

BUSINESS PLAN

IRVINE, CA
NEWPORT, CA

Business name: CuRED
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Company Overview

Our mission is to share the benefits of an infrared sauna by healing the community physically and mentally.



My personal relationship with health has been quite the journey, as I know it is relatable to many people. I have worked in the wellness/health industry for over 10 years now, which led to a serious passion for helping individuals just simply feel good. My background of business management, which is what I went to school for, in addition to the goal to share health with the world, is an unstoppable combination that I attain. Also, I am a proud volunteer for the NEDA organization, which is a non profit representing body image and mental health. In February of 2020, I held the first NEDA walk in Orange County, CA. More than 150 people attended and we raised over \$8,000 to funnel back into the non profit. I take pride in my work, and love to involve the community. There is nothing more fulfilling.

THE MARKET

Spa and Sauna concepts are expected to increase due to growing wellness tourism, increase of employment, rising consumer expenditure, rising urban population, and more. The market size of the spa and sauna sector is earning \$68 billion overall. It is expected that the market will achieve \$413 million by 2028, exhibiting a CAGR of 8.18% per year.

The target market is health-oriented individuals who have a desire to improve their health at a cost that they feel is worth the experience and daily life improvements they will receive after an infrared sauna session. This includes eliminating stress, aiding muscle pain and fatigue, active recovery, a release of toxins and bacteria, pesticides in food, nicotine and alcohol, and more. The clientele age ranges from 18 years old - 70 years old.

The infrared sauna industry has been around for 5 decades now, and I have helped the number one company of infrared sauna studios in the United States to grow and franchise their company. My experience includes 6 years of managing and facilitating a location in Laguna Niguel, CA and Newport Beach, CA. Eventually I was brought on to the Franchising board team, which included working with Sherry Christopher, who franchised Nekter Juice Bar nationwide. The franchising team included the CEOs as well, making it a 5 person team. We held initial interviews for possible franchisors, which has led to over 50 locations opening to date. This market is continuously growing, and I am excited to apply my knowledge and experience to being the number 1 commercial sauna studio in the nation, by delivering a consistent, comfortable, and reliable service to our clients. This will make us stand out from the rest.

Short Term Goal:

Aim to open the first location or territory (3 studios) in Irvine, CA

Long Term Goal:

Nationwide studios, possible franchising in Northern Ca, Miami, FL, and more.

SERVICES AND PRODUCTS

Includes a 40 minute infrared sauna session which can be booked via mobile app, online booking, or in person.

SAUNA SERVICES

The 40 minute sauna session allows customers to enjoy the treatment that consists of healthy cellular detoxification, weight loss, pain management, relaxation, releasing heavy metals such as mercury and iron in one's body, and much more.

Each sauna studio includes the following in each room:

- One Clearlight Sanctuary cedar infrared sauna
- A 32' Smart HD television with cable satellite, smart apps such as Youtube, Netflix, Hulu
- Towels to cover and use for session to wipe off sweat
- Complimentary water bottles (8oz)
- Cold towels with eucalyptus for after the session
- Chair for client to sit before or after session

In addition to the features we offer, we will also include

- Easy online booking via our app
- Online purchase of memberships and packages
- Discounts to those who sign up two or more people (family add on rates)
- Referral credit for person who referred a client, only if they join (\$20 account credit to go towards water/juices or next purchase)
- Cross regional access/multi access to other our locations

PRICING

Our goal is to operate the sauna studio based on a membership strategy. All memberships are month to month, no long term contract, 2 month minimum. This is due to my experience in sales in the fitness industry, realizing customers did not like the fact that they had to lock in or commit to long term financial bills. We will retain and grow our customer base due to our excellent customer service.

- **Single Session:** \$39
- **Introductory Weekly Pass 7 days unlimited** (only eligible for new clients one time): \$49
- **4 session package** (expires after 1 year): \$119
- **8 session package** (expires after 1 year): \$199
- **20 session package** (expires after 2 years): \$399
- **2x membership:** \$49/mo (month to month contract, unused sessions roll over)
- **4x membership:** \$99/mo (month to month contract, unused sessions roll over)
- **8x membership:** \$159/mo (month to month contract, unused sessions roll over)
- **Unlimited membership:** \$199/mo (month to month contract)

Packages are sharable, for example a couple can share 20 a session package by linking profile accounts. Membership sales are the best way to grow the company, as they are long term clients and recurring monthly dues. In addition, promo rates and family add on rates are applicable.

RETAIL PRODUCTS

- Bottled water (essentia water 33.8 oz \$4)
- Juices (pre made pressed juicery 15.2 oz \$7)
- Juice Shots (pre made pressed juicery \$5)
- Towel wraps (\$35)
- Hair ties (\$2)
- Branded T Shirts (\$25)

HOW INFRARED SAUNAS WORK

Infrared is the band of light we perceive as heat. In an infrared sauna, our bodies absorb the infrared heat, increasing core body temperature versus simply heating the air as in a conventional sauna. As a result, the heart rate increases, producing a deep, detoxifying sweat combined with cardiovascular conditioning.

Through the process in the infrared sauna, acid and waste residue like toxins, sodium, alcohol, nicotine, cholesterol and potentially carcinogenic heavy metals are removed from the cells. Zinc, lead, nickel, cadmium, etc are other examples. The skin pores open and remove waste products while the skin sheds old skin cells, leaving you glowing and clean with improved tone, texture and color. In addition, blood pressure is decreased and blood circulation is increased as blood vessels are dilated, which helps aid tension and aching in muscles. Aside from the physical benefits, there are also mental benefits of a private sauna session. Clients are able to unwind in their safe space, release serotonin while watching their favorite show or listening to meditation music. The sauna session allows the client to disconnect from our day to day stresses, no phone calls or texts, which is typically right by our side. It is truly restoring our mind, body and soul.

SAUNA HEALTH BENEFITS

- Burns between 200-600 Calories per 40 minutes
- Detoxifies the body by extracting 7 times more toxins through the skin than conventional sweating
- Relieves joints and muscle pain
- Lowers blood pressure over time and increases circulation
- Reduces stress and improves mental clarity
- Improves the look and feel of skin
- Strengthens immune system
- Provides relaxation & stress relief
- Eliminates heavy metals we breathe in the environment also hormones and pesticides in our food
- Increases metabolism
- Allows clients with limited mobility to have a cardiovascular active workout
- Reduces inflammation
- Cellulite reduction
- Relieves acne, psoriasis, and eczema
- Improves sleep

MARKETING PLAN

WHY IRVINE and NEWPORT, CA?

Irvine ranks the 14th largest city in California as of 2023, and 66 populous cities in the United States. The average annual income for Irvine is an estimated \$150,000 per household, while Newport Beach is an estimated \$142,463. This means the clientele we are targeting for our sauna studio can afford the treatment we are providing.

Facts about Irvine and Newport:

- Home of numerous fortune 1000 companies
- Ranked one of America's safest big cities since 2005
- Traffic flow is well thought out with larger streets, stoplight sensors, and large parking lots for easy to find parking
- Health orientated city with tons plazas offering physical and mental practices
- Home to many well known athletes and actors/reality stars
- Many well established individuals who will pay the price to "feel good"
- Growing population that has led to new home building and new apartment homes, which means more jobs raising the household income for people who plan to move there
- Extremely clean environment while considered one of the top 10 happiest places to live in the nation

COMPETITION

The following businesses are the closest competitors in terms of similarity of services offered in our area:

- Perspire Sauna Studio (multi location)
- Saunatica Sauna Studio (Costa Mesa)
- ReVibe Sauna & Cold Plunge (Costa Mesa)

While these stores offer similar services, some of them include other services such as IV therapy, salt saunas, and cold plunges. We plan to provide a one stop shop for an efficient 40 minute sauna session, making the overhead simple and an effective system for our customers to get in and out in a timely manner, feeling better than ever! Our customer service will be top notch, leaving our clients satisfied, which will lead to referrals and word of mouth promotion. Customer service is everything from my experience, it will retain our customers, and welcome new ones by creating that "home" atmosphere. All of our clients will be greeted with a smile on our face and will be

educated about their infrared sauna experience, by focusing on the reason why they are there, which is to heal using our product.

MARKETING STRATEGY

Cross Business Marketing- To promote our opening, we can leave our guest passes and flyers at surrounding fitness centers such as yoga studios, gyms, juice bars, and pilates studios. This will get like minded individuals into our door.

Social Media- These days, everyone is on social media as their source of the newest information. We plan on using instagram ads, facebook ads, yelp reviews, and youtube ads. This will gain great traction for our sauna studio.

Influencers- During my experience, I realized there were a handful of well known athletes, actors, reality stars that would come to use our services. Heather Dubrow, who is on the Real HouseWives of Orange County, and Sebastian Joseph, a NFL player and podcast host with Mike Tyson, would come on a regular basis. We even have the Mayor of Newport beach as a client! These clients have a high following on their social media, which means if a post is made by them wearing our merch, using our sauna, and coming to our store it would lead to a huge exposure gain, which can be completely free by the power of social media.

Foot on the Floor Marketing- Pre opening and grand opening would include an employee being outside our studio, handing out guest passes and information pamphlets, introducing our product to the community!

Word of Mouth- Many of our clients will rave about their experience at our sauna studio, leading to peer to peer referrals.

PROMOTIONAL BUDGET

In the first 6 months the advertising budget will break down as following each month:

- \$400 for promotional flyers and brochures
- \$500 for facebook ads
- \$100 constant contact email marketing
- \$500 for instagram ads
- \$400 yelp professional listing and online ads

OPERATIONAL PLAN

An ideal sauna studio is located in an intimate and tranquil 1,500-2,000 square foot retail facility. The concept is similar to a tanning salon or massage studio, except with private and self-contained infrared saunas in each room. A typical studio layout consists of 8 to 12 saunas, 1 restroom, and a small room for folding towels/storage. The studio(s) operate M-F 7am-10pm. SS 8am-9pm.

PERSONNEL

- Each studio requires 1 manager and 5-7 part time employees.
- Employees can be found through sites like Indeed.com and LinkedIn.com
- Employees earn a base wage plus commission and bonuses based on sales
- The studio manager trains each employee for 2-3 weeks from our training manual
- Employees are responsible for educating new clients on the benefits of infrared saunas
- Bi-monthly staff meetings to ensure consistency throughout our organization
- Minimal labor and no special training, licensing or skills required

INVENTORY

Monthly orders consist of the following:

- Towels (delivered 3x/week M, W, Sa)
- Cleaning products such as glass cleaner, swiftners, air cans, lint rolls, eucalyptus, toilet tree products (ordered as needed, average order 2x/mo)
- Merchandise is ordered as needed
- Waters and juices purchased in bulk (average order 2x/mo)

Most inventory costs are paid within 3 days on invoice.

SALES AND MEMBERSHIPS

Our goal is to have a higher conversion rate to memberships after clients try our product! This is a month to month basis membership, with the ability to upgrade/downgrade, freeze, or add additional sessions throughout their journey. Memberships will be sold by receiving a credit card/debit card to put on the clients account for autopay. If the credit card on file declines, members' accounts will be in an inactive status, until account balance is paid.

Our employees will be able to earn commission when memberships and packages are sold. The goal for each employee is 10 memberships per month, allowing them to reach a bonus. This is an effective way to incentivise our employees for the sale, leading them to want more! Who doesn't like more money on their paycheck?! It is a win-win for the studio, as well as our team members.

EXPENSES AND PROJECTIONS

Year 1

Fixed Expenses

Rent	\$160,000
Marketing	\$20,000
Insurance Premium	\$6,000
Personnel (fixed Payroll)	\$120,000
General Operating Expenses (computers, TVS, washer/dryer, etc)	\$6,000
Utilities (average gas, electric, water, garbage, phone, internet)	\$30,000
Credit Card Processing Rate (average)	\$10,000
Retail COGS (average)	\$3,000
Waters/juices	\$18,400
Total Expenses	\$373,400

Projected Income

The following numbers are a recurring revenue model. Our goal is to sell roughly 1 membership per day for year 1. These projections include the total revenue by initial sales and recurring monthly autopays. Taking into consideration, members may cancel their membership, 70% retaining rate average.

Unlimited membership (10 sales per month)	\$230,000
8x/mo membership (7 sales per month)	\$96,000
4x/mo membership (7 sales per month)	\$60,000
2x/mo membership (2 sales per month)	\$2,150
20 session package (5 sales per month)	\$23,940
8 session package (7 sales per month)	\$16,700
4 session package (7 sales per month)	\$9,990
\$20 intro session (1 per day)	\$7,200
Waters/Juices/Merchandise	\$25,000
Total Revenue	\$470,980

EBITDA **\$97.580**

TOWELS

The average order for towels to be delivered to our studio would be \$40-\$45k per year. For the first year, we can purchase a washer/dryer and inhouse clean our towels. This will keep our cost down for the first year, and eventually will order our towels.

Year 2

Fixed Expenses

Rent	\$160,000
Marketing	\$20,000
Insurance Premium	\$6,000
Personnel (fixed Payroll)	\$150,000
General Operating Expenses (computers, TVS, camera, etc)	\$3,000
Utilities (average gas, electric, water, garbage, phone, internet)	\$30,000
Credit Card Processing Rate (average)	\$13,000
Retail COGS (average)	\$3,000
Water/Juices	\$18,000
TOTAL EXPENSES	\$403,000

Projected Income

The following numbers are repeated from year 1. The goal is 1 membership per day, with a 70% retaining rate. At this rate, we can easily open the 2nd, 3rd, 4th location! Keep in mind clients from year 1 are still on autopay.

Unlimited membership (10 sales per month)	\$230,000
8x/mo membership (7 sales per month)	\$96,000
4x/mo membership (7 sales per month)	\$60,000
2x/mo membership (2 sales per month)	\$2,150
20 session package (5 sales per month)	\$23,940
8 session package (7 sales per month)	\$16,700

4 session package (7 sales per month)	\$9,990
\$20 intro session (1 per day)	\$7,200
Waters/Juices/Merchandise	\$25,000

Recurring payments from year 1 estimated total with 70% retention rate= \$213,760

Total Revenue **\$684,740**

EBITDA **\$281,740**

FUNDING BEING SEEKED:

We are requesting \$150,000 in exchange for a 25% ownership share in our business. The initial \$150,000 will pay for construction and build out, and also rent.

In order to be safer with our cash and to have a reserve for any additional fees that may arise, we are open to a line of credit or additional investment from private investors beyond the \$150,000.