

# Venutos offer taste of Old World Pizza

Hollywood Tans owners start new business

Courier-Post Staff WASHINGTON TWP.

The owners of Hollywood Tans will launch a new business next year, one that involves turning pizza crust rather than people into an appealing golden brown.

Venuto's Old World Pizza will open to the public in 2007, a take-out and delivery company featuring pizza, wings, fries and poppers. Already, 30 franchisees are committed and 10 leases have been signed for locations in Camden, Gloucester and Burlington counties.

The first store will open in mid-February.

In spite of its glamorous name, Hollywood Tans -- and now Venuto's Old World Pizza -- has local roots. The tanning business was started in 1994 by the Venuto family of Blackwood.

Today, Hollywood Tans has more than 300 franchise locations and extends into 32 states as well as Israel, Turkey and Dubai. The company's "world headquarters" is in Washington Township.

"Overwhelming" is the way Ralph Venuto Sr., 65, the family patriarch, describes the growth of Hollywood Tans during the past 12 years. The company is largest tanning franchise chain in the U.S.

"People want to buy us out, get a partnership, and take us public," said Venuto, chuckling in wonderment. "Our company is a family thing, and we enjoy keeping it that way at this time."

Entrepreneur magazine lists Hollywood Tans at 106 on its roster of the Top 500 Franchises in the United States for 2007.

"We've done so well with tanning salons, now we want to try pizza," said Venuto.

Bob McQuillan, Hollywood Tans vice president of franchise sales and marketing, admires his boss' vision and business style.

Venuto has made it possible for Hollywood Tans to manufacture its own furniture, fixtures and signs. The company operates a 60,000-square-foot plant off Delsea Drive. Tanning booths are made there, too, and carry a lifetime warranty.

In-house manufacturing helps franchisees save money on salon equipment, said McQuillan, a resident of Mullica Hill.

"Ralph's the kind of guy that I wish everybody could work for," said McQuillan. "He gives attention to every detail, yet he allows people the autonomy to do their own work and run their own department."

Hollywood Tans develops all of its marketing materials in-house and also distributes its private-label skin care lotions from the corporate headquarters.

Meanwhile, a 15-member service and installation team works closely with franchisees. Each Hollywood Tans salon is designed and installed by the service team.

"The typical buy-in (for the tanning salon) is \$275,000 to \$350,000, and that includes working capital," said McQuillan.

There is still plenty of room for Hollywood Tans to grow. McQuillan estimates another 1,200 for just the United States.

"We haven't even scratched the surface in Canada," he said.

But the Delaware Valley is nearly sold out, according to Venuto. There are 60 franchise salons in New Jersey, 75 in Pennsylvania and 10 in Delaware.

"The market for tanning is tremendous," said Venuto. "But you can't put the salons too close together."

A pro at starting franchise businesses, Venuto formerly owned Ralph's Transmissions, Laser Lube and Lightning Lube. In the 1980s, a rival firm began interfering with Venuto's franchise businesses, spreading misinformation.

When Venuto asked the competing company to apologize and to set the record straight, the firm refused.

"They said, 'Oh, we can't do that,' " said Venuto. "So, I told them, 'Well, I guess I'll have to sue.' "

The court awarded Venuto \$62 million.

With the settlement money in his hands, Venuto decided to set his three children up in their own businesses.

When daughter Carol, a college student, expressed interest in a tanning salon, Venuto was more than a little doubtful. But then he looked at the competition.

"I was shocked by the unsanitary conditions," he said. "I just couldn't get used to people laying in each other's (tanning) beds," said Venuto.

He thought he could offer customers a cleaner tanning environment as well as better service and quality.

Instead of tanning beds, Venuto explored the vertical tanning booth. Customers stand for eight to 10 minutes and receive a tan from all angles.

When spray-on tans gained popularity, Hollywood Tans adapted. Tanners enter a booth where they are blasted by a spray solution that gives them a glow in a few seconds.

Each salon is equipped with at least 13 of the various tanning booths, an effort to minimize wait time for customers.

Now, Venuto is launching into the pizza business with the same careful eye for the details.

A prototype of a Venuto's Old World Pizza store stands in one corner of the plant floor at Hollywood Tans. A few yards away, an employee installs wiring for a vertical tanning booth.

On another part of the floor, an oven churns out trial pizzas. Scott Walsack, formerly a head chef at Trump Plaza in Atlantic City, has been hired to oversee the food operation.

"We're trying out recipes now," said Venuto with a smile. "Come over tomorrow and taste some."

The market for food is certainly broader than the demographic for tanning. Venuto expects 100 pizza franchises to be in operation within the next year.

Whether Venuto's Old World Pizza will outshine Hollywood Tans remains to be seen. But as Venuto observes optimistically, "Less than seven percent of all people tan, but 93 percent eat pizza."

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