



Franchise Agreement Information Package

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Franchise Agreement Information Package

*Welcome to the world of **LITTLE TEX**TM®.*

We are expanding our successful restaurant operation and are looking for a limited number of individuals who are interested in opening **LITTLE TEX**TM® **Franchises** in the Okanagan as well as other areas in British Columbia. We are a new company in the world of franchising which allows potential benefits for people who get involved at the beginning of the expansion.

We are searching for prospective franchisees that are flexible with respect to a location but we are, as well, willing to try to accommodate a franchisee's request for a specific location. People selected as applicants will be those willing to devote 100% of their business time and efforts to the success of their **LITTLE TEX**TM® operation.

We are interested in people with strong people skills; people who can build a team, be the captain and a role model for all staff. You must also have the physical ability to set a high standard. Familiarity with financial statements, budget preparation, etc, is an asset.

Being able to conform to the **LITTLE TEX**TM® plan is imperative for the success of our company's future goals. We operate an organized restaurant with well-trained staff and enforce high standards of quality, service and cleanliness. Our training program lasts 70 days and will include all facets of the industry.

Applicant Qualifications

- Overall business background and experience
- Personal service qualities
- Financial abilities

Your business experience must include a background in management coupled with retail or self-employment experience.



The costs of starting up a **LITTLE TEX**TM® are relatively low. Depending on the size of the location, the estimated cost to the franchisee for a turnkey operation is approximately \$200,000 (including the initial franchise fee of \$30,000).

We will assist you in evaluating the site and location and will allow you to acquire the property as well the building, either by lease or purchase. The franchisee in consultation with **LITTLE TEX**TM®, will then be responsible for all kitchen equipment, seating and décor, signs and landscaping. All pre-opening expenses, such as inventory, uniforms, employee and management training, etc., will also be the responsibility of the franchisee.

The term of our standard franchise is for Ten (10) years and the signing of franchise documents, including the franchise and lease, require personal guarantees in addition to the execution by authorized signatures of any corporation which you may choose to incorporate.

Ongoing fees, during the term of the franchise agreement, to **LITTLE TEX**TM® include:

- A royalty fee of 4% of gross monthly sales.
- An advertising fee of 1% of gross monthly sales (and an additional 1% is required for local advertising commitments).

We will require from you a strong financial background and a strong desire to succeed in business. A minimum of \$85,000 to \$100,000 (unencumbered cash) is required and the balance can then be financed through a chartered bank or financial lending institution.

If you decide to pursue your interest further, we suggest completing the enclosed application form and returning it to the attention of the Operations Director at the address on the front of this document. You can expect to hear from us once your application has been reviewed.

Thank you for your interest in becoming part of the future of **LITTLE TEX**TM®
Restaurants.



Continuity Expectations

OUR COMPANY'S: success is in part dependent upon uniformity between all locations. Therefore each Franchisee must ensure that their operation consistently uses Little Tex's:

- Formulas, recipes and suppliers.
- Methods of operation, inventory control, bookkeeping, accounting and marketing.
- Trademarks & service marks.
- Concepts, design, signage, and equipment layout.
- QSC standards

Operations Support

We want you to succeed in all aspects of your operation. We want you to exceed your sales projections and continually improve your bottom line. We will provide advice from the moment you enter the training program and continue this assistance through your career with us.

We have a 70-day training program designed to take you from an entry-level position to a management position. We have a strong operation with an emphasis on organization, teamwork and high standards.



Marketing

We have a strong marketing plan in place and like all plans it takes the investment of time and money to ensure success over the long term. However, we are dedicated to providing you with all the electronic versions of promotional materials available for your in house events and local advertising.

We have retained a consulting firm to set us on the right path with a strong momentum and unified image. This will ensure that your advertising dollars are utilized efficiently. Our goal within 5 years is to have an implemented marketing plan for all of B.C.

We will work with each franchisee to place local advertisements and produce creative material specific to their market if it is required.

It has always been our philosophy to give back to our communities and so community involvement is very important to both your success and ours. This will play a very important marketing role in the future of our company and will help set the standards of customer and community service found at **LITTLE TEXTM® Restaurants.**



Franchisee Training

This is the most important stage in becoming a **LITTLE TEX™®** franchisee. You will learn all aspects of the **LITTLE TEX™®** concept and how to operate a successful restaurant. This stage will help determine whether you will succeed or fail so a sincere commitment from you will be expected.

Keeping your job during the training program (until both parties fully agree that this opportunity is for you) is possible and sometimes encouraged. Evaluations are carried out during each stage of the program covering things such as customer service skills and hand-eye coordination ability.

If the standards of expectations are not met, **LITTLE TEX™®** reserves the right to terminate this agreement at any time during the training program.

Employee Training

Training good employees is a top priority because the success of the company depends on having dedicated, well-trained people.

We have available for your use, extensive training manuals for all levels of positions. This tool will help you to ensure our high standards are your standards and those of your employees.

You might consider having a key employee also participate in the 70-day program. Reimbursing them for their time would be an additional cost to you but it is highly recommended. All other employee training is the responsibility of the franchisee.



Franchise Steps

Step 1

- **Personal Meeting**
 - Hand out application form
 - Discuss preliminary sites / locations

Step 2

- **Approval of Application**
 - Review Application
 - Review Process of Franchise Agreement

Step 3

- **Financials Handed Out**
 - Confidentiality / Non Disclosure Document handed out
 - Discuss Training Program

Step 4

- **Confidential / Non Disclosure Document Returned Signed**
 - Tour of Restaurant
 - Review of Operations Manual
 - Set closing date for Franchise operations and time frames

Step 5

- **Copy of Offer to Purchaser Handed Out**
 - Discussion of Financial Deposits
 - Hand out interim agreement – return signed

Step 6

- **Signed Copy of Offer to Purchase Commitment**
 - Provide a copy of Franchise Agreement

Step 7

- **Financial Agreement Signed**