





**LOOKSMART**  
ALTERATIONS



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## Tailor-Made For Your Success

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We all know you go to the tailor if you want to look good. But now there's an even better reason. In fact, it could be the best business decision you ever make.

Jump on board as a franchise partner with LookSmart. You'll be part one of Australia's most successful and fastest growing new businesses. And when we say fastest growing, we're not exaggerating.

LookSmart started up in 1994 in the Sydney CBD. Back then we were called Citywide, and we had just one store. Now we have over 110 across Australia and New Zealand. To date, we've increased the size of our business by nearly 12,000% and most of that in the past ten years. We haven't even scratched the surface! There are huge growth potential in these regions, and eventually around the world.

Apart from LookSmart, where else can people go for guaranteed and consistent speed and quality service, style advice, dry cleaning, embroidery and invisible mending - all within the convenience of their local shopping centre? Exactly. There's no other business like LookSmart.

We are the right arm of the booming fashion retail industry. Clothing is designed on six standard sized mannequins and manufactured for the masses. We fit garments on real people, adding the final touches to ensure each customer gets the perfect look through the perfect fit regardless of their shape or size.

There are a lot of reasons to team up with LookSmart. Flick through this brochure and see for yourself. You'll find it's an offer you'll definitely want to 'take up'.





## From Humble Beginnings... The Man Behind LookSmart

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LookSmart is as much a personal achievement as it is a professional one for Abraham Hatoum, Founder and Managing Director of LookSmart Alterations. To him, the business also represents survival, dedication and the power to overcome some of the gravest challenges in life. He lived in a refugee camp in a war torn country where his primary objective was to survive.

Realising his desire to have his own business at the age of 10, he started up his first company: an orange juice stall at the army barracks to help support his family. Up until the age of 19, he endured pain and heartache that comes with growing up during a war. This included the loss of his father and any opportunity to fulfill his full potential in his homeland. But he never lost his spirit.

He got his biggest break in life when he migrated to Australia, and he swore to turn his life around and follow his dreams no matter what it took. New to a country with no education, money or even the ability to speak English, he spent one year at TAFE to perfect his English. He then gained entry to the University of NSW where he studied commerce part time, mostly at nights while he balanced multiple jobs, started several companies, got married and started a family!

In 1994, with a small amount of savings and \$3000 in wedding gift money, Abraham and his wife Maissa opened the first City Wide (Re-branded LookSmart) Alterations store. Due to the shortage of funds, their first tailor's wage was paid in silver coins. The rest is now history!







## LOOKSMART ALTERATIONS

**RAY BRYANT** CHIEF EXECUTIVE OFFICER

Since taking the helm at Look Smart Alterations in 2006 as the company's CEO, Ray Bryant has grown the business from 36 stores to over 100 stores, tripled turnover and has taken the business' reach to an international level.

2007 was a milestone year, marking a re-brand exercise worth over two million dollars. This included taking the group from CityWide to LookSmart Alterations, new state of the art Point of Sale software, stylish and high quality shop fittings, marketing and promotional programs. Growing at a rate of almost one shop a fortnight, 24 new branches were added that year alone, including international expansion into New Zealand.

Ray is greatly admired by his team and franchisees for his endless dedication to growing the business intelligently and strategically, mentoring his team and developing the franchisee network in Australia and internationally.



NATIONAL  
**WINNER**

FRANCHISE EXECUTIVE  
OF THE YEAR



## LOOKSMART ALTERATIONS

**FADI MIKHAEL**

Looksmart Alterations (formerly Citywide Clothing Alterations) was founded in 1994, and when Fadi Mikhael joined the company as Operations Manager in 1995 it was then the only store in Sydney CBD. Five years later the company had grown to 13 stores nationally and, moving to Western Australia, Fadi became the first franchisee in the group with the first two new stores in that state, with vendor finance.

Fadi had a lot of input into the development of the Looksmart systems and has maintained a close relationship with the franchisor since leaving his employ in 2000. He currently owns four stores but has owned 15 Looksmart franchises in Western Australia from 2000 to 2012.



WA

MULTI-UNIT FRANCHISEE  
OF THE YEAR



## From S To XXL - The History of LookSmart

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Founded in 1994, LookSmart was originally City Wide Alterations – just one store in the Sydney CBD. The concept was born out of research which showed that most tailors were inconveniently located, either in some high-rise or from a garage. Prices, quality and service were extremely varied and customers were waiting up to two weeks for simple pant hems. Tailors did exactly what the customer wanted, without any consideration for what would look best!

By filling these gaps, and delivering over and beyond what the customer wanted, it wasn't long before City Wide outgrew the city and spread nationwide. The re-brand to LookSmart Alterations reflected the company's proactive approach to helping customers look smart, and to future proof the company's geographical expansion.

LookSmart has reinvented tailoring in Australia. First, you'll find LookSmart in convenient locations, predominantly in shopping centres, amongst the fashion retail stores. Shortening pants or repairing garments in good time is only a small part of the service. LookSmart staff are trained in 'style and fit' to help customers achieve the perfect look through the perfect fit, on time, every time!.

The success of this approach has been a key catalyst for LookSmart's growth. Today, LookSmart Alterations services over one million happy customers and 2,000 retail fashion stores including the likes of David Jones, Myer, Sass and Bide, Country Road, Cue, Charlie Brown and hundreds of Corporate and Government organisations for all of their uniform needs.

## Invest Little, Earn Big, Live Large and Start Your Own Success Story

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Choosing to open a franchise is a smart move. To begin with, a new franchise has a much better chance of success than other small businesses. A huge 90% of franchises succeed in the first five years, compared to a typical 25% of independent small businesses .

When you take up a LookSmart Franchise, you will be joining the largest player in the clothing alterations industry, well ahead of its boom. Here's why LookSmart is a smart business move:

- Virtually no competition. The barriers to entering shopping centres and grabbing great locations are extremely high! In fact, out of 90 locations, only five have similar services in the same centre.
- Easy to operate - no perishables, no stock, no early starts, no preparations required (eg. food industry)!
- Enjoyable working environment with flexible hours and room for a great lifestyle.
- No tailoring experience required! We provide all the training and support.
- Low set up cost, low ongoing costs.
- Fast return on investment, high profit margin and very high cash flow.
- 95% of franchisees make a profit within the first three months.
- Very high repeat business (50 - 80%).
- Recently opened franchises are now worth 3 - 4 times their original cost!
- Our group buying power saves us thousands of dollars on equipment, supplies and rent every year.
- Access to 2000 fashion clients through national agreements.
- A network of other franchisees to work and share with.
- A saleable asset with enormous goodwill potential due to LookSmart's national brand recognition.
- Group marketing with integrated advertising and promotional campaigns.



## Follow a Trend That Will Never Die

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Running a business can be hard enough without the added headache of uncontrollable factors. Think about what happens to the cost (or availability) of fruit when there's an unexpected drought. Or what happens to bread sales when another celebrity promotes no carbohydrate diets!

True, fashion comes and goes and comes again. One thing that will never change, is the diversity of the human form and hence the requirement for clothing alterations!

Despite what's in fashion, LookSmart will always be there to fit garments on real people, and help them achieve the perfect look through the perfect fit – regardless of their shape or size, or what's currently 'in' or 'out'!

LookSmart staff are trained stylists, with an eye for fashion and the knowledge to make it 'fit' different people. Our customers get more than what they ask for; they get meaningful advice that will take them from the sidewalk to catwalk – each and every time. Rain, hail or shine.

## Join a Team That's Already Making The Cut

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LookSmart is already widely recognised for its success:

- Tens of thousands of athletes and delegates from around the world turned to LookSmart to alter their uniforms during the Sydney 2000 Olympic Games.
- LookSmart was named one of the 70 most successful business by Australia's leading Small Business journalist and Commentator, Peter Switzer.
- An entire chapter was focused on LookSmart's success, in the top selling book *'350 ways to grow your small business'*.
- As a successful franchise, LookSmart featured on the TV Show Bright Ideas in May 2002, Don't Come Monday in October 2008.
- LookSmart's aggressive growth and innovative offering has attracted media attention from the likes of Franchising Magazine, Shopping Centre News, Inside Retailing, Business Review Weekly (BRW), The Australian Newspaper, My Business, Qantas in-flight radio and many more.
- A respected member of the fashion industry, LookSmart Alterations was the Gold Sponsor of the 2008 Association of Image Consultants International Global Conference in Miami, USA, Managing Director Abraham Hatoum was a key note speaker.





## It's As Simple As Pinning Up A Hem

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You'll be amazed by how easy it is to own and operate a LookSmart franchise. You don't even need to know how to sew.

In fact, all you really have to do is buy the store. After that, you can take care of as much or as little of the business as you like.

Just want to sit back and watch the profits roll in? Put your store under management. We'll help you find an experienced manager to take care of it all for you.

Don't know much about marketing and advertising? We'll look after your marketing campaigns, and give you quality advertising material to boost your sales.

Or maybe you're an old hand in business. In that case, roll up your sleeves and take care of it all yourself. The choice is yours.

Whatever you choose, you'll get comprehensive training on everything you need to make your franchise a success: business systems, customer service, recruitment, marketing and financial management. Advice is available on locating your store and fitting it out, and our head office is always there, waiting to answer any questions you might have.



## All The Training You Need To Get Started

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You may be new to tailoring, or even new to business, but after going through our comprehensive Induction and Training Program, you'll feel like you've been doing it for years.

The Induction and Training Program is undertaken four weeks prior to your store opening, and covers:

- Image and styling: understanding how to work with varying body shapes to achieve the perfect fit.
- Business management, including administration and accounting.
- Thorough overview of products and services.
- Computer and Point of Sale system, simple enough for even the least tech-headed franchisee!
- Customer care.
- LookSmart Processes and Operations.
- Marketing tips to give your business a head start over the competition.
- Computer and Point of Sale system, simple

There are also regular training days and State franchise meetings held throughout the year. In a relaxed group setting, you and other LookSmart franchisees can get extra help with anything you need.

## The Fabric Of Our Business

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LookSmart is the most trusted tailoring company in Australia and New Zealand. But that's not all we do. We help our customers achieve the perfect look through the perfect fit, regardless of size, age or shape! Our services include:

- Clothing alterations
  - Style consulting
  - Repairs
  - Garment remodelling
  - Leather and suede care
  - Invisible mending
  - Dry Cleaning\*
  - Embroidery\*
- \*Selected branches





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## A Client List That Really Measures Up

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Every new business needs customers. The hard work is in finding them. Imagine how great it would be to have a strong base of clients already waiting for you, the moment you open your doors.

Your new LookSmart franchise has it all taken care of. Our long list of past and present clients includes:

- A huge retail market with one million individual customers coming through our doors every year.
- Over 2000 fashion stores including Sass & Bide, David Jones, Myer, Oxford Shop and Country Road.
- Many corporate clients including Virgin Blue, Jetstar, Specsavers Optometrists, Australian Customs Service, Dental Corporation.

We also assist with driving more business through your doors by:

- Negotiating national exclusive alterations deals with fashion stores.
- Developing marketing and promotions campaigns for local use.
- Developing regular customer newsletters.
- Provision of an interactive and strong website that serves as a marketing tool, as much as an information portal.



## Cutting Edge Technology

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Fabric isn't the only thing we cut at LookSmart. We employ the latest business software and technology to streamline operations and cut costs as well.

### **Point of Sale System**

Our point of sale system makes the most of your work time by continuously analysing your business – letting you know where you can reduce costs and increase your profits.

All individual LookSmart branches have their point of sale system linked to head office. This completely simplifies reporting, and allows for national reports to be continually updated. By comparing your results on key performance indicators with those of other LookSmart branches, you can find the easiest and best ways to improve your sales and profitability.

### **Intranet and Internet**

All LookSmart franchisees are linked to our Intranet using a safe, fast, VPN Internet connection. All your staff enjoy a free email address, and franchisees can join chat forums with other franchisees to share business tips. You also have the convenience of being able to access your point of sale system from anywhere in the world.

## Our Look Matters Too

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We take pride in the way we look – and this carries through to the design of our polished marketing material, our stylish and interactive website and most importantly, our stores. Unlike any other tailor in the business, our stunning stores look like a stylist's workshop, with wooden floor boards, crystal chandeliers, wall-length mirrors and fitting rooms with rich, velvet curtains.

LookSmart offers great service, great results and a great atmosphere overall to ensure our customers keep come back!





## We Cut A Great Figure

Take a look at our industry and LookSmart's recent performance figures

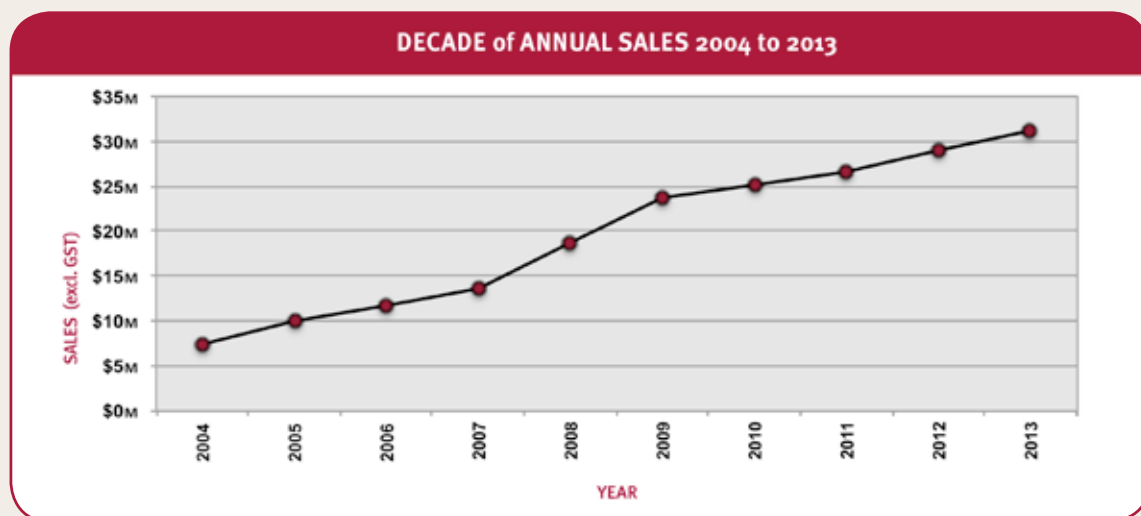
## The Alterations Industry

The alterations market is taking off at a rapid rate. What was a dying trade, is at the beginning of its growth. This is partly due to the changing consumer lifestyle which demands fast, convenient adjustments to their clothes and LookSmart's ability to meet all of these needs and more.

Potential franchisees will be joining a business that is not only driving the market's growth, but recreating it.

## Amazing Sales Growth

LookSmart's amazing growth is easy to see by looking at our yearly sales since we began in 1994. Our sales aren't just growing steadily – they're growing by greater and greater amounts each year. Just look at the difference between \$1 million in 1998 and \$30 million in 2012 – total turnover has ballooned by \$29 million in just 14 years!



## LookSmart's Big Customer Base

The fact that LookSmart's customer base consists of over 50% repeat business speaks volumes about our commitment to quality and the highest service standards. Walk-through traffic and fashion referrals account for another 38% of our customers, not to mention 12% of corporate clients. All in all, it means you won't have to spend a fortune on advertising and promotions to bring people to your LookSmart store.

1998 + 2012 COMPARISONS		
TYPE of COMPARISON	1998	2012
Branches	3	99
Turnover	\$1m	\$30m
Average Spend (Retail)	\$20.00	\$38.00
Staff (Whole Group)	12	500 approx.
Customer Per Year	\$50k	790k

# Impressive Growth Statistics

When you're looking at the growth of LookSmart over the last six years, the figures really say it all. From 50,000 to 1 million customers a year, from \$1 million to \$30 million in turnover, from a market share of 1% to a market dominating 71%. All in all, our aggressive expansion strategy, combined with a first-mover advantage in shopping centres, has allowed us to gain strong market leadership.



## Our Organisation

### Australia

- |                       |                      |
|-----------------------|----------------------|
| 1. ACT - Canberra     | 5. South Australia   |
| 2. New South Wales    | 6. Tasmania          |
| 3. Queensland         | 7. Victoria          |
| 4. Northern Territory | 8. Western Australia |

### New Zealand

- |                  |
|------------------|
| 9. Auckland      |
| 10. Wellington   |
| 11. Christchurch |
| 12. Hamilton     |

## Look How Little It Costs

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Setting up with LookSmart is surprisingly inexpensive.

New stores	100 - 200k*
Existing stores	150 - 750k (depending on sales and profit levels)

We can also help you arrange finance for your new store through our pre-existing relationships with the major banks, which means you get access to low finance rates. As like any other franchised business, we the franchisor, take a royalty and advertising levy to cover the costs of overall advertising, promotion and management and support.

Royalty	8% of gross sales
Advertising levy	4% of gross sales

## Rabie Mtanos Testomial: Would I Recommend It To A Friend? **Yes**

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**Franchisee Description:** Multi-Site Franchisee - 5 shops located in ACT and NSW

**How long have you been a LookSmart franchisee?** I have been with LookSmart Alterations for 3 years.

**What attracted you to the business?** The potential for growth was my initial attraction to the retail franchise, the idea of having more than one store, even two in the same centre. The low running costs such as stock were definitely a factor as I am not very good at keeping up to date with logistics like ordering and receiving consumables and conducting endless stock takes. The beauty of this is being able to order stock to last you up to three years. Probably one of the most appealing features of the business are the relaxed shopping centre hours, which to my pleasure do not involve early starts or late closing times. The ability to offer friendly and honest advice to customers along with creating fashion networks within the centre are also reasons why I wanted to be involved with LookSmart!

**What were your expectations when you started?** I think it is really important when starting a business to enter it with an open mind and honest approach. However in saying this, it is of course human nature to make assumptions. I really thought I would find it difficult to pick up on the sewing and styling terminologies in order to communicate with tailors. Once I started though, it became my second language in a matter of weeks.

**What has been the biggest challenge?** The biggest challenge has been utilizing the store space to its maximum potential. It's quite a limited space and the sales are growing rapidly, so finding a way to maximise the room has been our greatest challenge.

**What has surprised you about the franchise?** The benefits of close relationships with fashion stores, proved to be an integral part of growing the franchise. I was surprised at the value these associations bring to the business. The potential of profit margins were also pleasantly higher than expected. It all comes down to providing an efficient service that no one out there can compete with, all while smiling!





## I'm Interested. What's the Next Step?

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Great! It's easy to get started!

First, complete the enclosed Franchise Application Booklet and Confidentiality Agreement, and return it to the Franchise Recruitment Manager, LookSmart Alterations, P.O Box 996, Wentworthville NSW 2145, Australia.

Once your application has been reviewed and approved, we'll arrange a time to meet you. During this meeting, we will present the Franchise Disclosure Document which will help you prepare a business plan and cash flow projections for your financial advisor. We will also plan out the rest of the franchise process in conjunction with you.

It is as simple as it sounds! Who knows - you and LookSmart might just be the perfect fit.

**Contact us now to tailor a business that's perfect for you:**

**PHONE** +61 2 9637 8222

**FAX** +61 2 9637 8200

**EMAIL** [franchising@looksmartgroup.com](mailto:franchising@looksmartgroup.com)

**WEB** [www.looksmartgroup.com](http://www.looksmartgroup.com)





LOOKSMART



**The Perfect Fit!**  
**You and LookSmart**