STRATUM HEALTH ADVISORS

CASE STUDY N° 9 · DECISION ANALYSIS

Franchise, or Own It All

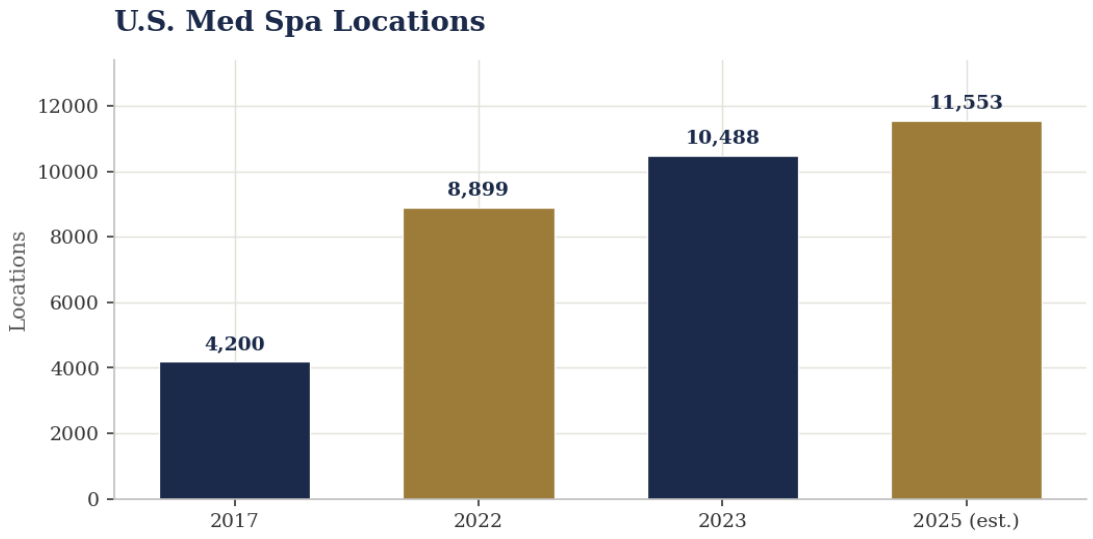
Why the fastest-growing consumer-healthcare category has almost no scaled brands — and what that whitespace teaches a proven med-spa operator choosing an expansion vehicle. A med-spa replication and franchising decision analysis.

1. The Fork

A med-spa operator with two or three high-performing locations and a waitlist has proven the model. The question is how to multiply it. Four vehicles are available — corporate-owned expansion, franchising, licensing, or a private-equity-backed platform — and the choice shapes everything that follows: capital required, brand control, and how the injector-recruiting bottleneck gets solved. The med-spa market is a revealing place to study this decision, because it is growing faster than almost any consumer-healthcare category yet remains overwhelmingly unconsolidated, and because franchising has a documented history of both success and failure here. This is an analysis of the vehicle choice, framed for any founder deciding how to scale a proven single-market model.

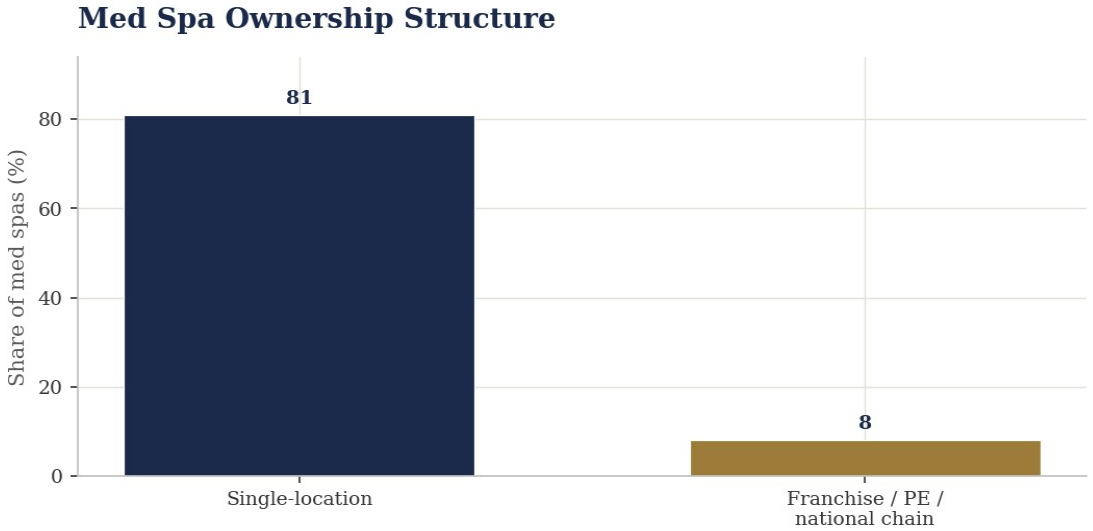
2. The Landscape Before the Decision

The growth is real and sustained. U.S. med-spa locations rose from roughly 4,200 in 2017 to 10,488 in 2023, with industry estimates near 11,553 by 2025 and about 1,000 new locations opening each year[1]; global market forecasts put double-digit annual growth through the early 2030s.



Illustrative | Source: AmSpa State of the Industry; AestheticHires (2026). 2025 is an industry estimate.

Yet the market is almost entirely unconsolidated: roughly 81% of med spas are single-location businesses, and only about 8% belong to a franchise, private-equity platform, or national chain[2]. That is the whitespace — a large, fast-growing, high-margin category with almost no scaled brands, exactly the setup a disciplined multi-unit operator can own regionally before consolidators arrive.



Source: DC Advisory; AMB Wealth (2024). Remainder are small independent multi-unit.

Two constraints shape any vehicle choice. First, injector supply: staffing shortages, not demand, cap growth, and roughly 40% of operators report positions they cannot fill. Second, the corporate-practice-of-medicine doctrine varies sharply by state, restricting who may own a medical practice and often forcing a management-services structure[3]. Vehicle choice is legally constrained before it is strategically chosen.

3. The Decision Logic — Steelmanned

Franchising is the seductive answer: it monetizes the brand fastest and funds expansion with franchisee capital rather than the founder's. For an operator who wants scale without raising equity or personally financing every buildout, franchising

converts a proven model into a royalty stream and pushes buildout risk onto franchisees. The logic is sound where the model is genuinely systematized and the brand has demonstrable pull. It is the classic path from one great location to a category brand — and in a market with almost no national names, the first operator to franchise credibly could plausibly define the category.

4. The Landscape After

But franchising has a documented track record of failing in this specific market, for reasons that recur: inconsistent management across franchisees, state regulatory complexity, pricing problems, and the reputational and liability exposure of botched treatments performed under a shared brand[4]. A single bad clinical outcome at one franchised location damages every location's brand — a risk structure unlike most franchised businesses.

This is why the whitespace has persisted despite the growth: the thing that makes med spas attractive to consolidate — medical procedures under a consumer brand — is also what makes franchising them dangerous. The operators building durable scale have generally done so corporate-owned first, standardizing clinical protocols and building an injector-training pipeline as internal infrastructure before considering any capital-light vehicle. The sequence, not the vehicle, is the decision: prove the system can be replicated with quality control you own, then choose how to fund the multiplication.

The convergence with adjacent categories reinforces this. Dermatology and plastic-surgery platforms are acquiring med spas as part of a broader “skin health” strategy, which means a well-run corporate-owned regional brand is building exactly the asset a larger consolidator will eventually pay a premium to acquire — an outcome franchising can complicate.

5. The Strategic Read — For Any Proven Single-Market Operator

The vehicle choice in a medical-consumer hybrid resolves to a sequencing question governed by clinical risk. The tradeoff space:

DIMENSION	CORPORATE-OWNED	FRANCHISE	LICENSE / PE PLATFORM
Capital source	Founder / retained earnings	Franchisee capital	Outside equity
Brand & clinical control	Total	Weakest — enforcement burden	Shared / negotiated
Clinical-liability risk	Contained	Highest — shared brand, others' outcomes	Varies
Speed to scale	Slowest	Fastest if system is ready	Moderate
Exit optionality	Builds an acquirable asset	Can complicate a sale	Built-in via sponsor

6. The Stratum Outlook

> **IN PLAIN TERMS**

> Strip away the mechanics and it is this: med spas are exploding, and almost nobody has built a big brand yet — the field is wide open. Franchising looks like the fast way to grab it, and it is the way a lot of operators have gotten burned, because these are medical procedures, and one botched treatment at one franchised location bruises every location that shares the name. The operators who actually built something lasting did it by owning their locations first, nailing down the clinical playbook and the staff-training pipeline, and only then deciding how to fund going wider. The vehicle is not the decision. The order is. Prove you can copy it without losing control of quality — then pick how to pay for copying it.

7. Where Stratum Fits

A proven operator weighing how to scale needs the unit economics pressure-tested, the trade-area math run for the target markets, and the vehicle decision matched honestly to how systematized the model actually is today. Stratum builds that replication roadmap. Start a conversation at stratumhealthadvisors.com.

References

All figures in this analysis are drawn from the following public sources, current as of publication (July 2026).

[1] AestheticHires. “Med Spa Industry Statistics (2026).” June 2026. aesthetichires.com; AmSpa Medical Spa State of the Industry Report 2024. (Location counts 2017–2025; ~1,000 new locations/year.)

[2] DC Advisory, “The US Medical Spa Service Industry,” dcadvisory.com; AMB Wealth MedSpa Market Overview, 2024. (81% single-location; ~8% franchise/PE/chain.)

[3] Grand View Research, “Medical Spa Market,” June 2026; AmSpa 2024. (Injector staffing shortages; corporate-practice-of-medicine variation by state.)

[4] Marketdata Enterprises / Research and Markets, “The U.S. Medical Spas Industry.” (Documented reasons franchising has failed for some operators: management, state regulation, pricing, botched treatments.)

Figures reflect the most recent public sources available and may change as ownership and market conditions evolve. This reference list is provided for transparency and does not constitute an endorsement by the cited parties.