# How To Start & Run A Profitable Weight Loss Business
## August 2010

## Table of Contents

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Introduction</td>
<td>1-5</td>
</tr>
<tr>
<td>- Who wrote this book and why? Qualifications of John LaRosa and Marketdata</td>
<td></td>
</tr>
<tr>
<td>- The demand for weight loss services &amp; products, why it will be with America for a long time</td>
<td></td>
</tr>
<tr>
<td>Mid-Year 2010 Market Outlook &amp; Forecasts</td>
<td>6-11</td>
</tr>
<tr>
<td>- Amount spent on weight loss by Americans, by type program</td>
<td></td>
</tr>
<tr>
<td>- Final 2009 figures for values of all market segment, % growth: 2006-2009</td>
<td></td>
</tr>
<tr>
<td>- Performance of commercial weight loss chains</td>
<td></td>
</tr>
<tr>
<td>- Major market developments and trends through 1st half 2010.</td>
<td></td>
</tr>
<tr>
<td>Do You Have What It Takes To Survive In This Business?</td>
<td>12-25</td>
</tr>
<tr>
<td>- Are you really an entrepreneur?</td>
<td></td>
</tr>
<tr>
<td>- Your experience in this or a related filed</td>
<td></td>
</tr>
<tr>
<td>- Capital and time required for different kinds of diet companies</td>
<td></td>
</tr>
<tr>
<td>- Can you train and manage others, or would you rather go it alone?</td>
<td></td>
</tr>
<tr>
<td>- What’s your short and long-term goal (your exit strategy?)</td>
<td></td>
</tr>
<tr>
<td>- Sales and marketing – do you know the difference?</td>
<td></td>
</tr>
<tr>
<td>- Monitoring social and economic trends, customer satisfaction, quality control, and competitors</td>
<td></td>
</tr>
<tr>
<td>- Selling concrete products vs. intangible services.</td>
<td></td>
</tr>
<tr>
<td>- Checklist of 18 qualities needed for success in weight loss.</td>
<td></td>
</tr>
<tr>
<td>- Interviews with 8 successful long-term weight loss entrepreneurs/owners, franchisees, dietitians, consultants, book authors, etc. – Their recommendations (Lee McCaskill, Florina Mark, Sharon Cooper, Cynthia Graff, Susan Kleiner, Robert Hallock, others).</td>
<td></td>
</tr>
<tr>
<td>Poor Management – The Single Biggest Cause of Failure</td>
<td>26-32</td>
</tr>
<tr>
<td>- What weight loss companies have done wrong in the past, learning from their mistakes</td>
<td></td>
</tr>
<tr>
<td>- Things that ruin weight loss companies in the long run: opinion of industry Veteran.</td>
<td></td>
</tr>
<tr>
<td>- Discussions of: sales tactics, disclosure of program costs, deceptive ads, competitive pricing, brand name change, negative publicity, underestimating the competition, straying from your main focus, customer feedback, not monitoring quality control, restrictive contracts.</td>
<td></td>
</tr>
<tr>
<td>The Importance of Advertising</td>
<td>33-37</td>
</tr>
<tr>
<td>- Why it drives demand in the diet market</td>
<td></td>
</tr>
<tr>
<td>- When your ads backfire, pitfalls to avoid</td>
<td></td>
</tr>
<tr>
<td>- Seasonality: times of year to advertise</td>
<td></td>
</tr>
<tr>
<td>- Which media to use (print, TV, radio, press releases, Internet)</td>
<td></td>
</tr>
<tr>
<td>- 2009 trends: marketing “challenges” hot, examples</td>
<td></td>
</tr>
<tr>
<td>- Percent of sales to allocate to advertising/marketing</td>
<td></td>
</tr>
<tr>
<td>- Sample income statement of a commercial weight loss center</td>
<td></td>
</tr>
</tbody>
</table>
Multiple Channels of Distribution – Your Best Insurance Policy
- Why it’s key to deliver your service to dieters in different ways
- Case study: Lindora Medical Clinics
- Case study: Medifast
- Case study: NutriSystem
- Case study: Tony Robbins.

Brick & Mortar Commercial Weight Loss Centers
- Average cost of different types of weight loss plans
- **Table**: no. of centers from 1998-2008
- Discussion of collapse of LA Weight Loss chain, positive/negatives affecting The business in 2009 to 2012, forecasts.
- Is there room in the market for more centers?
- **Table**: receipts & avg. receipts per center, no. of centers -2002, by state (Census)
- **Table**: no. of centers in U.S., by sales size class
- High overhead model, does it work anymore?
- Typical income statements, likely profits/earnings
- Start-up costs
- Affect on the market in past recessions of the 1990s.

Weight Loss Franchising
- The franchise model: typical franchise fees, royalty rates, UFOC documents
- Who’s still selling weight loss franchises (Jenny Craig, Inches A Weigh, etc.)
- Advantages & disadvantages of franchises: why things go wrong
- Why diet center franchising today is difficult, hurdles to clear
- Estimated profit margins
- The cost to purchase weight loss franchises: Jenny Craig, Physicians Weight Loss, Diet Center, Weight Watchers, Inches A Weigh

If You’re A Physician: Adding Weight Loss To Your Practice
- Bariatricians: what they do, how much they make, board certification, operating ratios, caseloads, training, status report of the profession, ASBP trade group, treatment methods used, cost of their programs, more.
- Bariatric surgeons: no. of surgeries performed, outcome rates, cost of surgery, insurance, liaison organizations, who qualifies for surgery (Barix Clinics, WISH Center, Liv-Lite, Journey Lite chains), trade group, 2009-2012 outlook for the field.
- Hospital-based diet programs, 3 kinds, avg. costs.
- Sample diet program by a physician (general practitioner, family doctor)
- Consumer attitudes toward physician diet plans, drugs used, limitations
- Sample hospital program: Palos Community Hospital: description, costs.
- Medical weight loss chains: buying into a system (Centers for Medical Weight Loss, Medi-Weight Loss, Smart For Life – detailed descriptions of each program, fees, potential earnings)
- Using turnkey VLCD modified fasting programs by vendors such as Medifast, HMR, Optifast, Robard – address, program descriptions, costs, more.
- VLCD market status report and 2009-2012 forecasts, mkt. trends.

Multi-level Marketing: A Reality Check on Independent Distributors 125-35
- How MLMs work, which systems sell diet products (Herbalife, Nu-Skin, etc.)
- Should you join one?
- Warnings by Federal Trade Commission: things to look out for, red flags.
- Article: “The Mirage of Multilevel Marketing”, by Stephen Barrett, MD
- List of top 10 legitimate MLM companies, discussion of major players (Quixtar, others)
- Marketdata recommendations
- Detailed Profile of Herbalife intl. – weight loss product lines, financials.

If You’re a Nutritionist or Dietitian 136-144
- Typical RD and Nutritionist programs and fees charged, how they differ, who they work for, training, examples of weight loss plans offered, certification organizations for each.

Diet Websites 145-173
- Lots of competition: how will your website be different?
- Qualities of a great website, features you need – don’t copy all others
- Why quality content is king, how to create it
- List of the top 20 diet websites
- How to create a website from scratch, services available to help you
- Traffic, Traffic, Traffic – The most important factor, how to get it and sell it
- Traffic ranking services: Alexa, Compete, Quantcast, Good Analytics
- Where to buy traffic? – Name/contacts of top 10 fee-based networks, their Prices
- How to create a website from scratch, start with the domain name, Go Daddy, Costs to set up a site, time required, merchant accounts
- Generating income to cover costs and make a profit: free vs. paid subscribers?
  - Affiliate programs – The REAL scoop, who do you trust? Major 3rd party Systems (Linkshare, Commission Junction, Share A Sale), how they control You – things to be wary of, keyword bidding restrictions
  - Google AdSense – The potential holy grail of profits
  - Ad networks: buying traffic cheap and selling it higher, the model – things to be wary of, contracts, (list of the major ad networks)
- Building email lists and creating an email newsletter.
- Who are online dieters and what do they want? – Results of 2nd Qtr. 2010 Online Dieter Report based on BestDietForMe.com’s 5,000+ registrants (percent by: age, sex, BMI, diet budget, starting weight, food plan desired, past programs used, preferred location, psychological needs: Q2 2010, Q1 2010, Q2 2009 data).

Writing a Diet Book – Your Ticket To Fame? 174-181
- Selling your book retail versus direct to the consumer
- Nature of the book market, estimated size/growth
- Why you need a supporting website too
- 2007 and recent diet bestsellers list
- Book buyer characteristics, what makes a bestseller
- Self-publishing/self-promotion vs. selling retail, discussion of advantages
- Printing on demand services, technology has made it easier.
**Diet Food Home Delivery Services**  
- Why they demand, how services operate, pricing  
- Estimated start-up costs, why services fail customer demographics  
- Distribution and franchising methods used  
- Name/address list of 30 top competitors

**Reference Directory of Weight Loss Information Sources**  
- Address/phone List of trade associations, consultants, magazines, other sources