



## **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 plus an additional \$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 as an owner/operator 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 & Other Good Stuff'
- 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
- 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 \$60,000.**

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



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

<b>CUPCAKE FRANCHISE TIMELINE</b>	<b>TIME/DURATION</b>	<b>FRANCHISE INVESTMENT</b>
Evaluation of each potential Franchisee (initial interviews, credit and criminal check approval, profiling)	as long as required (1-3 months)	
Presentation of the Franchise Agreement and Disclosure Documents	2 weeks	\$30,000 deposit of the initial Franchise Fee (50% is refundable)
Discovery Days – 2 days with the Franchisor in Vancouver at Cupcakes Corporate location	2 days	Franchisee is responsible for their transport and accommodations
Find and secure Franchisee Cupcakes site location supported and negotiated by Cupcakes	as long as required (1-6 months)	Lease deposits may be required
Part 1 – Cupcakes Franchise Training at Franchisor bakery location	2 weeks	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 for leasehold improvements and fixtures 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 \$30,000
Part 2 – Cupcakes Franchise training at Franchisee Bakery location	4 weeks	Cost is included in the Build Out Costs
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