



How to Turn a Niche Self-Service Business into an Attractive Investment Asset: The Case of an Automated Photo Studio Network

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Abstract

Automated photo studios are traditionally perceived as small offline businesses with limited scalability potential. However, with the right product architecture, financial model, and risk management, such a project can be transformed into a clear and attractive asset for investors. This article examines the experience of building a network of automated photo studios in the United States, with expansion into Europe, led by a product manager with a background in commercial lending and financial analysis. It describes the elements that make a business “investment-readable”: transparent unit economics, a portfolio approach to locations, standardized processes, a technological platform, and an international growth strategy.

Keywords: Investments; Automated Photo Studios; Self-Service; Fintech; Unit Economics; Risk Management; Scaling; USA; Europe.

WHY NICHE SERVICES ARE OFTEN UNATTRACTIVE TO INVESTORS

Many offline projects look similar from an investor’s perspective:

- dependence on the founder’s personality and personal connections;
- lack of standardized processes;
- weak manageability beyond a single city;
- opaque unit economics at the level of individual locations.

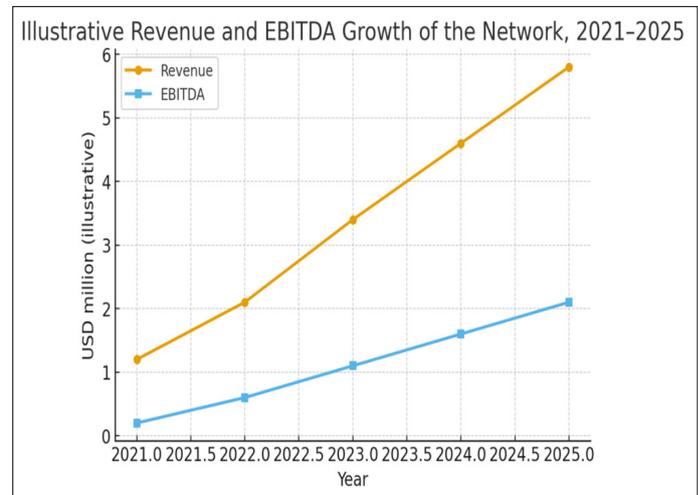
In such cases, investors see not an asset with predictable cash flows, but a collection of risks tied to specific individuals and local circumstances.

Networks of automated photo studios typically fall into this category: “a small business dependent on good locations and the owner’s diligence.” To change this perception, the project must transform into:

- a scalable product rather than a collection of standalone units;
- a portfolio of manageable assets rather than a scattered set of locations;
- a digital platform rather than just equipment.

This is precisely the transformation achieved by the network

launched in the United States and expanded to around 30 regions, with several hubs in Europe.



UNIT ECONOMICS AS THE FOUNDATION OF THE INVESTMENT CASE

The first question any investor asks is: “What is happening at the level of a single unit?” Until there is a clear answer at the level of an individual studio, any discussion about scaling is premature.

For an automated photo studio, unit economics can be described through:

- **Revenue** — average ticket × number of sessions per month;

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- **Variable costs** — payment processing fees, service, consumables for printing;
- **Fixed costs** — rent, connectivity, equipment depreciation, basic marketing;
- **Outcome** — gross margin, operating profit, and investment payback period.

Experience in financial analysis and credit project management makes it possible to:

- model different types of locations (shopping malls, government institutions, campuses) as distinct demand and cost profiles;
- assess in advance under which conditions a studio becomes a “healthy” asset and under which it turns into a source of ongoing subsidies;
- define threshold metrics: margin, payback period, and target number of sessions.

Only after unit economics proved устойчивой (stable) in pilot regions did the network begin to scale. This principle is important both for internal discipline and for future conversations with investors.

PORTFOLIO APPROACH: LOCATIONS AS A SET OF MANAGEABLE ASSETS

Investors evaluate a business not only at the level of a single unit, but as a portfolio — considering the distribution of revenue, risk, and growth rates across segments.

In the network of automated photo studios managed by Artem Blazko, an approach borrowed from commercial lending was adopted:

- each location is treated as a mini-project with its own risk profile and economics;
- regions are grouped into segments: “core” (stable demand, proven model), “growth” (dynamic environment, higher risk), and “test” (experimental formats);
- limits are established: maximum share of high-risk locations, acceptable investment volume in test hypotheses, and target share of the “core” portfolio.

This portfolio perspective is important for investors for two reasons:

- **Risk diversification.** Weak performance of a single location is not critical if the portfolio is well-balanced.
- **Transparent growth strategy.** It becomes clear where the main revenue will come from and where the potential for accelerated but controlled growth lies.

STANDARDIZATION AND PROCESSES: FROM CRAFT TO SYSTEM

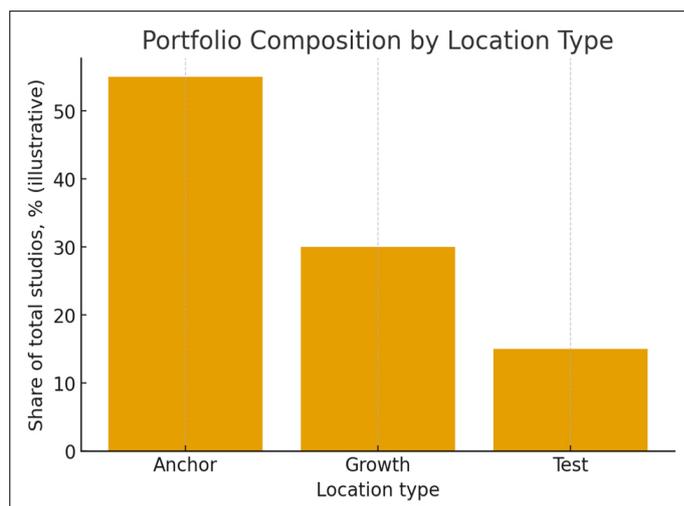
An “investment-grade” business is not only about numbers, but also about the ability to reproduce results without

constant involvement of the founder.

In the photo studio network, the following were standardized:

- **Location formats** (typical configurations, point architecture, requirements for space and infrastructure);
- **Launch processes** (checklists for installation, setup, equipment and payment testing, training of local coordinators);
- **Operational procedures** (response times for incidents, interaction protocols with property owners, routes for service teams);
- **Pricing approach** (frameworks for local variation, promotion and discount policies).

Such standardization reduces dependence on manual management and simplifies business auditing. It is easier for investors to assess the efficiency of a system where procedures and control points are clearly defined.



TECHNOLOGY PLATFORM: TURNING THE NETWORK INTO A DIGITAL ASSET

A key shift toward investment attractiveness came from rethinking the photo studio network as a technology platform.

Instead of a set of disconnected terminals, a unified digital core is created that:

- manages equipment and software updates;
- aggregates data on sessions, revenue, utilization, and technical failures;
- supports integrations with payment and partner services;
- provides analytical dashboards for management and potential investors.

As a result, the primary asset is no longer a collection of physical studios, but a managed network where:

- locations can be quickly opened and closed while preserving data and processes;
- new partners (government services, corporations, marketplaces) can be easily integrated;
- expansion into new regions and countries is possible without fully redesigning the system.

For investors, this means greater flexibility: the platform can support multiple use cases and partnership models without being rigidly tied to a single format.

INTERNATIONAL SCALING: MANAGED GROWTH, NOT “EXPANSION AT ANY COST”

Having a successful network in the United States does not guarantee the same success in Europe. Much depends on local regulations, demand structure, and payment infrastructure.

A financial and credit background enables international growth to be structured according to the following principles:

- pilot locations instead of immediate large-scale market entry;
- separate unit economics calculations for each country, including rent, acquiring costs, service expenses, and ID photo requirements;
- consideration of regulatory risks: personal data rules, formal photo requirements, and restrictions on equipment placement;
- incorporation of currency and country risks into cash flow projections.

This approach demonstrates to investors that international expansion is not an emotional decision, but a structured initiative with risk assessment and scenario planning.

INVESTOR COMMUNICATION: THE LANGUAGE OF METRICS AND SCENARIOS

Even a strong business can appear ambiguous if communication with investors is based on impressions and general statements.

A fintech background allows the product manager to structure the dialogue in investor-friendly terms:

- revenue and margin dynamics by segment;
- breakdown by location types and regions;
- portfolio structure by risk classes;

- scenario-based forecasts (base, optimistic, stress);
- capital requirements and expected returns under different scenarios.

In this format, the automated photo studio network stops being a “special case” and starts to resemble a familiar fintech or infrastructure asset — albeit within a specific niche.

CONCLUSION

Niche self-service businesses, such as automated photo studios, rarely attract the attention of large investors at the outset. However, the experience of Artjoms Blazko shows that, with the right configuration, this type of business can become a clear and attractive investment opportunity.

The key factors of this transformation include:

- sustainable unit economics at the level of a single studio;
- a portfolio approach to managing locations and regions;
- standardized launch and operational processes;
- a technological platform that turns the network into a digital asset;
- managed international scaling with consideration of regulatory and country risks;
- communication with investors in the language of metrics, scenarios, and manageable risks.

As a result, automated photo studios evolve from being merely “photo booths” into a полноценный (fully-fledged) fintech product at the intersection of technology, finance, and offline infrastructure — with a clear growth model and an attractive investment profile.

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