

*Town Health Solutions*  
*Investor Prospectus*



96 Stanley Street

Saint John, New Brunswick

[www.townhealthsolutions.com](http://www.townhealthsolutions.com)

Dr. Erik: [drerikceo@townhealthsolutions.com](mailto:drerikceo@townhealthsolutions.com)

Dr. Dan: [drdan@townhealthsolutions.com](mailto:drdan@townhealthsolutions.com)

### Mission Statement:

Town Health Solutions has generated a scalable model of care and business that breaks down professional silos, is Results Driven, and patient centered. Giving chiropractors, physiotherapists, registered massage therapists and others a professional culture that drives passion for practice, technology, and growth.



### The Pitch:

- Town Health Solutions, all of which is described in the following few pages, is ready to expand across Canada and beyond however we can't do it ourselves. Our initial two franchises in New Brunswick have experienced significant growth.
- We are looking for A-list clinics to become master franchisees to partner with our network in key markets to help drive downstream franchise sales.
- The master franchisee clinic will have the opportunity to receive a percentage of the region's franchise fees and royalty fees on an ongoing basis in exchange for support on training, sales, and collaborative support.
- We are utilizing Purpose Driven investors to support this process by taking on an equity stake in these key clinics in exchange for a portion of the clinic profit which will be between 6-15% annually. More specific info available in the Investor Prospectus below.
- High quality clinics and investors are not limited in scope. Successful partnerships can span regions or be nationally based. Currently, however, we are limiting our scope to the Greater Toronto Area, and Nova Scotia. This is to ensure quality support is available.
- The financial relationship between Town Health Solutions Franchising Ltd and the master franchisees is flexible and negotiable depending on the scope of business development.
- Co-operative agreements may be created with outside organizations to provide revenue opportunities for the regional network.
- Key question is, why would any clinic want to join us? What opportunities are there for the development of downstream franchises as a regional master? There are a number of specific sectors of note – 1. Docs retiring in 3-5 years, 2. Quality RMT clinics who want to diversify their discipline, and 3. B level clinics who know they need support in one area or another and are looking for a helping hand. More information is included in the Investor Prospectus below.

## 1. EXECUTIVE OVERVIEW – Who are we, and what have we done?

Town Health Solutions was started in 2004 as The Town Chiropractor, and currently hosts eight clinics, providing more than 30,000 treatments annually (among all professions), and has seen consistent growth in profitability. Our market share is excellent. In New Brunswick our chiropractors see 200% of that of our competitors, and this has held steady in the face of competition. The company is one of the fastest growing healthcare organizations in Atlantic Canada.

In both 2018 and 2019, according to Atlantic Business Magazine, among Top 50 CEO led companies, we ranked in the top 5 fastest growing companies both years in Atlantic Canada. In 2018 Town Health Solutions launched the first two franchised clinics, in Fredericton, NB and in Woodstock, NB. Year over year growth for both clinics for the first year as franchises averaged 40%.



Continuing through 2019, we spent the year refining our protocols, support systems, and strategic partnerships so that we could take that next step to expand outside of New Brunswick in 2020. We also have been planting the seeds to establish nationally-recognized thought leadership, through earned media and articles in our trade and scientific publications.

## 2. What makes us unique?

We feel our greatest strength is our culture. We don't just integrate professionals, or give people a platform to practice, we are changing how people look at business and health. By creating a bottom line of three pillars; financial, environmental, and social responsibility we provide people an opportunity to truly make a difference in their community.



In 2019 we were invited to join 10 elite New Brunswick companies, in the Million Dollar Pledge, including McCain's, Ganongs, and Mrs. Dunsters to commit to spending \$1 million over ten years to support the social determinants of health. This includes literacy, hunger, and child poverty. We as chiropractors, physiotherapists and others have a unique opportunity to make a difference in this area, and we're leading by example.

### 3. How did we get to this point? Our people, that's how!

We feel proud of what we've accomplished. We are a results-oriented, referral based clinic network that focuses on patient centered care. Our chiropractic appointments are not rushed, we do not force quotas on contractors, and most importantly, our staff show a great deal of satisfaction in their work, and their lives.

We focus on the brand within a brand concept. Our owners and associates are Type A personalities looking to change the world. We don't expect them to assimilate, however they can have their own personal brand within the umbrella of Town Health Solutions. This has proven successful as our contract re-signing rate is over 80%. We also offer models to purchase equity in clinics, giving an opportunity for ownership at the right time. We have established associate pipelines at CMCC from year 1-4 so that we have excellent relationships developed by the time someone graduates, which maximizes the likelihood of a good personnel match and smooth clinical operation.



We have the numbers to back this up. As you'll see in this package, our first year associates earn 300% of the average first year Canadian associate! Based on current rates, that is \$75,000 in the first year. Early on, we start dropping our knowledge bombs, and business/clinical strategies long before a chiropractor graduates. We also encourage certain continuing education courses before graduation to help transition their CMCC education with the tools they'll need to succeed in the trenches. We don't tell anyone how to practice, as long as they stay within established evidence-informed guidelines. However, we provide clinical pearls boiled down from years of experience, and courses taken, in easy to follow algorithms that escalate clinical competency out of the gate.

From a business stand-point, we've been able to convert these concepts into enhanced profitability. For almost 4 years, we've been the chiropractors with the highest per visit billing rates, in some cases 60% greater than our community competitors. There is no reason to shy away from trying to be the best. When it comes to healthcare, people will go where they're referred to, not the cheapest place. We feel we're among the best, so we model our business model accordingly.

## **Our leadership team, Dr. Erik and Dr. Dan**

Any organization that is going to truly make a difference must have the highest credibility and respect amongst the community and our peers, and this starts with one thing, strong leadership.

### **Dr. Erik Klein: CEO**



Dr. Erik Klein is an award winning published Chiropractor with 15 years experience both as a clinician and a thought leader in the health sector. Dr. Klein started Town Chiro out of his home basement in Hampton in 2004, and subsequently founded Town Health (with Dr. Dan) and grew it to include 6 corporate and 2 franchised clinics serving New Brunswick. Dr. Klein has a keen interest in sports medicine having treated athletes from the Olympic Games to the recreational level,

but also enjoys challenging chronic pain cases. Dr. Klein's style of practice is that of a problem solver, finding the 'why' in a person to establish long term strategies toward achieving maximum health and function.

Dr. Klein has been recognized by the greater business community, winning Atlantic Business Magazine's Top 50 CEO award 2 years in a row in 2018, and 2019. He, along with Dr. Dan, was an Atlantic finalist for the 2018 EY Entrepreneur of the year awards, and he was the NBCA's Chiropractor of the year in 2012. Finally, the CCA recognized Dr. Klein with the 2016 Public Service Award.

Ever the innovator, Dr. Klein looks to re-map how healthcare is delivered in Canada both nation wide and in the clinic. As a member of the Board of Directors of Horizon Health Network he oversaw a \$1.3 Billion budget, covering 13,000 public sector health workers, and 100 facilities. Dr. Klein has published two papers on cervical spine pathology and continuing to develop his professional skills, he has taken almost 280 hours of continuing education over the past two years, focusing on functional neurology.



To stay in shape, Dr. Klein runs masters track and field, preparing to compete in the Decathlon at the 2020 Toronto World Master's Track and Field Championships. Dr. Klein is married to his beautiful wife Merab and has one daughter, Torunn. They reside in Hampton, NB

## Dr. Daniel Comeau: COO



Dr. Daniel Comeau is an award winning chiropractor whose career began in 2012. Dr. Comeau is single minded in his drive to seek results oriented solutions in the treatment of his patients. This approach has allowed him to grow a practice at an accelerated rate and tap into many local, provincial and national sports organizations, and due to this, he is largely considered and inspiration to other chiropractors in the profession.

Dr. Comeau is an opinion leader and collaborator in the profession, working very closely with provincial and national bodies such as the Canadian Chiropractic Guidelines Initiative (CCGI), an organization that is charged with disseminating best practice guidelines and research oriented approaches to the general chiropractic practitioner; as such is opinion and knowledge is frequently sought out.

Dr. Comeau's practice focus is on athletic rehab and sports performance. He has given back to the athletic communities of Saint John, Sussex, New Brunswick, Canada, and the rest of the world through numerous volunteer positions as medical aide, and rolls in the medical management teams of local, regional, national and international events. Most notably with the 2014 Ford World Woman's Curling Championships and The World Pond Hockey Championships, but also with work as the team doctor for several high school and university sports teams.

Dr. Comeau has sat on several medical committees with the vision of shaping healthcare in New Brunswick. He also sculpts the implementation of musculoskeletal health in the province by being the COO of Town Health Solutions, a network of clinics throughout southern New Brunswick with the mission goal of providing evidence informed, results driven healthcare to the communities served.

Dr. Comeau's personal time is spent with his wife, son and Great Dane. He's an avid body builder, traveler and outdoor enthusiast.

### Dr. Daniel Comeau

#### About me ?

Hometown: Miramichi NB

Where do you practice?: Private practice in Sussex NB and Saint John NB, but Town Health Solutions has several locations.

Fun fact: I really like supersized pets ! I have a Great Dane and a Maine Coon Cat.

#### What is the best part of being a chiropractor?

I love solving puzzles and coming up with a solid answer or hypothesis. Basically, every patient interaction is a problem/puzzle to be answered and requires a unique solution. I live what I enjoy doing every day.

#### Do you have a clinical focus or special interests?

I spend a lot of time looking at regional interdependence within the body. It's the idea that your foot can impact your back, or your wrist can impact your shoulder, and vice versa.



Association des chiropraticiens du Nouveau-Brunswick



New Brunswick Chiropractors Association

## Investor Prospectus

### 1. Clinic Owner: What does Town Health Solutions bring to the table?

As a regional master franchisee you will be accessing a proven growth model in your chosen region, and for 2020 this is limited to the Greater Toronto Area and Nova Scotia. By choosing this path you want to be part of something bigger, driving messaging and branding that represents the best of chiropractic, and clinical practice. We together are in charge of this narrative. Governments, professional associations, regulatory authorities, and schools attempt and struggle to be consensus makers amongst vast differences in organizational opinion. By championing evidence-informed, Purpose Driven, patient centered practice with a clear and consistent message, this is an area where the power in numbers is to everyone's benefit. Results Driven Solutions.

The regional master franchisee, through an agreement with Town Health Solutions Franchising Ltd, will gain access to franchise fees, and royalties in their region. If the royalty is 6% for further clinics, the regional master franchisee can expect to receive between 16%-33% of this fee and the associated franchise fee slated to be between \$15,000 -\$30,000. Rather than focusing on up-front financial drivers, the goal is to foster long term successful relationships to feed the business model. We feel within 5 years, 20 + clinics is a reasonable goal in southern Ontario, and another ten in the rest of the province.

For high priority Master clinics we are partnering with Purpose Driven investors to purchase equity stakes in these clinics so that everyone has 'skin in the game' to ensure success of that region's development. This is of course optional for the clinic owner, but a scenario certainly worth considering.

From a technical standpoint, Town Health Solutions Ltd provides business and administration training, and access to our clinical algorithms, social media support and content generation, support and guidelines on becoming a community thought-leader, and step by step guidance on generating patient referrals without sketchy scripts. Also, we discuss taking an evidence-informed approach to creating supportive care or maintenance patients without hard sales tactics. There is so much more described later in this document, but we offer a lot of the best that we've been able to generate over the past 15 years to develop a multi-million dollar organization.



## The investor

You get an opportunity to invest in one of the great financial opportunities of the last one hundred years. Healthcare. The silver tsunami is here, the financial markets are largely crested and there are not many sectors where consistent growth is likely to be consistent. Healthcare doesn't provide drastic risky swings, but on-going growth. The public sector healthcare costs of the average Canadian are in the \$3500 area. After age 65, it doubles to \$7000. At 75, the average Canadian uses \$14,000, and after 80 it's over \$20,000. Dr. Klein spent 4 years on the health authority that managed all of New Brunswick's hospitals and these are very real numbers, and few Canadian jurisdictions are prepared, if any at all. The number one cause of lost productivity is musculoskeletal pain, followed by depression, and then heart disease. Now that the last baby boomers have turned 60, provincial health systems are coming under extreme stress.

Private health clinics managing conditions common to the general public, and especially pertinent to the 'silver tsunami' are taking the lead. Most chiropractic, and physiotherapy clinics have a net profit margin of 15-20%. We are offering various options that will have an ROI between 6-15%, in existing long-term established health clinics.

This is an opportunity not to be missed.



Dr. Erik Klein (left), president & CEO, The Town Chiropractor chatting with Brett Wilson, former panelist, CBC's Dragon's Den and chairman, Prairie Merchant Corporation.

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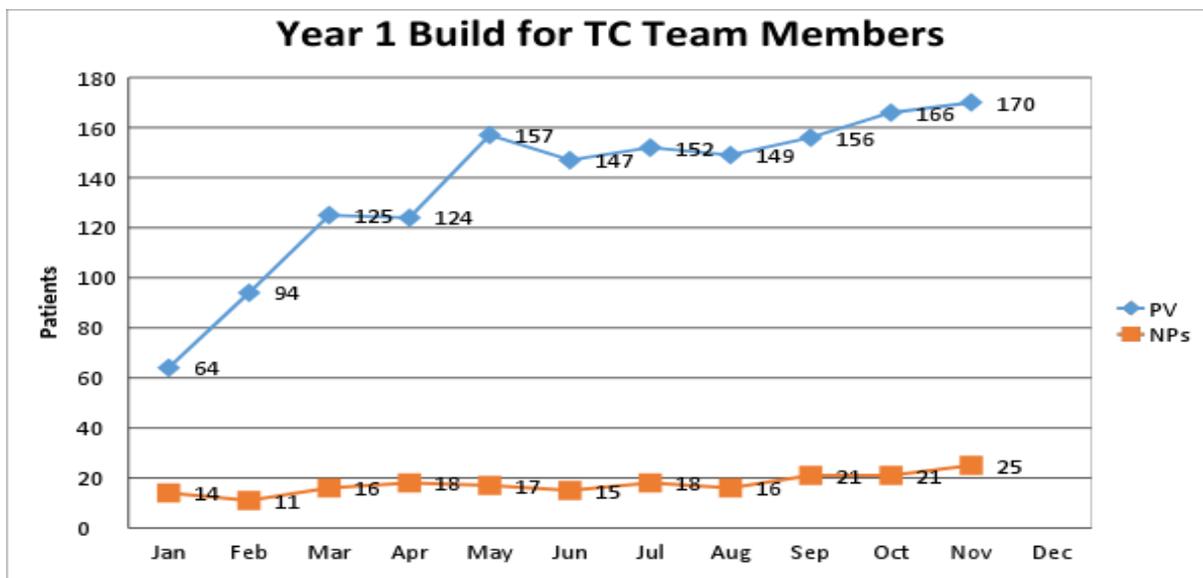
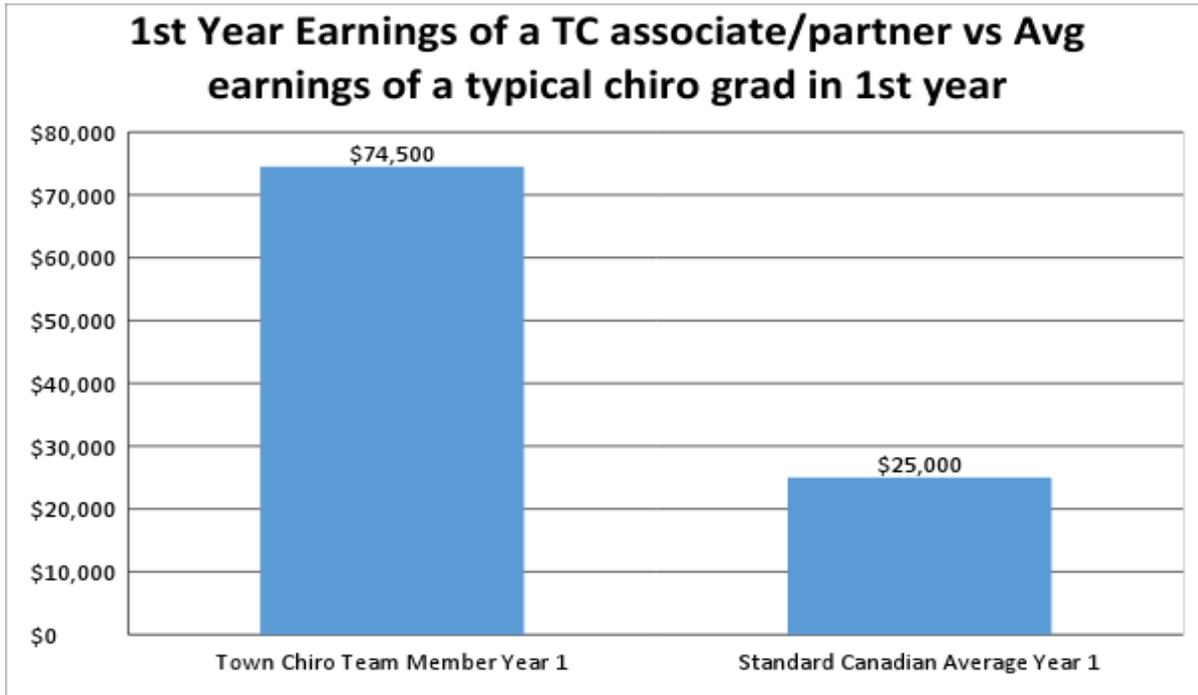
### Technical specifications on business services

- Review of 3 years of corporate financial statements and tax returns, remuneration strategies, and corporate structures.
- Statistical analysis of all practitioners: New patient volume frequency, per visit average, referral rates, bounce rate.
- Review of what ancillary services exist to add to clinic: podiatrist, Naturopath etc.
- Physician and specialist outreach plan
- Professional efficiency consultation
- Office design/decor consultation
- Review of patient management and education strategies.
- Review of intra-office referral strategies, and practitioner referral strategies, and patient referral rates.
- Business Process Operations review and plan
- 1, 2, 3, and 5 year strategic plan
- KPI assessment on royalty fees (ensure positive benefit to the franchisee)
- Access to cost-effective video and photo editing
- Access to cost-effective copywriting services
- SEO management
- Bookkeeping and legal services (at Atlantic Canadian preferred rates)
- Legal services (at Atlantic Canadian preferred rates)
- Technical knowledge subscriptions across the network
- Social media, Google, and advertising plan and consistent follow-ups.
- In development - access to a proprietary exercise prescription and monitoring application. Currently not available in North America.

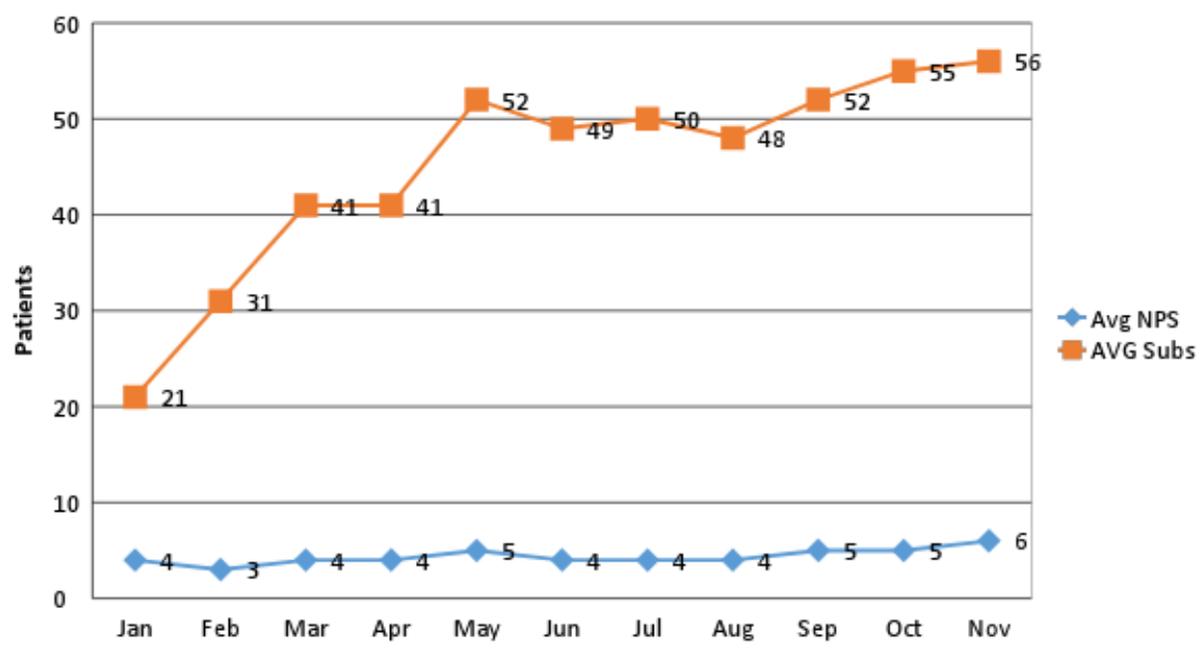


## Financial history of First year chiropractors at Town Health Solutions

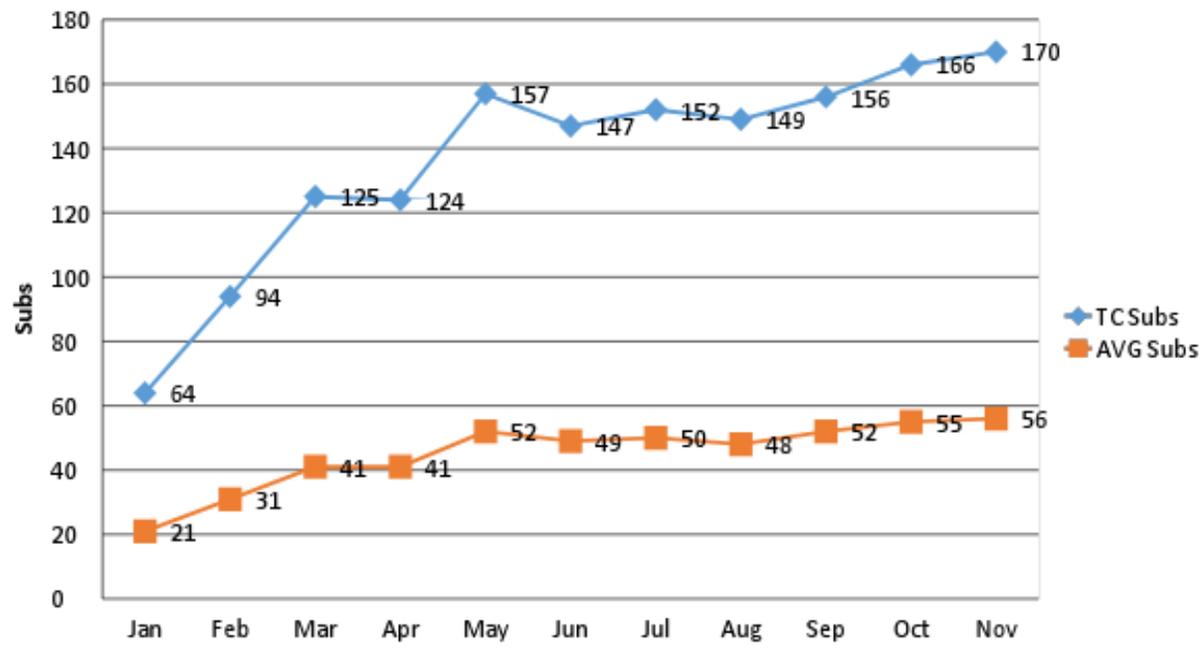
Our associates, on average, earn almost three times the national average in their first year of practice. Don't take our word for it, math doesn't lie!

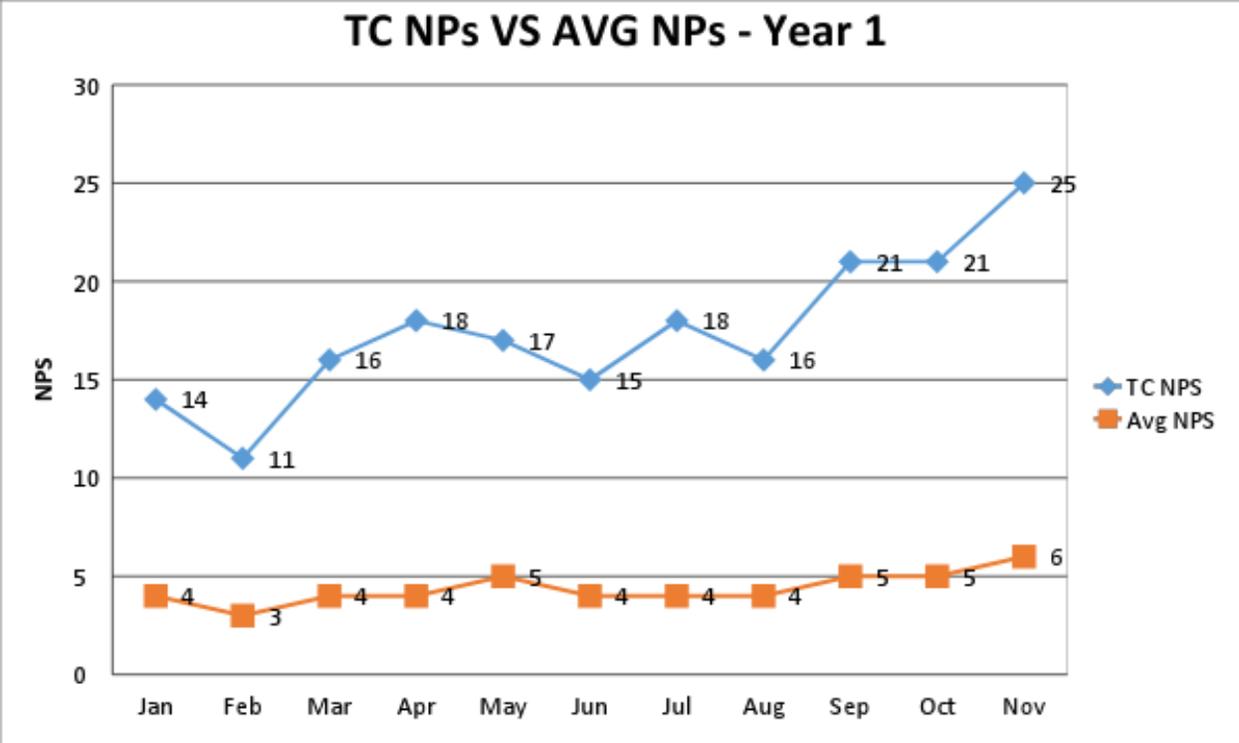


### Average Year 1 Build for AVG Chiro



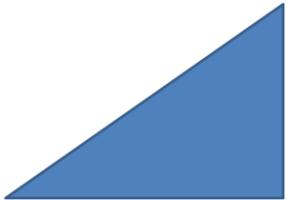
### TC Subs VS AVG Subs - Year 1





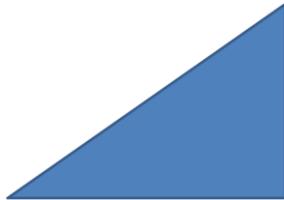
Average build/income past year one (at 2018 fees)

Year three gross revenue	\$250,000	80pv/wk
Year five gross revenue	\$365,000	110pv/wk + passive income
Year ten gross revenue	\$450,000	125pv/wk + passive income



**Table of Contents of the full practice package: We customize this to your community**

- 1. Executive overview**.....
- 2. Business description**.....
- 3. Management Profile**.....
- 4. Market Research**.....
  - 4.1 Community Profile*.....
  - 4.2 Customer Profile*.....
  - 4.3 Competition*.....
  - 4.4 Market Size and Market Share*.....
- 5. Market Plan**.....
  - 5.2 Positioning*.....
  - 5.3 Product or Services*.....
  - 5.4 Price*.....
  - 5.5 Promotion*.....
  - 5.6 Location, place or Distribution*.....
  - 5.7 Creating yourself word of mouth referral pipelines. Culture your own fans*  
*Learn how we generate 120 new patient referrals per month*.....
  - 5.8 Promoting yourself to GPs, specialists, RMTs, and the business community*.....
  - 5.9 Gaining access to sports organizations as team doctor*.....
  - 5.10 Getting volunteer and paid roles on non-profit and community boards*.....
- 6. Business Operations**.....
  - 6.1 Purchasing and Inventory control*.....
  - 6.2 Bookkeeping*.....
  - 6.3 Employees*.....
  - 6.4 Customer Services*.....
  - 6.5 Contracts: RMT/professional sub-lease,* .....
  - 6.6 Guide to opening and registering a Canadian Private Controlled Corporation*.....
- 7. Financial Plan**.....
  - 7.1 Average take home remuneration and statistics of first year associates at The Town Chiropractor*.....
  - 7.2 Statistics from year one through ten*.....
  - 7.3 Gross statistical analysis: New patients, per visit average, total patient seen*.....
  - 7.4 Start Up costs*.....
  - 7.5 Monthly projected costs*.....
  - 7.6 Owner's Contributions to Business Start-up*.....
  - 7.7 Projected Cash Flow Statements*.....
  - 7.8 Cash Flow Notes*.....
- 8. Social media and website plan**.....
- 9. Earned media vs. advertising. How to become a thought leader**.....



9.1 Published articles about the organization.....

9.2 Template for opinion pieces on chiropractic and MSK care.....

9.3 How to identify cases suitable for publishing in JCCA, and sample papers.....

**10. The Town Chiropractor functional clinical guide and algorithms of diagnosis and treatment**

10.1 Introduction of functional chiropractic care

10.2 The global body assessment algorithm

10.3 Low back Level 1

10.4 Low back Level 2

10.5 Low back Level 3

10.6 Hip/pelvis

10.7 Shoulder

10.8 Knee, ankle, and foot

10.9 Elbow, wrist, and hand

**11. Employee plan**

11.1 Employee hiring guide

11.2 Front desk administration plan

11.3 Emergency Action plan

**Appendix.....**

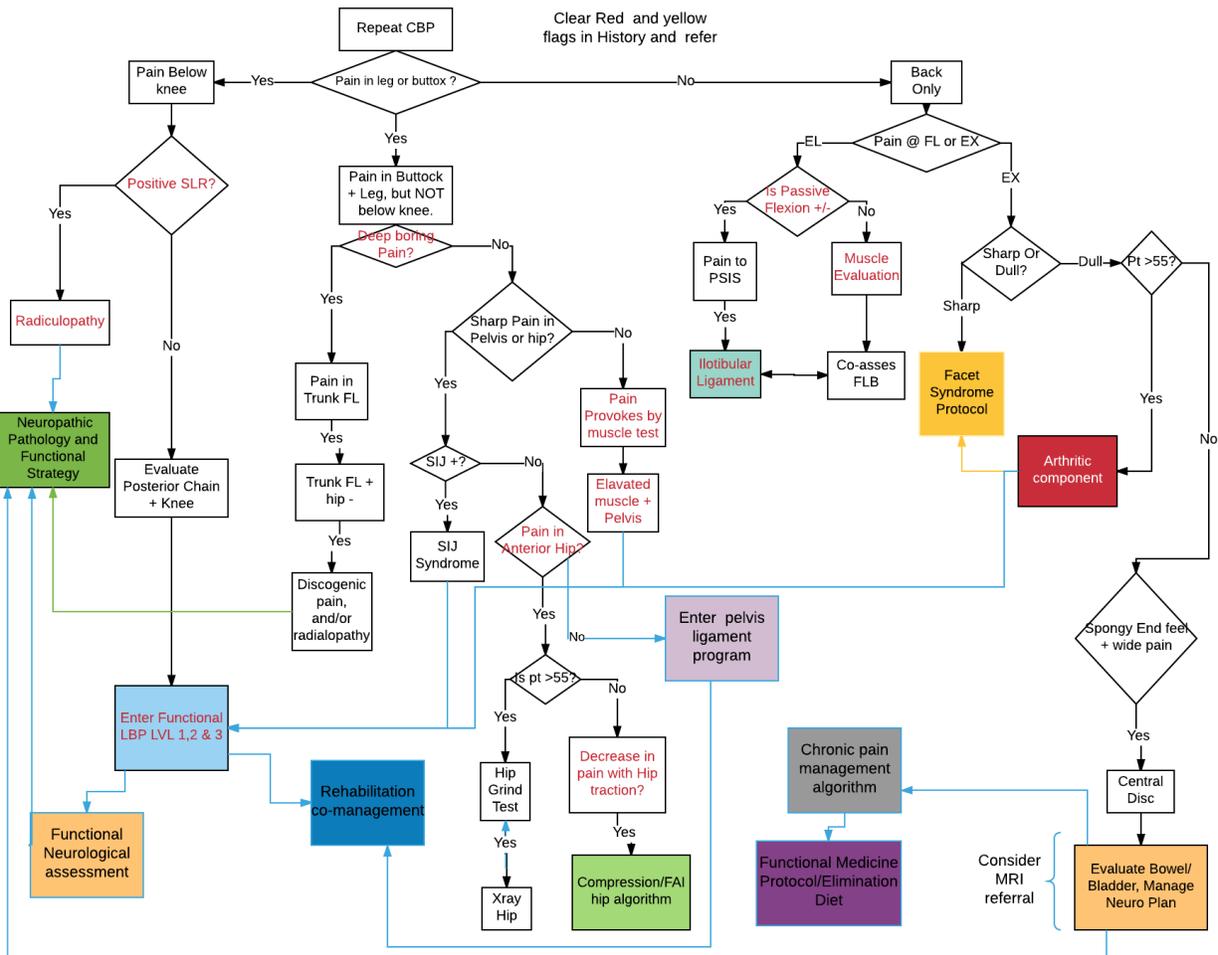
- Resume.....
- Medical Guidelines for sporting organizations.....



## Clinical Support

As one completes their chiropractic school journey, they will quickly realize that their education has only just begun. The education at CMCC is a very high quality one, however it is focused on pathology over function. Our focus at Town Health Solutions is to streamline the subtleties of functional assessment to truly identify the root causes of the problems for maximum success. Typical assessment via orthopaedic testing lacks in sensitivity, with only approximately 20% of testing correctly identifying the problem. As a team, we have built a very functional and holistic model of care that utilizes the body's biomechanics, neurology, nutritional needs, and lifestyle factors as one cohesive unit to obtain incredible results.

Here is an example of one of our top line low back pain algorithms. We break all of these parts down in quite a bit of detail to apply treatment protocols to the appropriate functional findings.



## Town Health Solutions Boot Camp

Every fall we run weekly training sessions to introduce new practitioners to our mindset, business systems, and clinical systems. Over the next year we will supplement this process with monthly clinical and business rounds, both in person and via skype to discuss challenging cases, and creating your referral pipelines. The cost of this program, and everything ongoing is included in the franchise package. Not every clinic will want to entertain every piece. It is up to them, and everything is dependent on practitioner availability and geography, but the opportunities are presented below:

Topics covered (in no particular order):

- *Creating yourself word of mouth referral pipelines. Culture your own fans*
- *Promoting yourself to GPs, specialists, RMTs, and the business community*
- *Gaining access to sports organizations as team doctor*
- *Getting volunteer and paid roles on non-profit and community boards*
- *Become a thought-leader in the media.*
- *Patient education and communication*
- *Enhanced competence in spinal adjusting.*
- *Extremity adjusting*
- *Concussion management*
- *Principles of Functional medicine*
- *The future of healthcare in Canada (politics).*
- *Entry-level low back functional algorithm, and advanced levels 2 and 3. Get instant results with strategies not learned in school.*
- *All clinical algorithms and systems for diagnosis, management, and further decision making.*
- *Advanced core and stability concepts including pelvic floor, diaphragm, and jaw.*
- *Integrations between ankle, knee, hip, pelvis and back*
- *Integrations between wrist, elbow, shoulder, and neck*
- *The role of stress/emotional issues on NMSK system, and how to manage it.*
- *Gut physiology and its role in NMSK.*
- *And much more! :)*

# Generating patient referrals: a snapshot

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