

# becoming a cupcakes franchisee

## Franchisee Fundamentals

A franchisee needs to pass these initial 3 fundamental questions in order to be approved as a potential candidate:

- ❖ Do you have approximately \$250,000? (\$100,000 free and clear)
- ❖ Do you have retail, business and/or management experience?
- ❖ Are you committed to working in the day to day operations of the Cupcakes Retail Bakery (minimum 40 hours/week)?

## Initial Franchise Fee

The franchise fee includes:

- Cupcakes Franchise Operator License for a 10 year term
- Licensing Ownership of the brand 'Cupcakes by Heather & Lori'
- *Insights* online personality profiling
- 1 week of franchisee training at the corporate Cupcakes Retail Bakery location
- 1 week of franchisee baker training at the corporate Cupcakes Retail Bakery location
- 1<sup>st</sup> month full time support of a Cupcakes Franchisor Trainee in the franchisee Bakery location

The first required payment installment is the initial franchise fee of \$50,000.

A 50% portion of the franchise fee is due before Part 1 of the Cupcakes Franchisee training.

The table below summarizes the timing and costs to becoming a Cupcakes Franchise Operator.

Cupcakes Franchise Timeline	Time / Duration	Franchisee Investment
Evaluation of each potential Franchisee (initial interviews, credit and criminal check approval, insights profiling)	as long as required (1-3 months)	
Discovery Days – 2 days with the Franchisor in Vancouver in Cupcakes Corporate location	2 days	Franchisee is responsible for their transport and accommodations
Presentation of the Franchise Agreement and Disclosure Documents	2 weeks	\$25,000 deposit of the initial Franchise Fee (50% is refundable)
Find and secure Franchisee Cupcakes site location	as long as required (1-6 months)	
Part 1 – Cupcakes Franchise Training at Franchisor bakery location	1 week	Franchisee is responsible for their transport and accommodations
1 week break - opportunity for Franchisee to evaluate and make final decision	1 week	50% of the Franchisee Fee deposit is refundable if the Franchisee does not move forward to Part 2
Commence build out of Cupcakes Franchisee location	3-6 months	Initial 50% deposit required to commence build out
or Purchase an existing Cupcakes Bakery location		Price is negotiable
Sign and submit Franchise Agreement	on or before the 30 <sup>th</sup> day prior to opening	Final payment of the initial Franchise Fee of \$25,000
Part 2 – Cupcakes Franchisee training at Franchisee Bakery location	4 weeks	Cost is included in the Build-Out Cost
Complete payment of build out	after final inspection	Final 50% payment of the complete build out cost
Open for Business		All payments have been received and cleared

