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Medical spa to expand

Average client spends \$500 per treatment

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A year after opening her first clinic, Colette Courtion, CEO and founder of Calidora Skin Care, is mapping out a rapid expansion. She plans to open a third and fourth location in the region soon and to seek venture capital for a national expansion as soon as this fall.

Calidora, a business launched with seed money from prominent individual investors including Starbucks Chairman Howard Schultz, also just hired several industry veterans.

Courtion recently brought on a new director of aesthetics, Renee Monero, from Gene Juarez Salons & Spas, the dominant player in the local day spa market.

"Our plans are to create a national brand in this segment known for quality skin care, built on the reputation that we employ the best products with the most experienced staff," she said.

Courtion, who got her start at Starbucks, lined up \$3 million last year from investors including Schultz, Starbucks investor Panos Marinopoulos, and Scott Greenburg, a partner at Seattle law firm Preston Gates & Ellis.

Calidora's first clinic opened in Bellevue last June, and grew rapidly enough that Courtion opened a second clinic in Seattle's University Village soon afterward. Courtion said the business has grown every month since then.

Courtion plans to use some startup capital and money from existing clinics to open a third and fourth location in the Puget Sound region, and has already identified two sites. Opening both stores would double the size of the 25-employee company.

Calidora offers skin care services ranging from anti-aging facials to high-tech laser treatments, but does not offer traditional spa services such as massage and manicures.

It's part of the fast-growing medical spa segment, which is expected to hit about \$1 billion in revenue. Industry observers say this rapid growth is driven by aging baby boomers, social trends, and new technologies and products that are more effective than earlier treatments.

Those technologies aren't cheap, and the medical spa business requires a lot of capital. Courtion said an average laser machine can cost \$80,000 to \$100,000. But an average client ticket is about \$500, she said.

This summer, Courtion will start planning a more ambitious expansion, looking at financing



CALIDORA PHOTO

Calidora offers skin care services including anti-aging facials and high-tech laser treatments at its Bellevue location, but does not offer services such as massage and manicures.

for new clinics in Northern California and beyond. She said she hasn't determined yet exactly how much money she wants to raise, but expects to develop detailed plans over the summer and start seeking financing from venture capital firms and other sources this fall.

Courtion hired Monero, who first stepped into Calidora as a client, after the two hit it off over lattes at Starbucks. She also recently added Operations Director Angela Pelzer, who worked for the 76-clinic Advanced Laser Clinic Inc., and Marketing Manager Deb Burzynski.

"We will certainly miss Renee, and wish her the very best, (but) the Gene Juarez Salons & Spas skin care department is well established and our entire team is highly trained," said a spokeswoman for Gene Juarez. "We have skilled leaders who will step up until we select an appropriate candidate — much of which was to Renee's credit for her leadership."

The spa industry as a whole is growing fast and is attracting more business people like Courtion from outside the industry, said Amy Hamaker, executive editor of Dayspa Magazine. It's part of a cultural trend that uses the word "spa" to brand any product associated with beauty, health or luxury, she said. For example, Lean Cuisine offers a "spa cuisine" line of frozen meals, and Blistex sells "spa effects" lip balm. There's also growing social acceptance

and approval for spending on spa services.

"People are still willing to spend on luxury experiences, where they may not be as willing to spend on things," she said. "They might opt out of a new purse, but still go and get a facial."

And the medical spa segment has exploded over the past three years or so, growing from about a dozen to 1,250 to 1,500 nationwide, said Hannelore Leavy, founder and executive director of International Medical Spa Association, based in Union City, N.J. Leavy said medical spas will pull in almost \$1 billion by the end of this year.

With that rapid growth may come more scrutiny and regulation. But regulatory changes under way in Washington state may actually benefit Calidora.

Courtion said the medical spa industry has grown so rapidly that some businesses in the industry are hiring inexperienced or unqualified people to operate laser skin care machines. She said Calidora stands out by requiring all employees who provide medical services to have health care degrees, and work under Medical Director Dr. Richard Baxter, who is also a cosmetic surgeon. The state is now considering regulations that would clarify and define how lasers can be used in procedures and who can use them, according to the state Department of Health.

Baxter said the rule would require all medical spas and clinics to use properly supervised and trained personnel for medical procedures, a model that Calidora has used since the beginning.

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Courtion