

TODAY'S RESTAURANT BUSINESS

People eat out on an average of 4.5 times per week - over 230 times per year.

Carry out and delivery service represents 46% of sales in the food service industry.



FAMILY PIZZA INC.'S:

MISSION STATEMENT

TO BE NUMBER ONE IN FOOD QUALITY AND SERVICE

MOTTO

Delivering Our Best to You!

COMMITMENT

To Our Employees
To Our Franchise System
To Our Customers

INTRODUCTION

Family Pizza Franchise is a concept designed for the budget conscious market, but it caters to all segments of the economic scale. Carry out and delivery outlets offer a potential franchisee the ability to capitalize on unique low investment, location opportunities, as well as offering customers quality and convenience. Family Pizza is specifically designed to produce an in-expensive quality restaurant product, and with the ability to “buy any pizza or pasta menu item and receive one free of equal or lesser value”, makes our concept a winner.

The first "2 for 1 Family Pizza" opened in Saskatoon, Saskatchewan in September of 1986. In our current year 2019, Family Pizza has a total of fifteen locations. The success of Family Pizza is directly attributable to having a quality product, superior management, dedicated employees, responsive suppliers and a price to meet family budgets.

Family Pizza provides a free delivery service, combined with 2 for 1 menu items such as pizza, gourmet pizza, lasagna and fettuccini make our products distinct from all competitors. Family Pizza carries four individual dimensions of pizza with a choice of 18 Original Pizza items and 18 Gourmet Pizza items, lasagna, fettuccini, Caesar salad, bread sticks, garlic toast, and assorted beverages

In today's economic times, customers are looking for a good quality product that can be delivered hot and fast. An urgency for convenience exists when a family needs to eat before rushing out for the afternoon or evening, all they have to do is pick up the phone and their pizza/pasta will arrive in 39 minutes or less. Consumers want to get their money's worth to feed the family and that is exactly what we give consumers at Family Pizza. We do not take one pizza and make it into two products, we make two hearty pizzas. Pizza also serves as a nutritious meal when it includes vegetable toppings and is served with a green salad on the side.

Family Pizza has a broad customer appeal; families, sports groups, young adults, schools & churches, teenagers, parties and special events - shoppers, banquets and meetings - lunch market. Family Pizza has developed a distinctive program for customers at work, any order delivered to a business automatically is 20% off the original price. Because, Family Pizza is open between 14 and 19 hours per day we are able to reach all age groups and segments of society.

When a franchisee opens a Family Pizza, he or she is entitled to a recognized trademark, an established market presence, operating and management guidance, franchisor approved site, and ongoing commitment from the Home Office. Family Pizza Inc. carefully screens potential Franchisees to ensure they are financially stable and responsible, then followed up with a proven business plan that will deliver success. It is the combination of many elements that contributes to success. Elements carefully thought out, researched, planned and implemented. And while there is no real guarantee of success with any franchise opportunity, the record clearly indicates that the primary requirements are an identifiable and receptive market, a delicious and unique food group, sufficient capital, a balanced team to lead the way, thoughtful timing and tenacity. This is the essence of the Family Pizza Inc. Franchise Program.

CAPITAL REQUIREMENTS/TOTAL TURNKEY COST ESTIMATE

Large & Small Equipment \$107,701

Leasehold Improvements \$39,000
(based on min. 1200 sq. ft)

Franchise Service Fee - Single Unit \$15,000

(The fee for a second unit as part of a multi-unit Development Agreement is \$12,000. The fee for subsequent units in that arrangement is \$10,000). Franchise agreement is a 10 year initial term, renewable for 5 year term).

OPENING COSTS:

Signage \$3,000

Rent \$4,500
(first and last month lease payment)

Miscellaneous \$5,500
(insurance, utility deposit, business license, telephone, uniforms and legal fees)

Grand Opening Advertising \$6,500
(banners, flyers, distribution, coupons, newspapers ads, etc.)

\$181,201

ONGOING INVOLVEMENT OF HEAD OFFICE

1. Royalty 4% of Gross Sales

- menu development
- management training and assistance
- volume purchasing
- standardization implementation and enforcement
- supplier selection
- image development
- quality control

2. Advertising 4 % of Gross Sales

(at this point in time the national advertising program has not been implemented)

The total investment in a Family Pizza outlet is directly dependent upon location selection and equipment. Please keep in mind that these costs are estimated only and are affected by location area, lease negotiations, and equipment costs.

FRANCHISOR'S RESPONSIBILITY AND ONGOING SUPPORT OUTLINE

INITIAL TRAINING

A).Franchisee Trains In Corporate Store (or in regional training facility)

B).Training Period - three to four weeks prior to opening

FRANCHISEE'S RESPONSIBILITY

1. Be available for training hours
 - 5 days per week
 - 8 hours per day
2. Provide a total of two people to train
 - one is the franchisee
 - one is the franchisee's employee

(more than two people may attend training with prior approval of Family Pizza Inc.)
3. Cover travel and lodging costs for training only
4. To put forth the best effort possible during training

FRANCHISOR'S RESPONSIBILITY

1. Provide adequate training facilities
2. Provide qualified trainers
3. Monitor progress of franchisee's learning
4. Provide training schedule for franchisee
5. Exhaustive study of pizza business
 - product supply
 - prep work
 - other menu items
 - sanitation
 - phone procedures
 - ordering
 - inventory control
 - delivery system
 - appearance and uniforms
 - staff scheduling
 - store appearance
 - handling complaints
 - insurance
 - bookkeeping for your franchise
6. Provide a Confidential Operations and Training Manuals
7. Provide an assistant to aid in the opening of each franchise

ONGOING SUPPORT

A).New Products

1. Introduction
2. Demonstrate
 - preparation
 - handling and packing
 - merchandising

B).New Systems

1. upgrading of old system
2. Introducing more effective systems
3. Staff morale programs

C).Re-Emphasizing Proper Methods

1. Friendliness
2. Service
3. Cleanliness
4. Food Costing and Portioning
5. Reports to Head Office

D).Franchise Meetings

- designed to be informative

E).Require Ongoing Reports

- weekly
- monthly
- conducive to management overview of day to day business

ADVERTISING PROGRAM - REGIONALLY

A).Home Office will determine the type of advertising and the quality required for initial store openings.

- we have set opening procedures which each store must implement

B).Home Office will give direction to any franchisee requiring advertising assistance.

C).Home Office will develop advertising tools which can and should be used locally by franchisees.

D).All advertising must be approved by Home Office.*

- any material or promotion the Family Pizza trade name or logo appears in.

VOLUME PURCHASING, NEGOTIATIONS, AND DIRECTION

A).Home Office will continually work to ensure that we get the lowest price for quality goods.

B).Home Office insists on all purchases to be placed through an approved supplier. This enables Home Office to have maximum negotiator ability.

C).When "Special" deals become available for the franchisee, Head Office informs the franchisee and will give direction.

D).Home Office will test different brands to ensure that the prices paid are indeed proper.

MENU DEVELOPMENT

A).Development Of Basic Menu

1. Test products
2. Test recipes
3. Develop and perfect method of food preparation

B).Development Of Specials

1. Used for promotional campaign
2. May become regular menu items
3. Systematic testing before introducing on a chain wide level
4. Give direction to regions for special programs

C).Menu Expansion And/or Updating

1. Monitor the popularity of each menu item
 - regionally
 - nationally
2. Initiate any necessary deletions
3. Continually research new menu additions
 - organize test pattern prior to any decisions
 - awareness to regional tastes
 - awareness to ease of integration into the system

STANDARDIZATION

A).Standardization of Product

B).Standardization of Store Image

- this shall include store inspections and upgrading

C). Standardization of Product Packaging

SUPPLIER SELECTION

A).Home Office Carries Out Exhaustive Negotiating To Secure An Approved Supplier

- the price is important
- service is important
- quality of goods is important

IMAGE DEVELOPMENT

A).Image Is Key to Success

B).Image Is The Key To The Strength Of The Franchises

C).Home Office Will Continually Be Conscious Of The Need To Be In The Cutting Edge Of The Family Pizza Image

D).New Implementations Will Be Made Periodically To Enhance Our Image

- we want people to know that they are dealing with the best in the business!

PROFILE OF A POTENTIAL FAMILY PIZZA FRANCHISEE

Food service operations is the foundation of 2 for 1 Family Pizza therefore, it is important that prospective franchisees have an understanding of the day-to-day operations.

Recognition that you are becoming a part of a system and that your actions & contributions along with those of your fellow Associates, will affect the viability of the entire system.

A desire to successfully run your own business.

Net worth of \$90,000 - (sufficient established capital)

Customers & customer service, is the core of Family Pizza, therefore a prospective franchisee must be a people person

Hard working, willingness to put in long hours

Independent, and possess the ability to be a productive decision maker

Self-starter, success orientated

Energetic and resourceful

Enthusiasm for FAMILY PIZZA FRANCHISE PHILOSOPHY *

WHAT ARE THE NEXT STEPS

1. If you meet the profile requirements and wish to investigate the possibility of becoming a Family Pizza Franchisee, *then complete the enclosed Franchise Application Form in complete detail.* Upon receipt of your application, a representative of Family Pizza will contact you to answer any of your questions. Please write down, a list of questions so that our representative can effectively and efficiently answer them.
2. If your application is approved, Family Pizza Inc. will assist you in evaluating a site based on information; such as traffic volume, approximately to residential and commercial areas, population, demographics, and location size. All sites are subject to the approval of Family Pizza Inc. At this point you will be required to make a security deposit on the site.
3. Family Pizza Inc. will assist you with your acquisition of investment capital. We will work with you in preparation of your business plan, and guide you in your preparations to financial institutions.
4. When your site selection is accepted, we will issue a Franchise Agreement, upon payment of the initial franchise fee. Prior to (or when) construction begins, we will arrange training for you and your managing partner, in a company-owned or a designated franchise location. All training must be successfully completed before the Family Pizza actually opens for business.
5. When you open your carry out and delivery location, our Operations Manager representative will be on hand to make sure your business gets off to a smooth-running profitable start. HOME OFFICE PROVIDES CONTINUAL GUIDANCE TO FRANCHISEES.

