

SWEET BEGINNINGS

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MARRIAGE MADE IN HEAVEN

Thriving Canadian Business Expanding to US

(Vancouver, BC)---For as long as she can remember, Elana Lancit has loved the spectacle of a wedding. As a young girl growing up in Kharkov, in what is now the Ukraine, Elana would spend countless hours on Saturdays standing and watching outside the building where most everyone got married.

“The only way I would leave was if I was promised that I could come back,” recalled Lancit. “Some Saturdays my mom would pack a lunch for us because she knew we would stand and watch weddings all day.”

Weddings are still magical for Lancit, whose family immigrated to Canada when she was 10 years old. Her fascination has evolved into a career and thriving enterprise. In 1997, the 38-year-old Lancit founded Sweet Beginnings Wedding Consulting & Event Planners. Headquartered in Vancouver, B.C., Sweet Beginnings is the world’s only franchised, full-service wedding planning and décor provider.

Sweet Beginnings, which began franchising in November 2004 and in less than a year grew to 15 locations in the Canadian provinces of British Columbia and Alberta, is expanding into the United States. Rob Lancit, Elana’s husband and CEO of Sweet Beginnings, said the company would like to have 10 franchises open in the United States by the end of 2006 and 50 to 75 locations open by the end of 2008.

“This is the type of concept that will have a very big snowball effect once we get established in the U.S. market,” Rob Lancit said of Sweet Beginnings, which also features full décor and chair-cover rental services.

Strong interest in the concept has already been generated in Nevada, Arizona, Florida, Georgia, Illinois and New York, while California is also a target market, Lancit said.

It would have been hard for Sweet Beginnings to ignore the U.S. wedding market, where more than \$80 billion was spent on 2.1 million weddings from June 2003 to June 2004, according to the Association for Wedding Professionals International (AFWPI). According to industry figures, the average budget for a wedding is estimated to be \$20,000 and includes 175 invited guests. A recent study found that half of all brides will use a wedding consultant or wedding day planner.

“Our franchisee validation in Canada has been extremely strong and we expect more of the same as we expand into the U.S. market,” Rob Lancit said. “I think there are far more growth opportunities for us in the United States.”

Sweet Beginnings was founded shortly after Elana meticulously coordinated her own wedding. Months after the wedding, Rob Lancit said guests were still calling the couple to express how much they had enjoyed themselves. Inspired by the response, Elana began doing some part-time wedding consulting while keeping her job as the records clerk for a local school board.

One day Elana came home and told Rob she needed \$10,000 to make pleated chair covers that she planned to rent to clients for use at receptions.

“I said, ‘You’re crazy. Nobody’s going to rent those,’” Rob recalled. “Elana went ahead and did it anyways and I’ve been trying to take my foot out of my mouth ever since. In a short time she made her money back and she’s never looked back.”

Today, Elana Lancit is recognized as the premier wedding coordinator and event planner in the Vancouver area and is frequently featured in the media, including newspapers, television and radio.

Rob Lancit, also 38, is equally well-versed in the franchising industry. He is president of CANAM Franchise Development Group, Inc., which assists Canadian, U.S. and foreign franchisors in selling franchises. Prior to that he was director of global

franchise development and vice president of franchise development for several well-known companies.

Despite his background, Lancit didn't give serious consideration to the franchising potential of Sweet Beginnings until discussing his wife's success with another franchising executive during dinner at an industry conference in Washington, D.C. in 2003.

"He slapped me upside the head and said, 'Why aren't you franchising?'" Lancit said with a laugh. "I guess it was a little too close to home for me. But we began looking at it and realized it was a very franchisable business."

The estimated initial investment for a Sweet Beginnings franchise is \$35,000, which includes training and an initial inventory of décor and rental items for a 200-person event. Sweet Beginnings is designed as a home-based business, requiring nothing more than a traditional home office set-up.

Additional employees aren't required at the onset, but coordinators and decorators can be hired on a per-event basis as the business matures. Elana Lancit coordinates about 220 events each year including an average of five weddings every Saturday. More than 80 percent of Sweet Beginnings' business comes from wedding consulting.

Rob Lancit said Sweet Beginnings is very much a "people business." Strong organizational skills, ease in networking, community involvement and a sense of enthusiasm are key factors for success. While mother-daughter and sister teams represent strong growth potential, Sweet Beginnings is also ideally suited for couples, with one partner handling event planning responsibilities and the other marketing, advertising and accounting tasks.

"We're not too concerned whether someone has a hospitality background." Rob Lancit said. "If candidates are good communicators who enjoy talking to individuals and meeting new people, along with having exceptional organizational skills, we can teach them the rest."

Elana Lancit estimated that 80 percent of Sweet Beginnings' business is generated from referrals. Franchisees can establish exclusive relationships with hotels

for their consulting and rental services as well as forge relationships with photographers, caterers, videographers and others vendors within their markets.

Sweet Beginnings' training includes three or four days of field training in the franchisee's territory, including being accompanied on visits to local suppliers and vendors as well as training with the franchisee's first wedding or corporate event. Franchisees' marketing expenses are minimal and generally limited to local bridal directory advertisements and informational displays at bridal shows.

"This quickly becomes a referral-based business," Rob Lancit said. "We teach franchisees how to network and build relationships with various vendors."

Wedding consulting is still in its infancy and the industry is mainly comprised of individual business owners. However, Rob Lancit said many such businesses are "here today and gone tomorrow." Conversely, Sweet Beginnings offers prospective franchisees a proven operating system and support network.

"Others don't have the infrastructure in place," Lancit said. "When you're stuck behind a desk worrying about the day-to-day operations of your business, you don't have the time to think about future trends or implementing new programs for your clients. You're stuck in a rut. As an independent operator, if you run into a major problem you can't call your competition and ask for help. With Sweet Beginnings, you not only have corporate support, but also support from all our other franchisees."

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