

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 \$500,000? (\$250,000 free and clear)
- ❖ Do you have retail, business and/or management experience?
- ❖ Are you prepared to work in the day to day operations of the Cupcakes Retail Bakery?

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
- 10 weeks of franchisee training at the corporate Cupcakes Retail Bakery location
- 2-4 weeks of franchisee baker training at the corporate Cupcakes Retail Bakery location
- 1st 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	franchise investment
evaluation of each potential franchisee (initial interviews, bank, credit and criminal check approval, insights profiling, 2 day trial)	as long as required (2-6 months)	
presentation of the franchise agreement and company history financials (confirm that franchisee has legal support)		\$25,000 deposit of the initial franchise fee (50% is refundable)
Part 1 – cupcakes franchise training at franchisor bakery location	2 weeks	50% of the franchisee fee deposit is refundable if the franchisee does not move forward to Part 2
1 week break - opportunity for franchisee to evaluate and make final decision	1 week	
Part 2 – cupcakes franchisee training at franchisor bakery location	10 weeks	
certified cupcakes franchisee operator (completion of training and test)	last day of 10 weeks training	
commence build out of cupcakes franchisee location	on going	50% deposit required for build out current average ~\$200,000.00 (does not include the franchise fee)
or purchase an existing cupcakes bakery location		price for established Cupcakes locations vary and will be provided upon request
complete payment of initial franchise fee	on or before the 30 th day prior to opening	final payment of the initial franchise fee of \$25,000
complete payment of build out	after final inspection	final payment of the complete build out cost

