

# THE FRANCHISE EDGE

*Experienced • Dependable • Trusted*

*Experienced*

*Dependable*

*Trusted*

Fellow Entrepreneur:

Have you thought of yourself with this term in mind? Well, you should. All entrepreneurs have a dream and it is the entrepreneurs who continue to be at the *Cutting Edge* of what society has come to expect from the business sector.

As a dreamer, entrepreneur and business owner you make difficult decisions everyday and this day will be no different. Deciding to franchise your business and choosing who will guide you through the process are some of the most significant decisions you will make before you are able to watch your dreams grow.

At **The Franchise Edge**, we understand and appreciate the time and energy that you have spent developing your business. In a similar fashion, we have grown our business by providing our clients with an *experienced team, dependable services, and steady trusted guidance*.

We look forward to the opportunity to be part of your success team as you continue your journey. Enjoy the ride!

**Proud to be partners with the largest North American Food Distributor, SYSCO.**

Sincerely yours,

*Paul Samson*

Paul L. Samson  
Founder & President



The word franchise is rooted in the French word “franchir” meaning to free. This privilege of freedom is at the core of the possibilities that can be realized through franchising.

## FRANCHISING

### Franchisor

Owns Business Model and Trademark  
Supports and Trains Franchisee

- ✓ Advertising/Marketing Development
- ✓ Pre-Opening Support
- ✓ On-Going Training and Support

**Receives royalties for services provided**

### Franchisee

Uses Business Model and Trademark  
Invests in Growth of the Franchise Brand

- ✓ Builds Additional Locations
- ✓ Expands Regionally and Nationally
- ✓ Owners as Operators

**Pays royalties on generated revenue**

Every business is unique. How long you have been in business or whether you have multiple locations are helpful when franchising, but there are other important criteria for what makes a company a good candidate for franchising including:

- **Does it have a proven track record of growth and profitability?**
- **Does it have broad consumer appeal?**
- **Is it replicable?**

**Sales revenue by franchises account for more than 40% of all business revenue.**

## Why The Franchise Edge?

*Experienced.* Our team has a thorough understanding of small business. We understand operations, marketing and advertising - but most importantly we understand cash flow and the cash requirements necessary to expand your business model. Each of our partners has owned and operated both franchise and company owned units.

You might be a candidate for franchising if...

- Customers are asking you about franchising your business.
- Customers are asking if you plan to open a store in their area.
- You are considering additional company stores.
- You see other businesses expanding and think "that could be me".

## Corporate Growth vs Franchising

ISABELLA ROMAN COOKIES - *An economic example*

### Assumptions For Company Owned Stores

- 1 Unit
- Average Annual Sales = \$458,000
- Average Profit (10%) = \$45,800
- Unit Investment = \$168,000
- Annual Lease Liability (1,600 Sq. Ft. @ \$30 Per Sq. Ft.) = \$48,000
- Lease Liability Investment (5 years) = \$240,000
- Company Owned Units Generates Cash Flow = \$45,800

Total Investment for an additional Company Owned Store (Lease Liability + Investment) = \$408,000

Company Owned Unit will require an investment of \$408,000 and generate cash flow of \$45,800 per year

### Assumptions for Franchise Model

- Average Investment in Your Franchise Program (year 1) = \$68,000
- Average Franchise Marketing Investment (year 1) = \$48,000
- Total Investment Franchise Program Marketing (year 1) = \$116,000

### Revenue Assumption for Franchise Company

- Franchise Fee Per Unit = \$25,000
- Number of Units Sold in Year 1 (5) = \$125,000
- Royalties from Franchise Units Averaging \$300,000 in Sales Year 1 @ 6% = \$18,000 Per Unit x 5 = \$90,000
- Total Investment ( Marketing + Franchise Development Fees) = \$116,000
- Cash Flow Generated by Franchise Units = \$215,000

**Franchising allows you to use other people's money and time to grow your business**

#### Investment & Liability

Additional Company Owned Unit \$408,000  
VS

Franchise System Start Up  
\$116,000

#### Cash Flow Scenario

Additional Company Owned Unit (Year 1)  
\$45,800  
VS

Franchise Company  
\$215,000 (Year 1)

*Dependable.* With over 50 years of collective experience in both the franchise and small business world, our team has successfully helped a wide variety of businesses, ranging from large chains to single-unit operators, achieve their growth goals through franchising. We are committed to working with you as a partner in the process and will treat your future success as our own.

A new franchise  
opens up every  
8 minutes in the  
Unites States.

## Top 10 Misconceptions About Franchising

1. I may lose control of my business.
2. Franchising is expensive.
3. I need documented operating procedures.
4. Too much competition from similar businesses.
5. You need multiple locations.

6. Franchising will not work for my business.
7. Minimum number of years in business.
8. Need to staff up immediately.
9. Franchising is not as profitable as company stores.
10. Franchising is complicated.

Our *Free Business Evaluation and Consultation* will address the top ten misconceptions about franchising and evaluate if your business is ready to be franchised. Following the consultation and acceptance of our proposal we will proceed on your franchise project time line.



## Why The Franchise Edge?

*Trusted.* Our two day concept review with your team will help us analyze all areas of your business. The review is the foundation for the comprehensive franchise development program we create to achieve your specific objectives and provide you the best opportunity for growth and future success.

The Franchise Edge engages its team in a two day franchise startup interview with the client's team on site.

We review all areas of the business including:

- Existing business and operating numbers to model franchisor profitability.
- All operating and training manuals to assess future needs.
- Review current staff for corporate and franchise operation.
- Evaluate the capital requirements and budgets for the franchise company's future growth
- Review existing marketing and collateral pieces
- Determine the regional or national growth strategy

**Franchise Disclosure Document (FDD)** is the legal document that provides the franchisor the ability to offer their franchise to potential franchisees. The document addresses 23 required items and provides supportive agreements and addendums.

**Business and Strategic Plan** includes an executive summary, competitive advantages, strategic implementation details, business model overview, future management team needs, market analysis summary and 5 year financial projections, including staffing and investment revenue needed for growth.

**Operations Manuals** are key in getting your franchisees to solve their own problems. Internal procedures are a good starting point but often need enhancements to get them to the level required for franchising. The operations manual is tailored to your business with a thorough explanation of each specific area. This will include steps and time lines for opening and operating the store including requirements as a franchise, setting up and opening the franchise, construction management, human resources, daily operations, and marketing.

**Franchise Marketing Plan** provides a systematic plan for proper utilization of your advertising budget. This is the key for the *lead flow* that is critical for your needed growth. This plan will guide you through the budget and the proper advertising vehicle necessary to generate leads for potential franchises.

**Sales Training** will guide you through a sales development process from the initial contact phase (qualifying the lead) through the Discovery Day. Our team will provide you the training and tools necessary to weed through the many inquiries you will have.

## Why The Franchise Edge?

One of the significant products and services that we provide to our clients is the Sales Development Plan. We develop the various elements so that your story is told and franchises are sold. We help establish a sales plan and integrate and train your staff on our sales management software.

## The Franchise Edge + Sysco iCare = Growth

The Franchise Edge, a full-service franchise development and consulting firm, has become a national partner in SYSCO's iCare program to assist SYSCO customers in developing their franchise companies.

### Take Your Successful Restaurant to the Next Level by Franchising Your Business

Are your current customers frequently asking you when you're going to open additional locations? Have you considered expanding your business, but are unsure how you'll handle the increased demand created by additional units? Do you see other businesses expanding and think "that could or should be me"? If so, franchising may be the answer to these questions.

### Some of the Fastest Growing Categories in Franchising are Restaurants

Industries with the most franchises concepts between 2005 and 2007 are

- Fast Food Restaurants
- Retail Food
- Business Related
- Full Service Restaurants

42% of the top 200 franchises are restaurants

### An Experienced Team

At The Franchise Edge, we understand and appreciate the time and energy that you've spent developing your business. In a similar fashion - we have grown our business by providing clients like you with an experienced team, dependable services and steady trusted guidance. With over 50 years of collective experience our team will engage you to get a complete understanding of your business. We have a thorough understanding of both the franchise world and the small business environment. We work with you as a partner in the process and treat your future success as our own. We are:

**Experienced** - we have expertise in all aspects of business- we understand operations, marketing and advertising - but most importantly we understand cash flow and the cash requirements necessary to expand your business model.

**Dependable** - our **Free Business Evaluation and Consultation** will address the misconceptions about franchising, give you a clearer picture of what to expect, and evaluate if your business is ready to be franchised.

**Trusted** - If we conclude that your business meets our franchising criteria, we will gather information to structure a comprehensive franchise development program designed to meet your specific objectives, including timelines and fees.

### The Hard Work is Behind You, Now it's Time to Parlay Your Strategy into a Successful Franchise

You've already done most of the difficult work by creating, building and establishing a successful business. Franchising just gives you the ability to provide others with your proven methods and strategies and have them help grow your business while investing their time, money and human capital.

*Franchising with The Franchise Edge will give you and your business the edge you deserve.  
Call or visit our website to explore the promise of franchising.*

*Shouldn't Your Concept Be On The Edge?*



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