



PALM BEACH TAN®

Leading With Momentum, Management

It's been said that "success is an idea whose time has come", and the evidence suggests this is true for tanning salon franchising in general and Palm Beach Tan in particular. The Farmers Branch, Texas-based tanning salon franchise is led by a management team with a diverse background of high-level experience in franchise management and a proven track record of success.

LOOKING FIT® recently sat down with Palm Beach Tan's Vice President of Franchise Operations Steve Berkman who discussed the future of franchising and tanning salons, the acquisition of Desert Sun® Tanning, the mission of Palm Beach Tan and more.

Q: What is the greatest benefit to salon owners of being a part of the Palm Beach Tan franchise system?

A: We know how to take a brand and develop it into a prominent brand within its industry. Our management team collectively has led several national brands—Blockbuster, Inc., Pearl Vision®, Bestway, Inc. and CiCi's Pizza,—on the same path we now are taking Palm Beach Tan. We've developed a comprehensive support system for franchisees. We take them through all the steps of business operations beginning with site and market development all the way through training, operations, marketing and financial reporting.

Q: How does Palm Beach Tan create and maintain positive business relationships with its franchisees?

A: The keys to successful franchisee relationships are communication and a commitment to provide extra value that will result in more profits for the franchisees.

The job of our franchise support managers is to help our franchisees make more money—period, end of story. That's what it's all about.

We meet with our franchisees in person and maintain consistent communication through our operations support staff. As long as we can prove our commitment to our franchisees they are going to feel good about being a part of our team.

Q: How has the concept of the tanning salon "superstore" changed the image of tanning salons?

A: Palm Beach Tan introduced the concept of the tanning superstore, which we fashioned directly from our customer research. It elevates the customer experience by zeroing in on what they really want including greater selection of products and services, more convenient hours of operation, the best equipment and a more pleasurable tanning experience.

Q: Is franchising the future of indoor tanning salons?

A: Branding is certainly a big part of the future of this business, and franchising is one way for both new and existing salon owners to benefit from branding.

Q: In January 2007, your company acquired the Maple Valley, Wash.-based Desert Sun Tanning Salons franchise and operations of its 60 franchise locations. How has this merger made Palm Beach Tan a stronger franchisee?

A: Bringing Desert Sun Tanning on board has broadened our range of experience and perspective on this business. There are some operational differences between the two brands, but this has been positive because it's always valuable to learn about new ways of doing what you do. Whenever a company instantly can increase its size by 35 percent to 40 percent it gains leverage with suppliers, which opens up new opportunities both for the franchisor and franchisees.

Desert Sun is a company with tremendous momentum. It's been in business for six years; however, it experienced huge growth in the last three years and that positive energy is infectious. The momentum is continuing to gain, and the brand is exploding into new markets. It's a very exciting time.

Q: What distinguishes Palm Beach Tan from other franchisees?

A: The major distinguishing factor is that Palm Beach Tan is not just a franchisor in the business of selling franchises—we are in the same business as our franchisees. We have a proven 15-year track record operating our own stores at a very high level of profitability and currently manage 54 corporate locations. This gives us a very significant advantage because we can 1) test new concepts at our own stores and let our franchisees benefit from our experience, and 2) know what our franchisees need to succeed and are always striving to make them more profitable.

Q: What else can be attributed to the success of Palm Beach Tan?

A: We have tremendous momentum right now. It took us 16 years to grow to 100 locations—54 corporate salons and 68 franchise salons—and that happened in February 2006. By September 2007 we plan to double that number to 200 locations. We anticipate this momentum will continue to escalate and we hope to bring many of the best independent tanning salons operators with us on this journey.

For more information on the Palm Beach Tan and Desert Sun Tanning franchises, visit www.palmbeachtan.com and www.desertsuntanning.com, or reach them at (972) 406-2400 and (425) 433-1900, respectively.