



HFD Spa®

Spa Advisory Services for Fine Hotels, Resorts & Mixed-Use Developments®

Scope of Services

HFD Spa (Health Fitness Dynamics, Inc.) is an innovative full-service spa consulting, planning, marketing and management advisory company that is owned and managed by Judith L. Singer, Ed.D., ISHC, and Patricia A. Monteson, M.S., ISHC. The Pompano Beach, Florida corporation was formed in 1977 and, since 1983, has worked primarily with fine hotels and resorts, mixed-use real estate developments, country clubs and up-scale day spas and health clubs that want to have a marketable and profitable spa venture that complements and enhances their core business which is typically to sell hotel rooms and/or lifestyle real estate.

As HFD Spa enters the next 25 years of its business, we are focused on how to help existing spas to perform at maximum levels of efficiency and profitability. HFD Spa has created an international **Spa Provider Alliance**. This is a highly select network of spa, business and hospitality professionals who provide proven, extraordinary value, experience and expertise to assure maximum performance and results. HFD Spa has known and worked with these individuals and their companies for many years. Regardless of where you are in terms of business development or geographical location, HFD Spa's network can provide the services you need in a timely, cost-effective and results-oriented manner.

While HFD Spa expands its scope of services with more operational, financial, marketing and profit-enhancing and performance "tools," we have not forgotten our 25 year old core business of spa development. We have, however, created an enhanced approach for the turn-key process from spa development to grand opening and from day-to-day operations to strategic planning.

The following is the current list of HFD Spa's Spa Advisory Services. This is constantly evolving to meet the needs and interests of those who are focused on having a profitable spa venture. If you do not find what you need from our current services, call us, let's discuss it then let us create something just for you.

SPA DEVELOPMENT THROUGH GRAND OPENING... "SPA IN A BOX"

Since 1983, HFD Spa has been offering full-service consulting with customized turn-key programs to help spas be marketable and profitable business ventures. We have now taken all the tools that we developed to create over \$700 million of successful spas and have designed the "Spa in a Box." If you want to save money by not having a "full-time" consultant, if you want access to all of HFD Spa's proven resources and if you are a self-starter, this "do-it-yourself" program is ideally suited for you. While HFD Spa will not do the work for you, we will provide cost-effective coaching services to support and guide your efforts and to make sure you are making decisions that will maximize your potential and minimize your risks.

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The “Spa in a Box” is a unique, simple to use, cost-effective, self-service, turn-key program consisting of several, step-by-step modules to guide you through every step of process from determining the feasibility of having a spa to greeting your first guests on opening day. You may purchase the total program or individual modules. We provide you with an inter-active software program so you can customize each module for your specific needs.

Modules

1. Reality Check

- a. Client to provide a “Briefing Book” that is an overview of the project, objectives, site, concept, competitive set, etc.
- b. Phone call or meeting with owner, developer, architects, etc. to discuss the Briefing Book, answer questions, examine the economic realities of getting into the spa business in terms of start-up costs and operating pro forma expectations; etc.
- c. At the end of the phone call or meeting, HFD Spa to provide an “opinion” based on the information received and discussed regarding the challenges and opportunities so the client can make a “go / no-go” decision on whether or not to proceed to the next step
- d. If the client decides to proceed, discuss the “Spa in a Box”

2. Feasibility Analysis

- a. Concept: market-driven, trend-sensitive concept for a competitive edge
- b. Program/Guest Experience: ala carte treatments, packages, specialty programs, membership programs
- c. Facility Program: size and allocation of space with break-down for revenue-generating zones, comfort zones and back-of-house support areas
- d. Pro Forma: five year pro forma with additional information on the spa’s contribution to the hotel/resort
- e. Start-Up Costs: detailed forecast of all pre-opening monies for FF&E, OS&E, marketing, training, pre-opening payroll, etc.

3. Competitive and Comparable Market Analysis

- a. Define competitive set
- b. Collect competitive information
- c. Determine your competitive niche and marketing edge
- d. Criteria for site selection



4. Design/Development

- a. Prototype facility floor plans showing proper flow and relationship of areas
- b. Prototype conceptual floor plans of the various rooms of the spa with placement of FF&E, electrical, plumbing, HVAC, music, etc.
- c. Construction Spec Book: design brief on a room-by-room basis of all the functional and performance specs needed to build the spa, e.g., HVAC, music, lighting, electrical, plumbing, surface finishes, millwork, etc.

5. FF&E and OS&E Spec Books and Purchasing Manuals

- a. Items, cut sheets and technical specifications on a room-by-room basis for everything that is needed in each area of the spa
- b. Preferred pricing from select vendors who have quality products and support services

6. Retail and Signature Products

- a. List of top-selling retail items along with all vendor information
- b. Step-by-step process on how to develop a signature product line that is tied to signature treatments plus the hotel in-room amenity line
- c. List of preferred vendors who can develop your signature product line

7. Operations and Training Manuals

- a. Recruiting strategies and resources for recruiting, qualifying and selecting candidates
- b. Organizational charts
- c. Job descriptions
- d. Departmental operating procedures
- e. Standard operating procedures
- f. Master training manual for the Spa Director
- g. Departmental training manuals for each spa department
- h. Training schedules
- i. Pre-opening training program
- j. Grand opening event and marketing ideas

8. Marketing



- a. Internal marketing strategies for all in-house market segments: pre and post-opening
- b. External marketing strategies for all day guests and membership programs: pre and post-opening
- c. Integrated strategies with hotel Sales & Marketing, Special Events, Food & Beverage, Recreation, Reservations, Concierge, etc. so that the spa is integrated into all the hotel/resort departments

9. Critical Path

- a. Detailed program with all the tasks, resources, personnel, suggested times, etc. from start to finish

10. Coaching

- a. Ten (10) hours of phone coaching to answer questions, review documents, etc. are included in the turn-key program
- b. Option to purchase additional blocks of time (in 10 hour increments) for phone coaching or arrange for on-site, face-to-face coaching sessions for any of the modules or for the turn-key

QUALITY ASSURANCE

In order to maintain quality control and the integrity of your brand, it is important to monitor every facet of your business. HFD Spa provides several options to assure that you are “delivering the promise” to your guests and owners.

1. Self-Audit

- a. Evaluation and rating tool with sections on facility, service, treatments, products, personnel, etc.

2. Spa Shopper

- a. Trained professionals will be a “guest” and will rate all the areas above plus provide a written report of the findings

3. Operational Review



- a. Trained professional consultant with operational, marketing and financial experience will perform an in-depth analysis of the spa experience, every department in the spa and every department in the hotel/resort in terms of their interaction and integration with the spa
- b. In-depth written report of the findings plus recommendations on how to address any of the “weak” areas
- c. Follow-up conference call to discuss the report
- d. Optional: site visit for face-to-face discussion of the report

FINANCIAL MAXIMIZATION

Spas should be profitable business ventures. If the spa is within a hotel/resort, the spa should also help the “core” business of selling rooms and/or lifestyle real estate. It is very expensive to build and operate a spa. Investors, owners, asset managers and operators expect that the spa will have a certain return on investment. HFD Spa has developed several business management tools to help enhance performance and profitability.

1. Daily Financial Management - Spa Profitability Analysis

- a. Daily management tool to help spas manage their business for maximum profitability
- b. Series of reports that look at about a dozen key metrics: capture rate, productivity, utilization, average treatment rate, revenue per available treatment room, revenue per square foot, etc.

2. The **SPA** Report - “Spa Performance Analysis” Benchmarking Program

- a. Real-time, web-based program to help spas see how they are performing in relationship to their competitive set, other spas within their chain and within the global spa industry
- b. “State of the Industry” Benchmarking Reports available on a monthly, quarterly and annual basis
- c. Customized reports for more in-depth analysis of your spa

3. Revenue and Yield Management: a proven program with interactive workshops, decision support tools and one-on-one coaching *

- a. Product definition: identifying and leveraging your competitive edge
- b. Competitive benchmarking: defining competition from a guest’s perspective in terms of positioning, price and quality
- c. Strategic pricing: determining strategic pricing that drives revenues
- d. Demand forecasting: understanding the tools and process to accurately forecast demand
- e. Business mix manipulation: manipulating business mix and pricing to drive revenues
- f. Distribution management: multi-channel management for optimum positioning and pricing



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g. Etc.



* Spa Provider Alliance

4. Customized Financial Templates & Reports: Directors of Finance, Asset Managers and Spa Operators may want some additional, customized reports. Tell us what you want to measure and monitor and we can create the tool.

- a. Budgets
- b. Scheduling
- c. Market Utilization
- d. Etc.

BUSINESS DEVELOPMENT

HFD Spa offers several themed and inter-active workshops to help spas meet their financial potential; better serve their guests; and attract and retain excellent staff. In addition, HFD Spa can customize one day and multi-day workshops that focus on any specific needs that you have identified.

1. Themed Workshops, Learning Modules and Inter-Active Training *

- a. Executive and personal coaching
- b. Decision making, problem solving, process management
- c. Organizational development
- d. Operational training and quality assurance
- e. Strategic planning and performance management
- f. Leadership and management skill development
- g. Team building
- h. Assessments and satisfaction measurements
- i. Guest service
- j. Motivational marketing and sales
- k. Culture development and enhancement
- l. People, Products, Profits
- m. Customer service, experience and loyalty
- n. Coaching for measurable performance
- o. Envisioning, asset growth planning, re-positioning

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* Spa Provider Alliance Connecting People and Performance

2. Customized Workshops *

- a. Tailor-made programs based on identifying your needs



* Spa Provider Alliance Connecting People and Performance

SPA DIRECTOR COACHING PROGRAM

If you know someone whom you think has the potential to be your spa director, but does not have the required experience, HFD Spa can provide a customized, one-on-one coaching program to give that person the skill set needed. There are 3 or more spa coaches who, over a six (6) month period (time can be modified), will provide tools, on-site consulting and phone coaching. Each coaching program includes written material, homework assignments and pre-opening and post-opening support.

1. Operations Coach

- a. Helps with all the every-day realities as well as the short and long-term marketing, staffing, training, scheduling, strategic planning, etc. of a spa that is intended to exceed the expectations of the guests, staff and owner

2. Professional and Personal Development Coach

- a. Helps develop all the skills needed to be a great leader, motivator, visionary, strategic manager, etc.

3. Financial Coach

- a. Provides all the financial templates for budgets, financial statements, daily financial management, benchmarking metrics, productivity, staffing, etc. plus how to use these tools to measure and monitor the business for maximum profitability

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MANAGEMENT ADVISORY SERVICES

HFD Spa's role is to provide management support services that assure maximum performance and profitability. HFD Spa will:

1. Provide Quarterly Spa Shopper
2. Perform Annual Operational Review
3. Participate in Annual Business and Marketing Plan Meeting
4. Participate in Annual Strategic Planning Meeting
5. Participate in Annual Budget and Asset Management Meeting
6. Review all Monthly Financial Statements, Forecasts and Budgets
7. Keep the Spa Current on New Treatments and Trends
8. Be an On-Going Resource for Every Facet of Spa Operations, Program Development and Marketing
9. Provide Extensive Phone Coaching

SPA PROVIDER ALLIANCE...SPECIFIC PROFESSIONAL ADVICE **(anything and everything else to help your spa achieve its potential)**

If there is anything else that you need that is not mentioned above, let us know. HFD Spa has the resources, expertise and experience to address all your specific needs. Our Spa Provider Alliance is continuously expanding in terms of the products we provide and our ability to address the global needs of the spa industry.

In addition to the advisory services, HFD Spa is available for speaking engagements on any spa-related topic.

We are focused on understanding your challenges and addressing them in a cost-effective and objective way so that your spa achieves maximum profitability and marketability.

CONCLUSION

HFD Spa takes pride in its ability to be a complete resource and partner for your success. HFD Spa's experience and expertise in spa development, marketing and management advisory services have proven to be invaluable to our clients. HFD Spa has the capability to reduce costly errors not only during the planning stages of the project, but also during management and operation.

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HFD Spa welcomes the opportunity to assist you in developing and operating a very marketable and financially profitable spa venture.

Please call HFD Spa at your convenience so that we may discuss how and when you'd like to proceed.

Until then, thank you for the opportunity to highlight how HFD Spa may be of service. We look forward to hearing from and hopefully working with you.

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