

0% Royalty **0%** Advertising Fee



What can Freshslice do for you as a franchisor?



What can Freshslice do for you as a franchisor?

RESOURCES & SUPPORT
= SUCCESS

1. Reduced risk of failure

Freshslice Pizza has developed a method of doing business that works well and produces successful results. You as OUR FRANCHISE PARTNER can take advantage of the Freshslice system as long as you are a person with: vision, a diversified skill set, an interest in being successful and is capable of hard work. Even the best-run system will not benefit you if you enter it with the wrong mindset.

2. In the business for yourself, but not by yourself

- Becoming part of Freshslice allows you to assume a leadership role in your business while still having the full support from our head office team.
- As a Freshslice PARTNER, you will hire and train your own staff, look after bookkeeping, do local advertising, deliver customer service on a daily basis, pay your own bills and take ultimate responsibility for your business' success or failure.
- Freshslice Pizza as franchisor is always there to offer: guidance, advice, resources and support to help you become successful.

3. Location assistance

- Freshslice provides assistance with site selection and lease negotiations.
- Freshslice already knows the elements that make a successful location, since we have already opened and operated several locations. Therefore, we work hand and hand with you in negotiating the best terms and conditions for your lease. Landlords and developers also prefer to deal with someone with the Freshslice name behind them as we already have a proven track record, which is why we get great locations, such as those in large malls and other prime developments, not available to independent operators.



Fresh Lives Here



4. A financing leg-up

To launch a new business, you are going to need financing. Canadian banks will typically only lend to a small business if the loan is either fully secured outside of the business, or meet a lending criterion under the Canadian Small Business Financing Act. Banks want to limit their risk, so they will only lend to candidates who they believe will pay them back. That said, banks prefer to deal with an established system like Freshslice and will often provide a higher level of financing to someone buying into our business as opposed to someone going it alone.

- We have great relationships with major chartered Canadian banks. They know us, they know our business model, so they will know you. Their professionals are standing by for your call.

5. Help with construction and design

Freshslice will supply you with top contractors to set your restaurant up (turn-key operation), give you a realistic budget and help you organize timelines based on their experiences with previous franchisees and locations. Therefore, the risk of running into delays, incompetent contractors, increased cost and design errors or inconsistencies are very low with Freshslice.

6. Pre-opening support

The weeks before you open the door of your business are critical. Freshslice understand this and will help you with practical concerns like hiring staff, purchasing and inventory levels, licenses, compliance with: federal, provincial and municipal laws, Grand Opening promotions and local area marketing.

Freshslice will also send in an experienced District Manager to help you through any adversity you may encounter before and after your opening week.



What can Freshslice do for you as a franchisor?

0% Royalty

0% Advertising Fee



Temperature-controlled Humidified Display Case



7. Instant brand recognition

- ✓ When you buy into a Freshslice business, you are buying an established brand.

Freshslice brand recognition has been cultivated for years with Consistent: marketing, signage, slogans, uniforms, and an overall image and reputation highly recognized on a national level that represents quality and value. Buying into a Freshslice business gives you the benefit of all our efforts combined, ensuring you will represent a well-known and respected brand name.

8. A system to follow

Freshslice franchisees are given a comprehensive manual that stipulates how to run the business at every level. This manual has been honed and adjusted over time to ensure the best practices are followed. If it's in the manual - it's been proven effective! Freshslice also provides you with full comprehensive training on how to run your business and makes you, the franchisee, familiar with the Freshslice system.

Uniformity is what leads Freshslice to success, the customer knows what to expect, therefore they feel confident and keep coming back.

9. Support system

Along with the: training, advertising and operational procedures, the Freshslice business system will also be there for you when you have questions or need help. Support from head office is just a phone call or email away. Your fellow Franchisees will also serve you as a valuable support network.

10. Established supply chain / Buying power

A Freshslice business offers its Franchisees an established supply chain with supplier relationships and buying power already in place. This leads to preferential pricing and delivery arrangements that can give you increased spending power and the benefits of lower-price bulk purchasing.

Fresh Lives Here



11. "Big picture" thinking

Freshslice's head office has the: staff, finances and skills to follow business trends, chart customer preferences, create innovative new products and develop advanced marketing strategies. This allows our franchisees to stay focused on the day to day operations of their business, while still benefiting from cutting edge developments from head office.

12. Advertising clout

Thanks to ample budgets, considerable expertise and a multi media buying strategy Freshslice creates a powerful brand perceptions.

13. Market for succession

- The high profile of Freshslice makes it instantly appealing to prospective buyers. There is also the potential to build a great deal of equity in a Freshslice business.
- As Freshslice continues to invest in advertising, marketing and new product developments, the individual Franchisee's initial investment becomes more valuable.
- Since Freshslice comes with a detailed operations manual and head office support, it is very easy for a new owner to step into your shoes should you decided to sell your business.
- When you are ready to step down, a good franchisor like Freshslice will also help you find the best possible candidate to take over the business you have built.

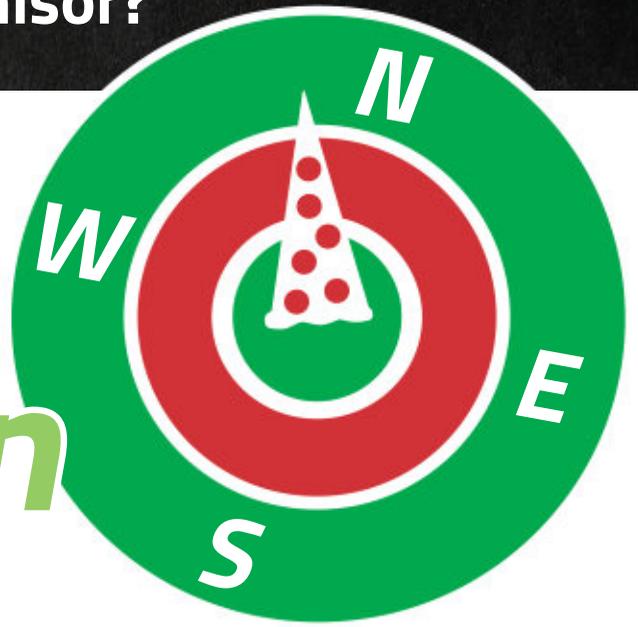
IS FRESHSLICE PIZZA FOR YOU?

If you are heading down the exciting road of entrepreneurship, you should seriously consider Freshslice's system to help meet your needs. With everything Freshslice has to offer, it will be easy to make your entrepreneurial dreams come true.



How to choose the right franchisor?

TAKING YOU TO YOUR *desired destination*



1. Talk to your family

Before you start researching any business you should discuss your interest in self-employment with those close to you. It is crucial that you have an understanding about licensing and what it requires. While entrepreneurship can be very exciting, it can also be frightening and time consuming.

If your business is going to be a success everyone needs to work together towards the same goal.

2. Check your bank account

You will need to do an honest thorough evaluation of the financial requirements of investing in a business. It's going to take money to open a business. If you have a good credit, you shouldn't have many problems securing a loan, but take into account that banks will not assume any of the risk.

This is a good time to discuss with your family and with a banker what they are comfortable investing and your available options.

Remember, the amount of money you invest into a business is not necessarily going to have any bearing on the amount of money you make. The point is not to invest more but to invest wisely.

3. Know what you want

You want to be clear on what you want the business to do for you. You need to choose a business system that will eventually take you to your desired destination.

Ask yourself, "Can this business make the amount of money I want to make? Will the hours be acceptable to me? Can I afford the business both financially and emotionally?"

Ignoring your own needs can set you up for restaurant failure.

You need to be honest and realistic when answering these questions. If you truly want to work regular business hours and set hours, don't consider a restaurant that stays open 16 hours a day, seven days a week that will require a very flexible schedule.

4. Narrow the field

Complete some preliminary searches and then narrow your options to three or four systems in your investment range that really catches your eye and interest.



Fresh Lives Here

Fresh Lives Here



FOCUS YOUR questions

5. Contact the Franchisor

Contact the Franchisors of interest to you and have an initial discussion with a franchisee development representative. Focus your questions on required investment levels and License availability. You may be asked to complete some sort of questionnaire or preliminary application which would be a step forward to getting the information you want from the Franchisor.

This will give both of you an opportunity to get to know more about each other.

6. Review the Franchise Disclosure Document (FDD)

Once you have finished all the preliminary franchisor approvals, request a copy of the Franchisor's FDD.

It is required by law in many provinces within Canada that you have the FDD in your possession for review for a minimum of 14 days.

This document sets out many of the details about the franchisor you need to know.

The FDD includes such information as the:

- Financials should show the company is profitable and financially solid.

- Litigation will tell whether the franchisor is suing or being sued by anyone.
- Time in business and number of franchisees. This will give you an idea as to how solid the company is.
- Franchise fee amount that will be paid up-front to the Franchisee. It is the fee you pay to enter the system and use the Franchisor's established system and trademarks.
- Royalties, usually a percentage of sales you will pay to the franchisor on a predetermined basis.
- Advertising, will address whether you are required to contribute a percentage of your sales to an advertising fund.
- Length of the franchise agreement along with the standard renewal terms.
- Training offered and qualifications of the trainers.
- Sell out will contain the terms upon which you may sell your franchise.
- Site location help will let you know the assistance the franchisor will provide when scouting and deciding on a location.
- Owner-operator policy will address the policies on the matter of being a hands-on operator or if you can have a



How to choose the right franchisor?



BE SURE TO DO YOUR *research*

7. Talk to other franchisees

Contact them and try to arrange a face-to-face meeting. Ask questions to gain knowledge of how they are doing with their franchise and gain valuable information as to the workings of the franchise.

Always remember no matter what you learn from other franchisees the results you achieve with your franchise will have a lot to do with you and your skills as a business person. You can't expect the exact same results as someone else.

8. Invest your time well

Choosing the right franchisor is going to take some time. So be patient, precise, and persistent. Investing in a Business is a huge decision. Spend the extra time to make sure it's the right one and will be worth it to you in the long run.

9. Be realistic

You want to base your final decision on the facts. When you are ready and have found the franchise right for you, your research will support the decision.

Fresh Lives Here



Fresh Lives Here



Government Guaranteed Loans

Canadian Small Business Financing Loan (CSBFL)



Government guaranteed loans

HOW CAN A CSBFL LOAN BENEFIT YOU?

The Canada Small Business Financing Loan encourages your financial institution to offer you a business loan that provides for guarantees in favour of the bank against loan losses, where the government guarantee is 85%.

With a CSBFL loan you can finance up to 90% of the cost of eligible assets you are purchasing to a maximum value of \$1,000,000 to which \$350,000.00 can be used to purchase or improve equipment or purchase leasehold Improvements. The \$1,000,000 maximum applies to purchases or improvements to real property. In other words, you may only need to provide 10% of the purchase costs from your own pocket. This low down payment requirement is one of the major benefits of the program.

This type of loan limits your liability of the original loan amount, allowing you to put less of your personal assets at risk.

IS A CSBFL LOAN RIGHT FOR YOUR BUSINESS?

A CSBFL loan is a worthwhile option for your business if you are purchasing a new business including equipment, building, leaseholds, and property. It can be used for improving existing leaseholds and it can also be used for purchasing equipment such as new refrigerators for restaurants or new display units.

Keep in mind, the CSBF program doesn't assist in financing of: Working capital, Franchise fees, Goodwill, appraisal and legal costs, permits/licences and inventory.andlicences and inventory.

HOW AND WHERE TO GET A CSBFL LOAN

Many banks, credit unions and leasing companies offer CSBFL loans. The approval process is similar to the approval process for other types of loans. Lenders are required to perform the same level of due diligence, as they would undertake with any non-guaranteed loans. You will provide the lender with your personal information, business documents, personal income, historical financial or business projections, a letter of incorporation and any franchise agreements. Most franchise systems will qualify for the program, however there are some government restrictions; your annual gross revenue should be less than 5 million in the year you apply; you must be operating in Canada; the assets you purchased or improved must be used in your business.

WHAT HAPPENS AFTER YOU ARE APPROVED?

After your lender approves the loan, funding will be provided based on your presentation of invoices/documentation.

HOW SOON CAN YOU PAY THE LOAN BACK?

The maximum allowable payback period for a CSBFL loan is typically the life expectancy of your asset up to a maximum of 10 years.



Government guaranteed loans

Canada Small Business Financing Program

WHAT IS THE INTEREST RATE?

Like many bank loans CSBFL allows you to choose between 'floating' and 'fixed' interest rates.

- Under the floating rate the standard interest is a prime rate plus three percent of which 1.25 percent is for insurance paid to the government and the remaining is interest charged by the lenders. This option allows you to repay the loan without any penalty. However your interest rate may change, depending on your lender prime rate.
- Fixed rate means the lender considers your security and fixes the interest rate accordingly. While you will always know how much interest you are paying, you may be limited in your ability to repay earlier.

ARE THERE HIDDEN COSTS?

The government charges a one-time loan registration fee which is two percent of the total loan amount. You can repay the fee upfront or include it in your loan amount.

ARE THERE SECURITY REQUIREMENTS?

Besides personal and government guarantees the lender will require a security interest on your property, equipment or leasehold being financed.

ARE THERE DISADVANTAGES TO A CSBFL?

CSBFL usually cost more than conventional loans. With the government guarantee you are paying a onetime, two percent fee, and sometimes higher interest rate. There are also strict documentation requirements, since mistakes can hinder the lender's ability to claim losses. To help your CSBFL application and funding processes go smoothly, keep the following tips in mind: Stay consistent by ensuring all your franchising documents are matching and accurate, ensure all invoices are accurate and contain the required information.

When determining the total loan amount you can include all the eligible costs made within 180 days prior to the day on which the loan is approved.



FRESHSLICE PIZZA

0% Royalty **0%** Advertising Fee

CORPORATE HEAD OFFICE

VANCOUVER

1610 Ingleton Avenue, Burnaby, BC V5C 5R9

Tel: 604-251-7444 | Fax: 604-251-6727

franchising@freshslice.com

www.freshslice.com

Fresh Lives Here

