your retirement funds in a tax-free transaction so that those funds may be used to develop and open your business. The benefit to this option is that you improve your initial cash flow since it is not directed at interest payments from traditional debt. In addition, most candidates like the idea that they feel they are in control of their retirement investment.

Conventional Loans

Conventional loans are the most common means of funding the development of a business. Unfortunately, most conventional loans are not available for initial start-up developments due to underwriting requirements for P&L histories. Franchisees who are looking to expand with new units or purchase existing units have the highest rate of success with conventional loans (because they will have the P&L history). Since these loans are not guaranteed by the federal government, lenders typically require exceptional credit scores, low debt-to-worth ratio, and personal guaranties. The advantage to this type of loan is that the bank is not hampered by governmental requirements and can structure the term, interest rate and other terms as the parties see fit.

Friends and Family

Funding can come from the people who know and trust you. Raising capital through a family/friends investment vehicle can cut down your funding time and contractual covenants you may find with other financing sources.

One strategy is to be sure to source the investment from enough friends and family that the risk to any one investor isn't huge. Another benefit of friends/family funding is that you have a ready-made group of cheerleaders and supporters for your business. A trusted attorney to advise all parties and document the funding will go a long way toward resolving any ambiguities or potential disputes that may arise once the business is up and running.

Cash

Do you have enough cash in your mattress or in the bank to cover the entire start-up expense? If so, good for you. That, of course, is the easiest way to source capital for your new business. (The hard part was making it in the first place.)

Hybrids

There are some candidates who have the ability to pull and raise money through various outlets, including a combination of home/real estate equity loans, equipment leasing options and personal investors. The hybrid approach can be quite successful if you have built up enough equity in your personal assets and credit scores.

OK, I'M INTERESTED! NOW WHAT?

As we said earlier, we will want to get to know Drybar® franchise candidates quite well. Not just your resume and balance sheet, but your personalities, your character and your passions. We expect that our mutual evaluation process can take from about eight to 12 weeks. During this time (and after), you will have the opportunity to speak with other franchisees about the business and the impact on their lives from a financial and lifestyle perspective. If we believe that we are a good fit for each other, you will be invited to our Support Center in Denver to meet with our leadership team, spend some time in a shop, and ask the final hard questions that you may have. Heck, you might even score a free blowout.

Thank you again for your interest in opening a Drybar shop. We look forward to discussing what it takes to succeed as a Drybar franchisee and determine if Drybar is the right fit for you and your family.

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