

# *Franchise Information Package*



# Franchise Information Package

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## *A Healthy Future*

You can have a healthy financial future by helping people to improve their quality of life while doing something that you really enjoy. In addition to job satisfaction and financial security, as a franchisee of Island Hearing Services you will be working with an industry leader.

Island Hearing Services has experienced controlled corporate growth in a market with very few demographic limitations. In today's unstable economic conditions why not invest in a stable business in a growing industry? Island Hearing Services locations are equally successful in low income and upscale neighborhoods.

Did you know that hearing loss is the fourth most common chronic disorder experienced by seniors? There are physical changes that occur during the aging process that can cause a decline in hearing. More than 20% of people aged 55 to 65 have hearing loss; 27% of those over the age of 65 are hard of hearing. An estimated 10% of Canadians or about 2,885,000 experience hearing loss in Canada. These statistics illustrate the unprecedented growth of the mature adult market over the next 20 years and ultimately an expansion of the Island Hearing Services' target customer, setting the stage for franchise success.

*“Right in front of the hearing health care professional is a transitional demographic bubble that will represent the heart of the client population over the next 10 to 15 years. Often called the “Swing Generation”, these adults, age 54 to 64, bring with them many of the opportunities and challenges of both the current mature population and the soon-to-come Baby Boomers.”*

*- Peter Mark, MD, Director of Oticon Inc.*

According to the United Nations, Canadians over the age of 50, control 50% of Canada's discretionary income and over 80% of the country's total personal wealth.

***This wealthy market segment purchases items that improve their quality of life.***

Consider the success of Optical Dispensers, hearing aids are like eyeglasses, both enhance the quality of life, both require custom fitting and both require evaluations every few years.

Take advantage of a growth industry by owning an Island Hearing Services clinic and access a highly respected brand, inventory control systems and network purchasing power to realize real profit potential.

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## Corporate Profile

Island Hearing Services began on Vancouver Island, British Columbia in 1978. Since then, Island Hearing Services has grown and operates over 40 locations throughout the province. Founded, owned and operated by Marke Hambley, a qualified hearing health care provider and one of the leading hearing health care professionals in the country. Hambley's reputation, business acumen and professional integrity are key factors to Island Hearing Services' success.

Since Island Hearing Services' inception, the company is a proven progressive learning organization that works diligently to incorporate leading edge, effective business practices in every area of the corporation. Working predominately with audiologists, supported by hearing instrument practitioners and audiometric technicians, Island Hearing Services has been able to build strong and mutually beneficial relationships with physicians and the medical community gaining valuable insights and steady referrals. Island Hearing Services' uncompromising standards, combined with facilities, specialized equipment, business techniques, advertising and promotional programs, positions the independently owned Island Hearing Services clinics as hearing health care leaders in their community and across Western Canada.

In April 1994, Island Hearing Services appointed it's first franchised office in West Vancouver and has experienced steady growth since then. Today the strategic business plan includes additional Franchises across Canada. These additional outlets will add strength to our integrated network of hearing health care professionals and increase our buying power with an extensive list of product suppliers. Each independent Franchisee has the right to use the Island Hearing Services name, logo, trademark, copyright material, marketing and promotional programs as well as state of the art operating systems in their efforts to expand their business.

The hearing health care professionals at Island Hearing Services are recognized for their expertise and commitment. ***When you franchise with Island Hearing Services you gain our reputation and good name.***

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## *The Opportunity*

In preparation for the enormous opportunities that the aging population in Canada present, Island Hearing Services will mount significant expansion through to the year 2005 and beyond. To achieve this goal the company will undertake to open three new Franchises per year, ensuring each franchise will receive the proper care and attention required for success.

Currently Island Hearing Services has franchise opportunities in a limited number of locations in British Columbia and numerous locations available in the rest of Canada.

You have the opportunity to own and operate your own Island Hearing Services Franchise in a prime location of your choice, utilizing unique administrative, financial, inventory, training and marketing systems both on and off your site. As well, you will offer numerous product lines and have complete professional freedom to match products and services to customers' needs. *Know that you will never have to compromise your professional and personal ethics to achieve profits.*

Island Hearing Services is the exclusive distributor for BAHA (Bone Anchored Hearing Aids) in British Columbia and offers other progressive treatment programs such as Tinnitus Retraining Therapy. *Take advantage of the opportunity to work with leading treatments and technology.*

Your clinic will become its own unique destination hearing clinic designed specifically with you and your clients in mind. Work in a comfortable informative environment that your customers can't stop talking about. Island Hearing Services décor and merchandising systems have been developed specifically with the aging market in mind and will be customized to meet your local market needs.

Align yourself with an organization that you can be proud of. Island Hearing Services has a strong community commitment to improve hearing health care locally, nationally and internationally. *Learn more about the Rotary International Hearing Health Care Project and other philanthropic projects that Island Hearing Services supports.*

Island Hearing Services has unlimited potential for the right kind of hearing health care professional with a little business know how.

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## *Benefits*

There are many benefits to working in a well-established industry with a well-established company. Most importantly, when you join Island Hearing Services you increase your chance of success by gaining:

### **On Going Support Systems**

Once you become an Island Hearing Services Franchisee you will be able to take advantage of well designed and managed support programs, ranging from group medical and insurance plans to preferred banking packages. The standardized organizational and operational procedures save you time and effort by instantly gaining efficiencies only known to well established businesses. The Human Resource Department can help you recruit, hire and train the right people for your franchise. The financial accounting advise and expertise available to the franchisee includes preparation and analysis of monthly records, financial statements, payroll and corporate income tax remittance forms. Highly specialized customer service and marketing programs are custom designed for each specific Island Hearing Services location.

### **Brand Recognition**

Island Hearing Services is an established company with a solid track record of employee integrity and quality products and services. Island Hearing Services is the best-known and most-respected provider of hearing health care services in British Columbia, assisting you to immediately establish a presence in the market. You will build equity quickly; sell more merchandise faster because of name recognition, consistent branding, well-conceived advertising and promotional campaigns.

### **Physician Referral Network**

To facilitate referrals, the company has developed an excellent working relationship with family physicians and Ear, Nose and Throat specialists, who trust and respect the professionals at Island Hearing Services. Our reputation and proven system will allow you to quickly establish rapport with the local medical community.

### **Purchasing Power**

Island Hearing Services has negotiated many significant supplier agreements. High return on investment is achieved through the benefits of volume discounts, streamlined financial, administrative and inventory systems and aggressive co-operative marketing programs with suppliers and manufacturers.

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## **Audiological Support**

Island Hearing Services' Director of Audiology works closely with our team of consultants. Responsibilities include standardization of clinic operations, arranging continuing education training sessions to coincide with advances in industry techniques and technologies; providing clinical trouble shooting and third party intervention when required; coordinating internal communication amongst consultants and acting as a liaison in the promotion of Island Hearing Services to the media, Otolaryngologists and General Practitioners. The resources of Island Hearing Services' Audiology Department are available to all Franchisees letting you expand the services you offer with confidence

## **Professional Development**

Island Hearing Services gives you the opportunity to design personalized professional development plans achieved through industry, in-house, and academic training opportunities. Regularly updated, comprehensive operations systems, product seminars, financial guidance, sales and customer service training will be available to you and your staff, giving you the resources to be a leader in the industry. With a strong commitment to customer service and enhancing revenue generating opportunities Island Hearing Services offers customer care representatives, dispensers, and audiologists, industry and company specific training programs. *Learn how to discover hidden needs and solve hidden purchase decision barriers, increasing customer satisfaction and profits.*

## **Market Intelligence and Marketing Programs**

Island Hearing Services is a client driven organization that continually seeks improvement by maintaining open dialogue with our customers through 3<sup>rd</sup> party surveys and focus groups. Comprehensive and professional marketing, advertising and public relations programs are developed annually with input from all managers and Franchisees. You will access corporate and local market media, directory and direct mail campaigns designed specifically to reach the expanding mature market. *Capitalize on the company's resources to deepen market penetration and attract and retain valuable customers.*

## **Communications**

Committed to continual technological advances Island Hearing Services has invested over half a million dollars in software to ensure excellent information exchange and information system programs. By way of corporate intranet, meetings, and conference calls using a toll free number, you will be kept informed of all relevant corporate and industry news. Constant electronic communications along with scheduled visits from support teams give you all the help you will require. Most importantly you will use a

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system that provides easy real time access to office management systems, electronic policy and procedure manuals, forms and documents and clear concise instructions.

## Consumer- centric Service

Specifically trained customer service representatives from a centralized call center will schedule bookings and contact your clients on a regular basis to ensure continuous customer satisfaction. This includes generating evaluations, re-evaluations, identifying customer issues and follow-up reports for the Franchisee. Your clients need never get an answering machine in business hours, on lunch hours have confidence that your customers are getting a high level of service, forward your phone to the call center. Island Hearing Services anticipates the needs and wants of each individual customizing service to exceed customer expectations. Our customers talk about our company and the exceptional service we provide, establishing the profit base for your clinic... your customers.

## Succession Planning

Succession planning is an essential part of business planning. With the support of Island Hearing Services, you can reduce the problems associated with succession by utilizing an exit strategy designed to meet your personal goals.

## Reduced Risk

Lessen your operational learning curve, by taking advantage of tried and tested operating systems. Island Hearing Services is committed to providing on going and start up support to ensure you have a thriving franchise. Support includes: site selection, clinic design, point of sale merchandising, sophisticated information systems, training and field support. Why start from scratch when you can utilize our sophisticated systems? *Compare the difference of going it on your own to franchising.*

<b>Comparative Success Rate</b>	<b>Franchised Businesses</b>	<b>vs</b>	<b>Independent Businesses</b>
After 1st year in Business	<b>97%</b>		<b>62%</b>
After 5 <sup>th</sup> year in Business	<b>92%</b>		<b>23%</b>
After 10 <sup>th</sup> year in Business	<b>90%</b>		<b>18%</b>

(1) Source: U.S. Department of Commerce

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## *The Ideal Candidate*

Island Hearing Services looks for hardworking owner/operators with a preference given to hearing health care professionals that are committed to providing products and services with care and integrity.

As an owner/operator of an Island Hearing Services location you will be an active member of the community, establishing long-term relationships with customers, physicians and business people in your area. You will be a high energy professional committed to the common goals and values of the company. Island Hearing Services is looking for individuals with integrity and the desire to make the customer the driving force of their business.

If you are seeking a unique business opportunity with an associate that shares your vision, enthusiasm and commitment to excellence, you'll want to learn more about what Island Hearing Services has to offer.



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## *The Investment*

### **Franchise Fee**

An initial investment of \$35,000 provides you with the training required to own and operate an Island Hearing Services clinic in a specific location, with extensive support from the Franchiser to utilize our business systems, knowledge capital and trademarks.

### **Start Up Costs**

To effectively operate as an Island Hearing Services Franchise, you will require a financial investment to cover the cost of supplies, equipment, furnishing, leasehold improvements, signage, fixtures and furnishing that will be consistent with the Island Hearing Services image and brand as determined by the Franchiser. As well, you will be required to have working capital and contingency funds on hand as determined by Island Hearing Services. Franchise startup costs vary greatly with each individual franchise situation and can be as high as \$85,000.

### **Training**

Prior to opening your doors, Island Hearing Services will provide the Franchisee with up to 30 days of comprehensive training. Training time will vary with each franchisee, as it is dependant of the individual's previous skills and education. The direct costs of this initial training are included in the Franchise Fee. This extensive training program covers operating methods, administrative procedures, customer care techniques, product orientation and other unique programs exclusive to Island Hearing Services. Additionally, the franchisee will receive manufacturer, corporate on site training and coaching support from Island Hearing Services.

### **Marketing and Advertising**

Island Hearing Services has a full time Marketing and Advertising Department that is dedicated to developing the most effective marketing tools and cost efficient advertising programs. Because consistent brand and image are important, we work with an experienced team of professionals. This team continually conducts specific market and competitive analysis specific to your geographic location and target customer when developing campaigns to meet your promotional needs, while ensuring the consistency of the Island Hearing Services brand is fully developed and utilized. Franchisee advertising contribution is minimum 3% of gross sales, often franchisees choose to contribute more at various stages of there business development depending on their individualized goals and business plan.

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## Royalty Fee

Your monthly royalty fee equals 8% of gross sales, in return you receive:

- 100% of your royalty fee plus marketing and advertising fees directed into your franchise trading area in the first year
- Brand recognition, proven sales and marketing programs complimented by exposure on our informative website
- Significant supplier discounts and co-op promotional programs only gained through the benefits of purchasing power associated with large organizations improve franchise profit margins and more than offset the royalty fee
- Proactive customer service programs including extended warranty plans, call center support and follow up
- Audiological support, management training and professional development opportunities
- Real time electronic administrative support, enhanced by a fully electronic policy and procedure manual, technical training and support. You will be utilizing sophisticated software programs valued at over \$600,000
- For a fee as set out in the franchise agreement the company will review and analyze the financial statements for each accounting period and advise the Franchisee as to changes which should be made to increase profitability of the Franchise Business.



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## Franchise Successes



*"We spoke with some of their clients and found that they had an excellent record of customer service and satisfaction. We called both current and former employees, and found that they felt a high degree of respect and loyalty to the company and that an exceptional standard of professional integrity was maintained."*

*"Island Hearing Services has come through for us in every way ... We now offer services to more locations, deal with a wider range of suppliers and products, (at fantastic discount rates!) and enjoy the positive recognition given us by the use of the Island Hearing Services name and reputation."*

*"As an owner and manager I am thrilled with the infusion of enthusiasm for business development I have witnessed, not to mention the significant improvement in my bottom line!"*

**Vikki MacKay, Secretary/Director  
Terrace Franchise**



*"The impact and advantages of our decision to franchise were immediately apparent. Profitability immediately improved through more efficient pricing of our products. Our product selection improved vastly over what we could offer before. New accounting methods and marketing initiatives improved our handle on "the numbers" and contributed to a large increase in sales of high technology aids."*

*"I personally have also benefited from the ongoing professional development that just would not have been possible without being part of an organization like Island Hearing Services."*

*"As a franchisee, we have been treated with exceptional levels of service and respect, and the opportunity to improve professional skills and consult with others within the company has proved, on numerous occasions, to be both timely and highly beneficial"*

**Evan Achtemichuk, Managing Audiologist  
Prince George Franchise**



*"... I have achieved a considerable degree of success: experiencing favorable financial gain and profiting through becoming increasingly well established in my community."*

*"The support that Island Hearing Services provides is valuable, reliable and allows me the time to focus on providing my clients with personal and professional attention."*

*"... I am happy to be a part of Island Hearing Services".*

**Deborah A. Maloon, Manager  
West Vancouver Franchise**

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## *Frequently Asked Questions*

### **Why don't I just set up my own clinic?**

Island Hearing Services has already been through the learning curve of setting up and maintaining a successful business.

As a Franchisee, you will lower your risk of failure and achieve long-term success by benefiting from our expertise in:

- Selecting a prime location and negotiating the best possible lease agreement
- Establishing effective operational systems
- Developing a strong referral network
- Obtaining big savings through supplier agreements and volume discounts
- Recruitment and employee development
- Product knowledge, sales and dispensing training.

### **What are my potential earnings?**

This depends largely on you. Like any other business venture your earning capabilities will depend largely on a number of factors, including your local market, your location, your advertising and promotional efforts, the amount of time you spend in the clinic, your business acumen as well as current economic conditions. Island Hearing Services has a proven record of success and does ensure that you are entering a growth industry. You will benefit from our well-organized system and a business concept that has been refined over many years of experience.

### **What is the term of the franchise agreement?**

The initial term of the franchise agreement is 10 years, after which time the agreement may be renewed for another term equal to the initial franchise term being offered at that time.

### **Can I sell my Island Hearing Services franchise?**

Yes. Like any other business, you can sell your franchise to a buyer that is approved by the company. Island Hearing Services reserves the right for first option to purchase should you decide to sell your franchise.

### **Am I given any territorial protection?**

You will be given an approved location and territory, which will be protected as set out in the terms of your specific franchise agreement.

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## Will Island Hearing Services finance me?

Island Hearing Services has negotiated a franchise finance and banking package with Canadian Imperial Bank of Commerce on behalf of their franchisees.

## Is it possible to review your franchise agreement?

On completing a personal meeting with a member of our franchising committee and signing a confidentiality agreement, we will be happy to provide you with a confidential copy of our franchise agreement, upon which you may decide whether or not to accept our offer.

## What is the next step?

The recommended next steps are:

1. Review the Island Hearing Services Franchise Information Package and carefully browse our website. Learn more about Island Hearing Services
2. Complete a Confidential Personal Introduction Form, which provides us with your background information, qualifications and resume. Just as you need to determine if Island Hearing Services is right for you, the company will need to learn a bit more about you
3. Come to the Island Hearing Services Victoria head office and tour the facilities, at which time you will receive a demonstration of the branch operating systems and referral software
4. Contact existing Island Hearing Services Franchisees to learn more about the mutually beneficial relationship they have with Island Hearing Services
5. Evaluate your commitment to owning and operating your own franchise. Examine your personal and financial situation. Does Island Hearing Services offer you a good fit?
6. Review the Franchise Agreement with your attorney and accountant. Discuss any concerns with a member of the Island Hearing Services franchise committee
7. Sign the application to become an Island Hearing Services Franchise
8. Island Hearing Services will conduct appropriate screening and finalize the agreement
9. Island Hearing Services franchise committee will assist you with your site selection and business set up

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## Contacts

*“Take advantage of the resources, management expertise, economies of scale, and market place leadership by joining the Island Hearing Services network.”*

*Marke Hambley, President & CEO*



### Corporate Head Office

Island Hearing Services  
309- 645 Fort Street  
Victoria, BC  
V8W 1G2

Phone: (250) 413-2100

Fax: (250) 383-6664

Email: [mhambley@ihs.ca](mailto:mhambley@ihs.ca)

Email: [bliew@ihs.ca](mailto:bliew@ihs.ca)



## ***Mission Statement***

At Island Hearing Services, we will meet our customers' hearing needs by providing superior products, services and value with care and integrity.

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## *Confidential Personal Introduction Form*

Now that you know about Island Hearing Services, we would like to know a little bit about you. This Confidential Personal Introduction Form gives you an opportunity to introduce yourself to Island Hearing Services.

Date: \_\_\_\_\_

Name: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_ Province: \_\_\_\_\_ Postal Code: \_\_\_\_\_

Telephone: Res: (\_\_\_\_) \_\_\_\_\_ Bus: (\_\_\_\_) \_\_\_\_\_

E-mail Address: \_\_\_\_\_

Present Business and Occupation: \_\_\_\_\_

Job Description: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Prior Position and Dates: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Other Relevant Experience: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

Special Attributes: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

Do you have any dispensing experience? \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

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Do you have any business or management experience? \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Have you ever filed bankruptcy? \_\_\_\_\_  
Explain: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Would you operate the franchise personally? \_\_\_\_\_  
Full time? \_\_\_\_\_ Anticipated earnings: \_\_\_\_\_

Do you have sufficient funds to handle the investment? \_\_\_\_\_  
\_\_\_\_\_

Approximately how much are you willing to invest? \_\_\_\_\_

Where are you interested in operating your franchise? \_\_\_\_\_  
\_\_\_\_\_

Are you willing to relocate? \_\_\_\_\_

Preference in geographic locations: \_\_\_\_\_  
\_\_\_\_\_

Three Professional References: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Comments: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Mail or fax your completed Confidential Personal Introduction Form to:**

**Island Hearing Services  
#309- 645 Fort Street  
Victoria, BC V8W 1G2**

**Attention: Marke Hambley  
President & CEO**

**Or fax: (250) 383-6664**

