



## FRANCHISE PACKAGE

Trademark	: <b>FAMOUS BELGIAN WAFFLES</b>
Owner & Operator	: <b>Innovention Food Resources Inc.</b>
Nature of Business	: <b>To sell freshly baked Belgian waffle sandwich and hot &amp; cold beverages.</b>
Store Type	: <b>Food Cart or Kiosk and Counter type</b>
Estimated Package Cost:	: <b>Standard Food Cart starts at P730,000.00, Kiosk Starts at P830,000.00 and Counter with seating starts at P910,000.00 all excluded of tax.</b>
Security Deposit	: <b>P 50,000.00 (refundable only upon expiration of the contract)</b>
Terms of Franchise	: <b>3 years (subject to renewal)</b>
Royalty	: <b>10 % of net purchase (after VAT)</b>
Marketing Fee	: <b>3% of net sales (only if applicable)</b>
Ideal Location	: <b>Malls, Business Districts, Building Cafeterias, School Cafeterias, Hospital Cafeterias, Airport, Transport Terminal, Commercial Areas and hospitals.</b>
Area Requirement	: <b>Maximum of 3-6 sqm for Cart; Maximum of 6 – 8 sqm for Kiosk and Minimum of 8 sqm and up (Counter)</b>

Franchise Package Includes the following:

1. Use of FAMOUS BELGIAN WAFFLES trade mark.
  - a. The franchisee is given the privilege to use FBW's registered trademark during the duration of the contract.
2. Business Operating System
  - a. The franchisees are given the privilege to sell the FBW's proprietary products such as its Belgian Waffle Sandwich, its fillings and beverages.
  - b. The franchisees can use the business operating system developed by Innovention Food Resources Inc. from food preparation to business reporting and management in order to ensure smooth operation of the outlet. The business operations system includes the following:
    - i. Outlet Daily Operation – Daily management of the cart, cooking equipment and fixtures maintenance, workplace safety. Customer relation management and how to handle complaints.
    - ii. Outlet accounting – preparation of daily and monthly sales report, inventories report, and cash management.
3. Site Evaluation and Securing of lease
  - a. The franchisor will evaluate franchisee's proposed store location; upon approval, payment of the necessary fee/s shall be made by the franchisee.



- b. The franchisor can assist the franchisee in securing a lease agreement with the lessor of the proposed location.
4. Store Set-Up
  - a. No additional delivery cost for the Famous Belgian Waffle proprietary cart, cooking equipment and other small wares within Metro Manila.
  - b. For outlets located outside MM, delivery and installation/assembly or set-up of the abovementioned items/fixtures shall be shouldered by the franchisee.
5. Pre-Operating Training and Orientation
  - a. Initial training of the franchisees' crew is covered by the franchise package; training of the franchisee's additional personnel will be charge to the account of the franchisee.
  - b. Training Includes, food preparation, food safety. Sales training and report preparation.
  - c. Allowance of the franchisee's personnel during the training period shall be shouldered by the franchisee.
6. Opening Assistance
  - a. A franchisor's representative will supervise and assist the newly opened store of the franchisee for three days. Franchisee will shoulder the transportation and board & lodging of the franchisor's representative.
  - b. The franchisor's representative will also provide marketing support and supervision.
7. On-going support
  - a. Franchisees can expect continuous nationwide marketing initiatives that may include brand awareness activities, new product development and advertisement-to be shouldered by the common fund of franchisor and franchisees.
  - b. At any time, a franchisee can consult with the franchisor regarding any local marketing concern of the latter.
  - c. In store operation audit, the franchisor can dispatch in random a mystery shopper to audit the store's actual performance. There will also be a regular visit by the franchisor's representative to determine the performance and situation of each outlet.
  - d. FBW's continuous research and development efforts aim to improve and upgrade both FBW's products and business operation.
8. Terms of Contract
  - a. The term of the contract of FAMOUS BELGIAN WAFFLES is Three (3) years, upon signing of the Franchise Agreement.
  - b. Upon request of the franchisee and approval of the franchisor, the contract may be renewed again.



### **Other Pre-Operating Investment and Expenditures**

- a. Store location security deposit and advance payment.
- b. Cost of business registration to various agencies such as DTI, City hall or Municipal and BIR.
- c. Training Allowance, Hotel Accommodation and Transportation of the franchisee's personnel.
- d. Hotel Accommodation and Transportation of franchisor's training officer.
- e. Site Improvement or renovation (if applicable).
- f. Additional orders and other items to buy if there are no product restrictions.
- g. Delivery fee/s for outside metro manila locations.
- h. 3 months working capital.

### **Procedure for Application**

- a. Submit the following to the New Business Head (*via e-mail or in the e-mail address is in the file footer*)
  - i. Franchise Application Form with 2x2 picture.
  - ii. Letter of Intent (indicate the exact address and brief background of the space where you want to set-up your business).
  - iii. Sketch map (include landmark) of the proposed location.
- b. Interview with franchise applicant
- c. Payment of Processing fee of P20,000 (Metro Manila Area) or P30,000 for provincial location to start the application process. The Processing fee is non-refundable, but deductible from the franchise investment.
- d. Applicant will receive a feedback after two (2) weeks (or less) from the submission of the above-mentioned requirements.
- e. If approved, the applicant will be required to secure the lease of the proposed location and submit the design guidelines (if any) & floor plan wherein the exact space location will be subject for approval of the franchisor.
- f. Establishment of the initial perspective and additional cost (if any).
- g. Review and signing of the agreement
- h. Payment of 70% of the total franchise package & franchise security deposit.
- i. Cart/Kiosk/Counter perspective fabrication, store construction and training will commence.
- j. Full payment of the total franchise package and other balance/s before the delivery of the cart/kiosk/counter, kitchen equipment and other peripherals.
- k. Opening of franchise outlet.



**FINANCIAL PROJECTION**

**I. INCOME PROJECTION**

<b>MONTHLY SALES (AVERAGE DAILY SALE: P12,000 X 30days)</b>		<b>P360,000.00</b>
<i>Less:</i>		
<b>Cost of Goods (35%)</b>	<b>126,000.00</b>	
<b>Royalty (10%)</b>	<b>12,600.00</b>	
<b>GROSS PROFIT</b>		<b>P221,400.00</b>
<i>Less: OPERATING EXPENSE</i>		
<b>Rent</b>	<b>P35,000.00</b>	
<b>Salary (2 personnel x 570/day x 26days)</b>	<b>P29,640.00</b>	
<b>Staff Benefits</b>	<b>P4,000.00</b>	
<b>Electricity (Mall Rate)</b>	<b>P6,000.00</b>	
<b>Misc</b>	<b>P2,000.00</b>	
<b>MONTHLY NET PROFIT Before TAX</b>		<b>P144,760.00</b>

**II. RETURN ON INVESTMENT**

Franchise Investment	P 730,000.00 (standard food cart)
	P 87,600.00 - 12% vat
Permits and Registration	P 25,000.00
Logistics	P 10,000.00
Training Allowance etc.	P 5,000.00
Store Modification	P 50,000.00
Additional Inventory / stocks	P 40,000.00
<b>Total Investment</b>	<b>P 947,600.00</b>
<b>Annual Net Profit</b>	<b>P 1,737,120.00 (P 144,760.00 x 12mons)</b>
<b>ROI</b>	<b>183.317% per annum</b>
<b>Payback Period</b>	<b>6-11 months</b>

Note: Refundable deposits such as franchise and lease security deposits are not included.

*\*P12,000.00 daily sales is equivalent to 200 servings waffles sandwich x P60(average selling price)*

*\*This projection does not guarantee anything.*

**For further inquiries, please call: Monica Rojas at 0917-5594318 / 8425-2591**