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## What Is Kennedy's All-American Barber Club™?

### IT IS A NECESSITY TURNED INTO A LUXURY:

***“The BEST Haircut and Straight Razor Shave you’ve ever had – or it’s Free!”™***

**....but more than that, it is a unique Place.**

The customer experience at a Kennedy's™ is for “discerning gentlemen.” It is upscale. It is the polar opposite of the everyday haircut from the big chain shops. Like many successful men, the Kennedy's™ founders felt out of place at salons frequented by their wives, or at local strip-center walk-in “chop shops.” Kennedy's™ was created as a unique place where the founders would actually *like* to go, to get the grooming services they needed, de-stress and relax in a comfortable environment – rather than being rushed hastily in and out of a place they dreaded. While most hair-cutters cater to women and children more than men and must “mass appeal” everything, Kennedy's All-American Barber Clubs™ cater to gentlemen looking for a fine grooming experience with the old world charm of your father's barber shop and the quiet sanctuary of a men's social club, now seen only in old movies. It is a unique “place,” and the concept of “place” is an often neglected or overlooked success factor in business, in marketing, and in premium price success. Probably the best example of this is Starbucks, which has been described by its founder as a “3<sup>rd</sup> Place business” . . . providing the “place” between home and work, work and home. While not as direct an analogy, Disney's theme parks have always been about something more significant to people than just an amusement park or just a day's activity; they are, per Walt's imagination, “The Happiest Place On Earth.”

### IT IS SYMBOLISM AND ATTACHMENT TO A CONCEPT

***Ordinary businesses selling products and services in ordinary ways have ordinary (and fragile) relationships with ordinary customers – and we want no part of any of that!***

Customers of Disney, Starbucks and Apple are attached to those companies in deeper and more emotional ways. There is a powerful “psychology” to their businesses that transcends routine commerce, and we are working determinedly to create that same type of business. Kennedy's™ is for men of a certain mindset; for those who work hard and aspire to; for those who feel they deserve the best, the finer things in life. They seek excellence, superiority and uniqueness in the products and services they buy, places they go and associations they form. Kennedy's™ is designed to symbolize that. To represent “the good life” and the attainment of it. To be all about a concept meaningful to our customers – *not* about just “getting a haircut.” The CEO of Lamborghini summarized his product and its buyers this way: *“No man buys a Lamborghini to get to work.”* People buy such luxury automobiles for many other, psychological and emotional reasons, but certainly not as one of many practical choices for transportation. With Kennedy's™, we offer a much more affordable and more practical luxury, but nonetheless a luxury that is not only a pleasurable experience but is symbolic in meaning. We have made an in-depth study into this type of “deeper meanings marketing” (and continue to do so), and it is reflected in everything we do – for example, the names of the four Membership options: Life™; Liberty™; The Pursuit of Happiness™; and the Basic Gentleman™.

### **IT IS AN ELITE CLUB**

The overwhelming majority of Kennedy's™ clients are MEMBERS, at one of our four levels, thus *committed to* patronizing their location and having a sense of it as *their* place. In very short order, Members will also be participating in online and local communities with like-minded Members who share their interests. And Members will have preferred access to a growing portfolio of unique and proprietary grooming, personal care and health products, information resources, events and other goods and services . . . all related to career and business, success, health and wellness, style and personal appearance, and ultimately, lifestyle.

### **IT IS A "CLASSIC" WHOSE TIME HAS COME**

In many ways, Kennedy's™ is "retro," a re-birth and re-invention of a classic place and standard of service for which many long for nostalgically . . . younger men have only heard about or seen in movies and television programs. The demographic trends and other trends discussed elsewhere in this booklet ---- boomers, affluent boomers, affluent consumers' spending on luxuries, greater emphasis on grooming and personal appearance by men related to business and social settings, etc. --- literally CALL OUT for this business!

### **IT IS A COMING TOGETHER OF EXCEPTIONALLY SUCCESSFUL BUSINESSMEN AND TOP, CELEBRATED MARKETERS TO CAPITALIZE ON DEMOGRAPHIC TRENDS AND EMERGING CONSUMER PREFERENCES**

This is YOUR opportunity to own one of the most unique franchise businesses and to associate with a company certain to set records for growth, speed of growth, Franchisee success and profitability, innovation, and development of ancillary, connected businesses --- because we are deeply committed to doing so!

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## What Makes THIS Franchise Opportunity So Special?

### **Pride of Ownership**

Does your community really NEED another sub shop? And is there any real pride from owning yet another me-too, just-alike, same-as-the-others franchise? If you're a successful businessperson with an entrepreneurial nature, money alone is not the way you make your decisions. You consider many other matters, including lifestyle, the opportunity to be part of something unique and interesting, and the pride of owning a business that is "the talk of the town." KENNEDY'S™ is that kind of a business! One that it's easy to frequently secure favorable media attention and press coverage for, that marks and celebrates its owners as forward-thinking business and community leaders, and that enjoys an upscale image and reputation.

### **Key Success Factors From Multiple Businesses Blended Into One**

KENNEDY'S™ is a truly unique combination of "success factors." In many respects, it resembles a private practice, like a doctor's office. In other respects, it is the modern embodiment of the classic "men's club," and incorporates elements of private business clubs and country clubs. It utilizes proven advertising and marketing strategies first successfully developed in other fields, from the aforementioned private practices, to upscale restaurants and membership organizations.

### **Membership Concept**

Perhaps its most unique feature is its Membership Concept, fully explained elsewhere in this booklet.\* This, and the related Continuity Income Business Model, provide the franchise owner with a list of benefits unavailable from virtually any other local franchise, and provide the Kennedy's™ customer with a sense of status, privilege, and community conducive to long-term retention and referrals.

### **Demographics As Destiny**

Elsewhere in this booklet,\*\* you'll find a brief report on this subject. You will see that the present and evolving demographic changes in the American population favor the Kennedy's™ upscale business concept. While so many franchises are merely me-too "carbon copies" of other franchises already in the same market, all dividing up the same clientele into smaller and smaller pieces, Kennedy's™ is strategically aligned with several important demographic trends and target-market clientele groups, to capitalize on emerging consumer preferences, and to control a unique market-space.

### **Ideally Suited To Absentee Owners**

**Kennedy's™ has been designed to be the perfect second business or transition business for an already successful business owner or professional, or addition to a family business with spouse, son, daughter, etc. involved.** It does NOT require its owner to be on-premises for excellent return on investment and income. It does NOT require its off-premises owner to be

perpetually “on call” to deal with or, worse, rush over to its premises to deal with problems. It is a simple service business, without costly or complex equipment, equipment subject to breakdown, inventory subject to spoilage, staffs of teenagers who may or may not show up for work, or the myriad of other vexing problems common to most retail, food service, and other fixed location service businesses. In its early months, the owner may need to devote 10 hours or so per week; once established, even less. This also makes it practical to own several locations.

**For the owner-operator**, Kennedy’s™ offers a pleasant, enjoyable, very low stress business management situation, with opportunity to use profits from one location to open another, and another. This is an ideal “quasi-retirement” business.

### **Fast Achievement Of Profitability**

Thanks to the Membership Concept, it is possible for a Kennedy’s™ to be profitable unusually fast from the date of the grand opening....blinding speed compared to the many more months or even years most businesses require to crawl toward profitability.

### **Exceptional Advertising And Marketing Support**

Most owners of most franchises will voice their loudest and most persistent – and most justified – complaints about ineffective, even idiotic and wasteful national advertising; the parade of ad agencies; and the lack of their parent company providing effective marketing and support. Many franchise companies’ leadership teams are comprised of people from the operations and finance sides of the business, with little or no successful marketing experience themselves, who delegate it as a necessary evil to outsiders...and who can’t even capably judge the good from the bad prepared by those outsiders. While advertising/marketing is the worst weakness of most franchise companies, it is our greatest strength. Further, support for the franchise owner is second to none, all the way to our “Done For You” localized, direct marketing option. The details are elsewhere in this booklet.\*

### **True Partnership With Parent Company In Developing Portfolio Of Income Generators**

The Kennedy’s™ barber shop and club is but the core of this business. We will be developing a varied portfolio of other products and services for the Members – and franchise owners will share in these additional opportunities. There will be a second business, a third business, a fourth business built on the back of the first, making each of your Members increasingly valuable to you, and increasingly gratified by their Membership. Details are elsewhere in this booklet.\*\*

### **Superior Equity Development**

There is income, and there is equity. The latter, equity, is what grows as value inside a business . . . that can be converted to wealth upon exit. Because Kennedy’s™ is a membership-driven business (not just a “shop”) . . . and franchise owners will enjoy multiple, additional income streams beyond just the core business . . . equity superior to that of other franchise businesses is projected, and projected to develop at an accelerated pace.

## **Unique Leadership & Advisory Team**

The team, led by Chris Hurn, is made up of highly knowledgeable, skilled, and creative practitioners of Direct Marketing and Direct-Response Advertising and Marketing, along with the essential operations, management, finance and legal experts. What so few owners of large companies or small businesses understand is that, first and foremost, every business is a marketing business. And the ability to craft and implement highly effective marketing is the single most essential area of expertise that should be possessed by corporate leadership. Details about the Leadership Team appear elsewhere in this booklet.\*

In addition to this Team, Kennedy's™ has access to premier outside expert advisors and vendors who have been thoroughly indoctrinated in and succeed in their businesses and professions with "Dan Kennedy Strategies." A number of these are also founding investors in Kennedy's™. Furthermore, as our chief strategy advisor and consultant, we have Dan Kennedy himself. Dan is a legendary direct marketing consultant who has helped numerous start-ups grow rapidly and successfully (including the #1 franchise corporation in the chiropractic profession) and has helped established businesses reinvent and transform themselves from ordinary to extraordinary. You can read more about Dan in the Leadership Team piece in this booklet, and at [www.NoBSBooks.com](http://www.NoBSBooks.com). (Note: The name, "Kennedy's™," is NOT named after Dan Kennedy. His surname simply conveyed the classic, upscale positioning we wanted our franchise to stand for. More details on this can be found on our corporate website at [www.KennedysBarberClub.com](http://www.KennedysBarberClub.com)).

Ownership of a Kennedy's™ franchise in your local area is much more than ownership of some other franchise - - simply being an "account-number" with a big corporation run by re-tread executives who move periodically from one corporate ivory tower to the next. Kennedy's™ is an opportunity to be associated with a dynamic team of extraordinary entrepreneurs, all small business owners themselves, all committed to effective, accountable, profitable marketing and well versed in its requirements. This is also a virtually unprecedented opportunity to own a business strategically created and developed with Dan Kennedy, the unrivaled master of small business innovation. And, as clichéd as it may be, this is an opportunity to be in on the ground-floor of a destined "next very big thing."

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## Quick Factoids about Men's Grooming

Haircutting is a \$59-BILLION DOLLAR industry

Men's grooming is THE FASTEST GROWING SEGMENT of the entire hair care/grooming industry

HIGH FREQUENCY – men get their hair cut every 3 to 4 weeks

*GQ MAGAZINE* points out: men are under more scrutiny and pressure than ever before, regarding their personal appearance – in social and career/business environments

Almost 90% of men over age 15 shave in America – most of them with a blade and a razor, according to Gillette.

Although very traditional, shaving is also THE NEW, HOT SKIN CARE MARKET. Sales of upscale shaving foams and products and men's skin care products is up \$22-Million in just the past 3 years....with growth of another \$10-million to \$12-million projected in 2008

## Demographics As Destiny

Harry S. Dent Jr., a Harvard MBA, consultant to the Fortune 100, and author of a number of bestselling books including *The Next Great Bubble Boom*, is a highly celebrated and respected expert in forecasting societal and financial trends based on analysis of demographics. He has demonstrated time and again, that the marketplace follows changes in demographics as certainly as night follows day. The biggest and most important demographic trend has been, is, and for next 7 to 10 years, continues to be, explosive growth of the mass-affluent and affluent consumer groups. Essentially, the middle class is disappearing, with more moving up than down. What has been documented as “the new middle class of millionaires” has emerged, and even though temporarily wounded by the real estate reversals, promises to rebound and keep growing. Within the increasingly affluent spending classes, there are several groups of especially high value to Kennedy’s™.

Some of the major trends favoring Kennedy’s All-American Barber Club™ are:

•**Concentration of discretionary spending power in the hands of “boomers.”**

Boomers hit their peak of our population in 2008 and into 2009, and they will be a dominant consumer group for the next 10 to 12 years. In terms of psychology, and therefore, spending, they are different than any previous generation hitting the same chronological point in their lives. While previous groups tended to sharply reduce spending, shrink lifestyle, and preserve money for those who would inherit, this current population of boomers is demonstrating a propensity for continued spending on themselves, including lifestyle and luxury goods, services and experiences. Financially, a greater percentage of boomers, than any previous such group, have greater discretionary spending power than ever before. On top of that, they are poised to inherit the greatest transfer of generational wealth in American history. This is all summarized in Chapter Six of the book *NO B.S. GUIDE TO MARKETING TO THE AFFLUENT* enclosed with this informational kit. The “boomer male” is an ideal Member for Kennedy’s™. He is old enough to have nostalgia for the classic men’s barber shop; he has a strong desire to be treated with respect, civility, and courtesy; he is uncomfortable in other hair-cutting environments; and he has the affluence to easily afford our memberships and services.

Kennedy’s™ is literally made for the mass-affluent and affluent boomer!

•**The unique group of “those who’ve gone from poor to rich.”**

The majority of successful business owners, entrepreneurs and sales professionals have gotten where they are from the ground-up, through self-motivation, determination, persistence, hard work, and salesmanship. They are great admirers of those virtues when they identify them in others, and tend to respond well to businesses marketed in a way that represents those virtues. They also feel they deserve a lot more recognition than they get, and have a learned behavior of rewarding themselves in various ways, including those symbolic of status and providing upscale experiences. This segment of the mass-affluent and affluent populations, age 40 and up, has roughly doubled

just in the past 5 years and promises to again double in the next 5, despite disadvantageous governmental tax policy. . . the opportunities available now are so enhanced by technology, removal of geographic boundaries, reduced barriers to entry into many businesses, and the explosive growth of the mass-affluent and affluent populations to sell to, that the number of entrepreneurs rapidly rising from “poor” to “rich” cannot help but keep growing. This target group is further described in Chapter 7 of the enclosed book, *NO B.S. MARKETING TO THE AFFLUENT*.

•Those who “trade-up.”

Within the mass-affluent, there are many “aspirational buyers,” meaning that they buy things that reinforce their image of who they intend to be and the lifestyle they hope and want to live. Because that reach exceeds their grasp, they can’t simply change the luxury-level of everything they buy, so they “trade-up” on relatively minor things. Such a man may not yet buy a top luxury car, but if traveling and renting cars, may rent the luxury auto rather than the ordinary full-size or mid-size one. He may not buy a \$5,000.00 custom-made suit, but he may very well have his dress shirts custom tailored. This buyer and buying behavior is described in Chapter 16 of the enclosed *NO B.S. MARKETING TO THE AFFLUENT* book, and that chapter is sub-titled: “Their Little Indulgences Equal Big Profit Improvements.” In many respects, Kennedy’s™ is a “little indulgences” business, which enables us to successfully sell services at premium prices (and superior profit margins).

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## Why “Membership?”

**THE MEMBERSHIP CONCEPT is certainly not new** – countless businesses have used it, including the largest insurance marketing organization in the world, AARP, to the once extremely popular Playboy® clubs (which lost their allure over time only because the bunny suit and club environment went from racy to quaint), even to American Express, with its slogan “Membership Has Its Privileges.” You have probably seen the TV commercials or heard the radio commercials for DirectBuy®, a wholesale buying club requiring a substantial membership fee. Those requiring much more modest membership fees are Sam’s Club and Costco. In all these cases, customers are paying for the privileges of membership, primarily including the right to be a customer and patronize the business.

**There are many profound reasons for choosing to develop Kennedy’s™ with a Membership Concept:**

**1: People who perceive themselves as Members of a club, restaurant, buying group, etc. typically spend at least twice as much as customers of similar businesses absent membership do. Another way to say this is: each Member is worth two or more non-member customers.\*** This is important because it means each location requires a lot fewer Members to meet income targets than it would if operated as an ordinary barber/hair-cutting shop. Since the most expensive and difficult part of business is getting new customers, the fewer customers needed, the better.

**2: People who perceive themselves as Members of a club, restaurant, buying group, etc. typically patronize the business more frequently than customers of similar businesses absent membership do.** \* This reinforces #1 above, regarding customer value, but also links to another important measurement: likelihood and frequency of referring others to the business. Again, people who are involved as Members refer more, and people who patronize a business more frequently, refer more.\* Customer retention is the weakness in most small businesses where there are significant numbers of alternative, competing choices. The concept of “customer loyalty” based on customer satisfaction is long ago dead. Other “chains that bind” are needed to keep customers from casually dividing their patronage by whim or convenience. Because it is so costly to replace lost or inconsistently active customers, retention is a chief control element in net profit. Our Membership Concept has built-in retention.

**3: The Patent-Pending Membership Concept developed for Kennedy’s™ provides clear differentiation from all other barber shops and hair-cutting establishments.** There are other, obvious points of differentiation, but this is certainly an easily understood and significant one that resonates with certain types of customers.\*\* Jack Trout, of the famous advertising team Ries and Trout, wrote a book titled *DIFFERENTIATE OR DIE*, about the explosive growth of consumer choice and marketplace clutter. Another outstanding book, *THE PARADOX OF CHOICE* by Barry Schwartz, goes into in-depth detail about the perils for consumers and marketers alike of too many choices in a product or service category. For any given type of business, the proliferation of me-too

choices dilutes the market to the point that all have too small a share of the market to prosper. The answer is “differentiation,” by being not just different, but different in a way that resonates with a particular market segment.\*\*

**4: Our Membership Concept stabilizes owner income.** One of the worst aspects of small business franchise ownership is the unpredictability and instability of income, while expenses are pretty predictable! Many business owners ride income roller coasters: income going up, income going down. Its feast or famine . . . affected by everything from stretches of bad or good weather or seasons to something going on in the news that’s a distraction for several weeks in a row. The owner of a Kennedy’s™ franchise has a very different experience, because well over 70% of all the income is in the form of monthly continuity, providing a solid and predictable base of recurring income. You are not waiting for customers to come in.... or affected by customers not coming in as frequently in July and August as in October . . . you are in control of your income.

This is very important for the person for whom ownership of a Kennedy’s™ is a second business – such as the doctor with his own private practice, restaurant owner, corporate executive, etc. You already have a business with unpredictable, “roller-coaster” income and do not need to multiply that anxiety! A second business *must* offer a different financial formula otherwise, why bother?

It is an equally important consideration for the person leaving behind the (apparent) security of a regular paycheck from a corporate career; for many, the change to uncertain and unpredictable income causes great personal and family stress – that’s minimized with a Kennedy’s™ franchise.

**5: Our Membership Concept can embolden and empower you to grow your business with advertising and marketing, and by opening additional Kennedy’s™ locations, because the income is so predictable and stable.** Complex and difficult to manage metrics like number of customers, average transaction, average frequency, percentage who spend “x” versus “y,” percentage who come in at “x” frequency versus “y” frequency, etc. are replaced by a much simpler, more manageable, more certain formula for creating, controlling and predicting income: number of Members added per month and number of total active Members. This turns advertising and marketing from a guessing game into a true investment strategy. And it can enable you to provide or obtain financing for, and to open additional locations with strong confidence in the projections for number of months to profitability and to full recovery of investment.

**6: Our Membership Concept makes your business more valuable and more saleable,** when the time comes that, for whatever reason, you wish to exit. When selling an ordinary business, you have *historical* sales and income numbers and customer goodwill, but *no* certain current and continuing income. Businesses with income streams based on renewal, auto-renewal, or continuity tend to sell at a higher multiple of sales or profits than do other types of businesses\*\*\*, because there is an income stream being sold. The time you invest in owning and building Kennedy’s™ franchises and your years of ownership should pay you much greater exit dividends than those same years’ ownership in most other franchised businesses of comparable gross sales.

**7: Our Membership Concept creates an environment and a relationship conducive to providing an expansive portfolio of products, services, events, etc. to Members, administered both at the local level and at the national level, creating additional income beyond the core business for franchise owners.\*\*\*\***

This is *not* an exhaustive list of the benefits, but these are some very significant benefits. And frankly, most local retail or service businesses are *not* designed with anywhere near this level of sophistication. Most are: establish a business that does or sells something; decorate and equip the location; hang the sign; open the doors; advertise incessantly; and *hope* that enough customers come in to make money. We say: hope is *not* a business strategy. Our approach is VERY different. It is about using the business as **a means of putting in place a continuing, reoccurring income stream, with a high level of predictability and security.** The Membership; the Members; the greatest asset. **In a very important sense, owning a Kennedy's franchise is NOT about (just) owning an upscale barber shop; it is as much or more about owning a Club of Members, and being in the Membership business.**

We have developed the Membership Concept for Kennedy's™ in a complete, sophisticated, and appealing way. (See details – “Products & Services” in this booklet.) Our chief strategy advisor and consultant on this, Dan Kennedy, has over 15 years' extensive experience with “Membership concept” and continuity marketing, encompassing years of work with one of the largest consumer-product continuity/”club” marketers in the direct marketing industry: Guthy-Renker. They have grown to more than \$1-billion in revenue with their portfolio of product lines including Pro-Activ® acne treatments and Victoria Principal and Susan Lucci skin care and cosmetics. Dan has also worked with Weight-Watchers International and also brought these same marketing strategies, very successfully, to a wide variety of businesses where they are not commonplace or even thought possible, including: restaurants, including pizza shops; clothing stores and other retail businesses; real estate investing and residential and commercial real estate brokerages; and the list goes on and on. The publishing company he is voice and personality of, lead author for, and helped grow, and continues to advise, Glazer-Kennedy Insider's Circle™, might be viewed by casual observers as a newsletter, seminar, and catalog business, but it is, in fact, entirely Membership Concept-driven and continuity-income based. The principals of Kennedy's All-American Barber Club™, Chris Hurn, Tony Zara, JW Dicks, and Nick Nanton have all mastered continuity and membership models, in part as Dan Kennedy students, and deployed them in diverse businesses of their own, as well as for private consulting clients.

\*Research from various sources including The Luxury Institute; The National Association of Retailers; and Restaurant Marketing Systems Inc.

\*\*Approximately 35% of the general population can be classified as “joiners;” they tend to belong to and be active in a number of clubs, associations, subscriptions, continuity programs, etc., and are consistently responsive to “membership concept” – and, incidentally, identifiable and reachable via different commercially available mailing lists. A higher percentage of Mass-Affluent consumers tend to be responsive to membership, when it is presented as “achievement of aspiration” - - the belonging to the group, a *recognition* of status. And a high percentage of Affluent consumers are also responsive to membership, when it is *reinforcement* of elite status and access to something “behind closed doors,” not available to all. Boomers have been “joiners” their entire lives at a rate 5-times greater than are those 30 years of age and younger.

\*\*\*Research from M&A Advisors and Harvey Zimmel, an exit strategy consultant included in the book, *No B.S. Guide to Ruthless Management of People and Profits*; and certain industry norms for valuing businesses.

\*\*\*\*See "Additional Opportunities" elsewhere in this booklet.

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## Products and Services

Like everything else at Kennedy's™, you'll notice that we like to take the familiar and find ways to make it new and innovative. That's exactly what we've done with our products and services. From our patent-pending membership-driven concept all the way through to the names of our products and services, we give our clients a unique experience they simply can't find anywhere else. Take a look below and see for yourself!

# *Life*<sup>TM</sup>

... or should we call it The Good Life? This Membership experience is for the Kennedy in You -- the Ultimate Gentleman™ -- who enjoys the finer things in life and isn't afraid to indulge a bit. You deserve it. After all, you work hard whenever you're NOT at Kennedy's, so why not enjoy yourself when you ARE at Kennedy's? We staunchly agree.

### BENEFITS:

- Unlimited Signature Haircuts.
- Unlimited Signature Haircuts for your children under 13.
- Unlimited Signature Straight Razor Shaves™.
- Unlimited Mini-Facials and Waxing.
- Priority Reservations.
- Private Humidor-Style "Mini-Locker" customized with a nameplate crafted just for you.
- 20% Discount on all Kennedy's Grooming Products.
- Complimentary beverage during each visit (choice of water, soft drink, beer, coffee or tea).
- Black & White framed 8x10 Photo with your business card inserted and hung on our Wall-of-Fame (may make your Membership tax-deductible).
- Yearly Birthday Present from your local Kennedy's Proprietor.
- Concierge/Personal Shopper Services Available (ask for details).
- Complimentary Kennedy's Monthly Magazine -- COMING SOON!
- Nationwide Usage Rights at all other Kennedy's (with a minor "courtesy charge") -- COMING SOON!

- Shoeshine During Service -- COMING SOON!

## *Liberty*<sup>TM</sup>

“Give Me Liberty or Give Me Death” -- that’s what we think, too . . . at least when it comes to freedom from those other “chop shops.” We’d rather get our haircut from a Licensed Barber, skilled in the art of consistently crafting the exact haircut you’ve been looking for all your life, than from an 20-year-old cosmetology school graduate who doesn’t know how to fix her own hair . . . or the first thing about a first-class experience . . . wouldn’t you?

### BENEFITS:

- Unlimited Signature Haircuts.
- Unlimited Signature Haircuts for your children under 13.
- During each visit, you may also choose from one of the following services:
  - Signature Straight Razor Shave<sup>TM</sup>
  - Mini-Facial
  - Facial Waxing
- 10% Discount on all Kennedy’s Grooming Products.
- Complimentary beverage during each visit (choice of water, soft drink, beer, coffee or tea).
- Yearly Birthday Present from your local Kennedy’s Proprietor.
- Complimentary Kennedy’s Monthly Magazine -- COMING SOON!
- Nationwide Usage Rights at all other Kennedy’s (with a minor “courtesy charge”) -- COMING SOON!
- Shoeshine During Service -- COMING SOON!

## *Pursuit of Happiness*<sup>TM</sup>

For what are we doing if we aren’t always in the Pursuit? The Pursuit of Happiness<sup>TM</sup> Membership gives you the exclusive access you need to begin experiencing the art of the Kennedy’s Signature Straight Razor Shave<sup>TM</sup>.

### BENEFITS:

- Unlimited Signature Haircuts.
- Unlimited Signature Haircuts for your children under 13.
- Pick one per month from the following services:
  - Signature Straight Razor Shave<sup>TM</sup>
  - Mini-Facial
  - Facial Waxing
- Complimentary beverage during each visit (choice of water, soft drink, beer, coffee or tea).
- Yearly Birthday Present from your local Kennedy’s Proprietor.
- Complimentary Kennedy’s Monthly Magazine -- COMING SOON!

## *The Basic Gentleman*<sup>™</sup>

For the discerning gentleman on a tight budget. The Basic Gentleman™ allows you to join the club and get unlimited haircuts. Just know this: once you have had your first Kennedy's Signature Straight Razor Shave™, you'll be begging us to let you upgrade your Membership experience. Don't say we didn't warn you.

### BENEFITS:

- Unlimited Signature Haircuts.
- Complimentary beverage during each visit (choice of water, soft drink, beer, coffee or tea).
- Complimentary Kennedy's Monthly Magazine -- COMING SOON!

## *Signature Services*

Signature Haircut

*Includes Hot Towel, Shampoo, Conditioning Treatment, and Scalp or Shoulder Mini-Massage.*

Children's Haircut

*Under 13 years old.*

Kennedy's Signature Straight Razor Shave™

Signature Haircut & Shave

## *In-Chair Upgrades:*

Beard & Moustache Trim

Gent's Mini-Facial

Gent's Wax (ears, nose, eyebrows)

## *Coming Soon*

Massage Memberships

Kennedy's Band of Brothers Foundation™ (*supporting Veterans' causes*)

Kennedy's Ultimate Gentleman™ Grooming Products

*And Much, Much More!*

As you can see, we're not your average "chop shop." We take the time and energy to create a memorable experience that will have our Members coming back for more. Like any good business, we also understand that we will find new and innovative ways to make our products and services even better when it makes sense for our Franchisees. That being said, the core of what we do will never change, we give men a pleasant answer to one of their small problems. And while we probably won't save the world, we do what we can to make our Members' worlds, just a little bit brighter.

## Advertising & Marketing

The lifeblood of any business is advertising and marketing, and the system supporting Kennedys™ is comprehensive.

**First and foremost, all the advertising and marketing is direct-response based.** One of the greatest advertising men of modern times, David Ogilvy, who built one of the world's largest ad agencies (Ogilvy & Mather) was known to criticize his own people, telling them that only the "direct response people" really know what they're doing. We believe brand identity should not be purchased, but should come about as by-product of direct response. As background, direct-response evolved from "mail-order advertising," where there is no ambiguity or mystery about results: orders received or coupons redeemed tell the story. The principles and strategies of direct-response are very different from traditional image advertising, and require greater skill and experience to use with maximum effectiveness. What this means to the Kennedy's™ franchise owner is simple: 0% waste; 100% accountability; solid return on investment.

**Second, there is complete offline and online integration.** Each Franchisee is supported online via a complete Kennedy's™ web site with directory of locations and links to each local Franchisee's website, all created and maintained for you. The website also features direct-response methodology; it is not just an information site akin to a brochure; there is visitor contact information capture and fully-automated, multi-step, multi-media follow-up...*us doing work for you*, converting leads to customers. Also featured: state of the art audio and video presentations at the sites. Online marketing will include email campaigns to the entire national lead base (i.e. visitors to sites), use of "new media" such as YouTube, Facebook, etc., as well as banner ads and pay-per-click.

Offline national advertising features print advertising in selected magazines and publicity/public relations, driving traffic to the websites. For retention, referral stimulation, and marketing of additional goods, services, seasonal promotions, etc., Members receive both offline and online newsletters – again, *us doing work for you*. Over time, Members will become involved in a closed online community, and the online marketing will expand to a growing portfolio of products/services presented in online catalog formats, additional businesses, and joint ventures with other select companies . . . and franchise owners will share in these ancillary income streams.

**Third, for the franchise owner at the local level, there is comprehensive local advertising and marketing support, for both external and internal marketing.** For external, to attract new clientele, Kennedy's™ has and continually develops and provides new direct-mail campaigns for

geographic/demographic, affinity and other target-market lists including innovative, tested, proven birthday, ½-birthday, and other seasonal or event-based campaigns; charity tie-in promotion campaigns; and publicity campaigns...all “turn-key” and ready to use, with full vendor support in place – so you *never* need to scratch your hand and, as amateur, figure out and create advertising, direct-mail pieces or promotions from scratch, on your own.

For internal, to convert customers to Members, for sale of more products and services, for retention and for referrals, we again provide a complete collection of done-for-you, ready-to-use tools, with full vendor support. One of the “insider secrets” we know from our own businesses...and that Dan Kennedy has proven in his work with practice marketing in chiropractic, dentistry, cosmetic dentistry, cosmetic surgery and weight loss...is that INTERNAL marketing is even more important and more powerful than external. “Growing from within” by multiplying your best Members through referrals is a process to be strategic about, purposed about, to manage as an active marketing function – not something to let occur only organically, settling for whatever happens on its own.

There is, of course, a complete, step-by-step SALES SYSTEM, for converting first time customers to Members, including scripts, tools, staff training, and “appointment-no sale” follow-up direct-mail pieces.

Bottom-line: in most businesses, you are “on your own” when it comes to advertising and marketing . . . always reinventing the wheel, often guessing, and usually aware there are people smarter and more experienced at these tasks, but out of reach and unaffordable to you, as one lone small business owner. Being part of a large, growing franchise organization *should* resolve this weakness and give you access to and support from “the best and the brightest” – but it very, very rarely does. Most franchise companies are, perhaps surprisingly, not marketing oriented and their leaders do not view theirs as marketing businesses. If you ask the CEO of a restaurant chain or company like YUM Brands® (which owns KFC and others) or Wendys® and Arbys®, for example, what business they are in, they’ll answer by saying they are in the restaurant or fast food or food service business. They do not see themselves as in the advertising and marketing business. We do. We are an advertising and marketing “special opps” team devoting our expertise and energy to the marketing of the Kennedy’s All-American Barber Club™. We do not think of ourselves as being in the barber shop business having to do some advertising and marketing; rather we’re in the advertising and marketing business, supporting barber shops. This is more than a semantic difference. It is a profound distinction you should consider about the team you want working for you! And that is, after all, what your franchisor should be: a team working *for you*.

The information in this literature is not intended as substitute for that in the Franchise Disclosure Document. Only the information in the FDD may be relied on in the evaluation and purchase of this franchise.

## Media

The following are excerpts from recent news articles about both Kennedy's and the grooming industry at-large. These comments offer objective insights about this concept, and its carefully-chosen niche.

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*“While some analysts say this isn't the best time to get into franchising, it's fine; especially for a franchise that targets such a basic service need as hair care.”*

-- Nick Bibby,  
Franchise Consultant

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*“[Kennedy's] shops have been able to gain members thanks to strong word-of-mouth. The business is also recession proof, because hair doesn't stop growing when the economy is in the tank, and its customers – typically affluent folks like doctors, lawyers and executives – aren't as affected by the most severe aspects of the economic downturn.”*

**Franchise**

**Times**

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*“The monthly membership tends to steady a unit's ship in the midst of economic turmoil. We have a very loyal clientele and people do need haircuts. Businessmen like the idea of paying a membership.”*

--Sandra Norris,  
Kennedy's Franchisee

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*“Across the industry, the revenue of hair care brands that franchise has increased 80 percent.”*

-- Peter Schwarzer,  
Director of Research, FRANdata

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*“The clubs have lower overhead and virtually no inventory.”*

-- **Franchise**

**Times**

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*“Men are increasingly likely to spend more money on their looks than they once were. Sales of men’s grooming products and services increased nearly 70 percent between 2002 and 2005. And yet men’s piece of the \$59 billion haircutting market remains small and largely fragmented.”*

-- **AC Nielsen**

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*“Hurn is a seasoned financier and business coach whose company, Mercantile [Commercial Capital], works with numerous franchises. He is also confident in his ability to use the strategies he employed in building a fast-growing financial company in the franchise world.”*

-- **Franchise**

**Times**

## Leadership Team Profiles

CHRIS HURN – CHAIRMAN & CHIEF EXECUTIVE OFFICER



Chris Hurn is currently President, CEO, Cofounder and Board member of [Mercantile Commercial Capital \(MCC\)](#). His company was recently added to the 2007 *Inc. 500* list of the fastest growing companies in America, number 245 with 951% growth over the past 3 years. Chris is well-known for his innovative marketing achievements and continues to coach and consult with various business owners and entrepreneurs. To date, [MCC](#) has closed commercial loans in 33 states for over \$365 million in total project costs - one business owner at a time and has been voted “Best Place to Work” by the [Orlando Business Journal](#) for 3 years running.

A few other business achievements Chris has received:

- Reader’s Choice Award for “Most Respected Executive in Central Florida” and “Best Small Company in Central Florida.”
- “SBA Marketing Guru of the Year.”
- NADCO’s Banker of the Year.
- SBA Financial Services Champion.
- Top Twenty Most Influential People in Small Business lending.
- Hallmark Award for Top Producer in Mortgage Lending.
- “Top Male, 40 Under 40” in Orlando.
- One of the “100 Most Influential People” in Orlando.

Throughout his career, Chris has been in various leadership positions, including his background as business consultant and financier with [GE Capital](#) and as CFO for the [NAI RealVest](#) group of companies. Chris’ educational achievements are equally impressive. He graduated from [Loyola University](#) with two magna cum laude Bachelor Degrees; earned a Master’s Degree from the [University of Pennsylvania’s Fels Center](#) (formerly at the Wharton School of Business); and only spent one year at [Georgetown University Law Center](#) before wising-up about becoming an attorney. Chris is a frequent speaker and writer and has appeared in the [Wall Street Journal](#), [Inc. Magazine](#), [LA Times](#), the [Sacramento Bee](#), the [Orlando Sentinel](#), [Scotsman Guide](#) and many other regional and nationally-recognized trade publications. He maintains a busy civic calendar as a Board member with the [Orlando Regional Chamber of Commerce’s Small Business Board](#) and the [Florida Hospital](#) Foundation Board, as well his involvement with many other

esteemed community organizations. Chris is married to his wife of 12 years, Shannon, and has two children, Julianna and Reilly.

TONY ZARA – PRESIDENT/CHIEF FINANCIAL OFFICER



Tony Zara is Executive Vice President of [Mercantile Commercial Capital](#) (MCC) where he manages the financial underwriting and business development functions of the company. His expertise in sales and finance has enabled he, and his team, to grow [MCC's](#) loan production to over \$100 million a year in a very short period of time. As Executive Vice President of MCC, Tony has also played an intricate role in developing and implementing the company's ACE Correspondent Program that was rolled out during 2006. The Program has offered a partnership opportunity to mortgage brokers throughout the United States who wanted to not only share in the enormous income opportunities [MCC](#) has identified, but also realize the marketing power that the team at [MCC](#) has deployed so effectively in the past. Tony has been a key player in this [MCC](#) area development strategy with its correspondents and has been involved with the sale of over 35 territories in just 18 months.

Prior to joining MCC, Tony worked as a Business Analyst for [American Express](#) in London, England. While in London, he worked within Global Network Services and was responsible for the successful implementation of [American Express Blue™](#) smart chip technology throughout Europe, Asia, and the Middle East. His day to day responsibilities included international government relations, business development, strategic planning, and financial analysis.

Tony is an active member in several national organizations such as the [Association of Corporate Growth \(ACG\)](#), [Wharton Alumnae Association](#), the Orlando Regional Chamber of Commerce, the [National Association of Development Companies \(NADCO\)](#), and the National Association of Industrial and Office Properties (NAIOP).

Tony earned a Bachelor's of Science degree in Economics from the [University of Pennsylvania's Wharton School of Business](#). While there, he also played quarterback for the Quaker's football team, which recorded 33 wins, only 7 losses, and 2 Ivy League Championships during his tenure. Tony is an avid sports fan and enjoys playing golf in his spare time. He and his wife Catherine live in Longwood, FL with their five year old son, Zachary.

NICK NANTON - CHIEF MARKETING OFFICER



Nick Nanton, Esq. has been named “Best of the Bar” and has been referred to as “One of Orlando’s Top 10 Young and Powerful,” but prior to becoming an Attorney, Nick spent more than a decade immersing himself in the entertainment industry, as an award winning songwriter and television producer, and surrounding himself with celebrities. He has worked on projects and negotiated deals, from large scale events to reality television shows, involving celebrities from many genres including: President George H.W. Bush, Comedian Bill Cosby, Coach Don Shula (The Miami Dolphins), Bobby Knight (Legendary College Basketball Coach), Roy Firestone (Emmy Award Winning Host of ESPN’s “Up Close” and “Up Close Prime Time”), Stan Lynch (Rock ‘n Roll Hall of Famer, Multi-Platinum Recording Artist, #1 Hit Songwriter and Drummer for Tom Petty and the Heartbreakers), and many, many more. Nick has taken his years of experience with Celebrities and has “Cracked the Celebrity Code” and now teaches business owners to become celebrities in their business niche to lock out their competition.

An energetic speaker and author of the books, [\*Celebrity Branding You™\*](#), and the *Dicks & Nanton Business Law Library* as well as the educational courses “7 Secrets to Making Real Money With Your Music” (co-authored with Bob Baker, author of the *Guerilla Music Guide to Music & Marketing*), *Celebrity Franchising You*, and *Blueprint to Millions*, Nick is known as a taste-maker and has been featured in The [\*New York Times\*](#), [\*Entrepreneur®’s Start Up Magazine\*](#), [\*The Chicago Tribune\*](#), [\*The Chicago Sun Times\*](#), [\*The Arizona Republic\*](#), [\*The Dallas Morning News\*](#) and many other national publications on subjects ranging from branding, marketing and law to [\*American Idol\*](#).

Nick is a Managing Director at the Law Firm of [\*Dicks & Nanton P.A.\*](#), is a member of the [\*Florida Bar\*](#) and holds a JD from the [\*University of Florida Levin College of Law\*](#), as well as a BSBA in Finance from the University of Florida’s prestigious [\*Warrington College of Business\*](#). Prior to founding Dicks & Nanton P.A., Nick served as CEO of [\*Cinemark Music Group LLC\*](#) a subsidiary of Cinemark USA, Inc., one of the largest motion picture exhibitors in North America with 3,288 screens in 33 States and Internationally, as well as CEO of Loud Entertainment LLC and Director of Business Development and Assistant Corporate Counsel for [\*PremiereTrade LLC\*](#).

Nick is a currently a member of The [\*National Academy of Recording Arts & Sciences\*](#) (Also Known as NARAS, Home to The GRAMMYs) and casts a vote on the annual [\*GRAMMY® Awards\*](#), is the past Chairman of the [\*Orange County Bar Association’s\*](#)

[Entertainment Law Committee](#), serves on the Executive Council of the Entertainment, Arts and Sports Law Section of the Florida Bar, the Board of the [Florida Hospital Foundation](#) and is a member of Florida Blue Key - “Florida’s Oldest and Most Prestigious Leadership Honorary.” Nick spends his spare time rooting for the Florida Gators with his wife, Kristina, and their two sons, Brock and Bowen.

#### J.W. DICKS - CORPORATE COUNSEL



JW Dicks, Esq. is an attorney, best-selling author, entrepreneur and business strategist. He has spent his entire 35-year career building successful businesses for himself and his clients bringing his golden touch to the marketing and sales of over \$500 million of products and services. His professional versatility affords him a unique insight into the opportunities available for today’s business owners along with the knowledge of how to structure and position a business to take advantage of them.

He is the senior partner of [Dicks & Nanton P.A.: The Business Growth Lawyers™](#), representing clients in the growth of their business using franchises, area exclusive licensing, coaching, idea licensing, info-marketing, joint ventures, syndications and explosion marketing to accomplish their goals. Jack has worked with a diverse set of clients ranging from an [Inc. 500](#) fastest growing company with sales over \$250 Million, to public companies, and down to a small start up that made fishing lures. He loves the challenge and excitement of them all.

In addition to coaching and consulting with clients nationwide, Jack is also a successful entrepreneur. He has built his own businesses, with annual sales over \$35 Million, developed real estate in excess of \$200 Million and both created and sold intellectual property rights for as much as \$1.8 Million.

Jack has led national conferences and conventions and has spoken to over 150,000 business leaders on venture capital formation, syndication, investing, and business growth strategies. He is the best-selling author of numerous legal and financial books including: the 50 Volume set, *How to Start a Corporation and Operate in Any State*; *Moonlight Investing*; *The Florida Investor*; *Mutual Fund Investing Strategies*; *The Small Business Legal Kit*; *The 100 Best Investments For Your Retirement*; *Financial CPR*; *Operation Financial Freedom*; and *How to Buy and Sell Real Estate*.

In addition to his Juris Doctorate degree, Jack holds securities licenses, 22, 7, 65, and 24. He is also a registered securities principal, registered investment advisor, and real estate broker. Although technically proficient in several professions, his clients consider his greatest attributes to be his innate creativity, visionary focus and ability to design and implement multi-layered profit centers for companies and individuals seeking long-term financial growth and protection.

Jack is a graduate of the [University of Florida](#) and [George Mason College of Law](#). He is a member of the [American Bar Association](#), [NASD](#), [National Association of Realtors](#), the [Florida Bar](#) and the [Virginia Bar](#).

Jack's business address is Orlando and his play address is at his beach house where he spends as much time as he can with his wife, Linda, of 32 years, two daughters, two son-in-laws, and two Yorkies. His major hobby is fishing although the fish are rumored to be safe.

#### DAN KENNEDY



**DAN S. KENNEDY, Author of the *No B.S. Guide to Marketing to the Affluent*** and 12 other bestselling business books, is a multi-millionaire serial entrepreneur, investor, and sought-after strategic advisor and consultant with a 30-year track record of leadership in the field of Direct Marketing. His corporate clients have included Weight-Watchers International, Amway Corporation, and Guthy-Renker Corporation (famous for its TV-infomercial-created brands such as Pro-Activ and Victoria Principal cosmetics) . . . although he prefers working with smaller, entrepreneurial companies. Through his popular newsletters, books, speaking, business coaching and networks of advisors in over 100 niche industries, Dan directly influences over one million business owners annually. Dan is an investor in and advisor to KENNEDY'S ALL-AMERICAN BARBER CLUB™. For more information about Dan, visit [www.NoBSBooks.com](http://www.NoBSBooks.com). His books are available at bookstores such as Barnes&Noble, Borders, and at [amazon.com](http://amazon.com) or [BN.com](http://BN.com)

## Additional Opportunities

Being serial entrepreneurs, instead of ivory tower talking heads, we are always looking for practical ways to make our Franchisees more money. Why? Because your success is our success. We also understand that when you become a trusted resource for a client or customer, you become a whole lot more than most businesses recognize. Consumers and business owners look to their trusted resources in every field to help them find life's little secrets, which the rest of the world often doesn't even know about. As we become the provider of these things, it adds additional profit centers for our Franchisees without having to build another business from scratch . . . and the customers are built in! That is our goal: to become a trusted resource to our Franchisees and to our Members.

We also understand that by putting together a tightly controlled demographic of upscale, mass-affluent men, there will be many more opportunities that this group will long for. And we aim to find ways to provide them with the solutions to their needs. We also understand that no idea is worth anything without it first being tested, so we will work with our Franchisees to test ideas in certain regions before rolling them out nationally whenever plausible.

Just a few of the concepts that you shouldn't be surprised if you see us test and roll out in the next few years are:

- Kennedy's brand Grooming products, to be called the Ultimate Gentleman™, including shampoo, conditioner, pre-shave and after-shave lotion, shaving cream, and hair gel.
- Member-only travel excursions to adventurous places and big sporting events
- Discounts on national magazines of interest.
- Discounts on various products and services of interest.
- Custom tailored clothing.
- Custom-selected music.
- Exclusive sports and entertainment memorabilia
- And much, much more!

## Your Next Steps

To begin the process of your full fact-finding and learning about the Kennedys All-American Barber Club™ franchise opportunities, and qualifying for acceptance . . .

**1: Complete and return the enclosed Preliminary Application (if you haven't done so previously)**. It is, of course, non-binding and carries with it no obligation. And you can rest assured, there will be no subsequent "high pressure selling" by us. We anticipate having no more than 300 franchise owners in the U.S. and Canada within the next couple years, so given that "limited supply," we are far, far, far more interested in carefully selecting the best owners – not in just selling a franchise!

**2: Provided the Preliminary Application is acceptable, a brief telephone appointment for you with one of our top executives will take place.**

**3: If determined appropriate, after the telephone discussion, you will be invited to a DISCOVERY BRIEFING**, where every detail of the business will be presented, questions answered, and an actual Kennedy's location visited.

A necessary Warning:

**We are on a fast growth track, working to select as many of the right franchise owners as possible, as quickly as is practical. Our history is all about fast growth, in our other businesses. Obviously, once a franchise owner has acquired territory or location rights, any other candidates for that same area must be turned away and are probably locked out permanently. Your particular area might remain open for many months, but it might also be taken tomorrow. Any procrastination, indecisiveness or delay could lead to costly disappointment.**

A note about types of franchise opportunities:

Our objective is to establish about 100 locations as quickly as possible and up to 300 over the next couple of years. Master/Area development, and several different arrangements for 3-Units/locations, and single unit/location franchises are available, and the above process will govern their assignment.

A very limited number of "Master" or Area Development franchises are available. The individual qualifying for and acquiring such a franchise may or may not wish to own one or more locations of his own. His primary business will be partnering with us in the recruiting and selection of franchise owners, training and regularly coaching the owners in his area, assisting with cooperative marketing efforts involving multiple owners in his area, and otherwise supporting the owners. This can be an extremely lucrative opportunity. It requires excellent communication, persuasion and motivation skills; sales, sales management or business management experience; and a passion for

coaching business owners and entrepreneurs. Interested individuals should by-pass the above process and contact Bryan Glass at (407) 215-7561 immediately.