

Freshii

Arshiya Reporter
Cedric Gardner
Evan Harris
Mark Kryshchalskyj



AGENDA

Market potential

FDD & requirements

Financial requirements

Legal requirements

Operational requirements

Physical requirements

Timeline





Market Potential

- Niche market
- Increase in organic food
- Canadians link food with:
 - physical health
 - emotional well being
- Reshaped healthy eating
- Unique market position
- Trends vs. Fads

Financial Requirements

Total upfront investment required:

- \$175-470K for one location (\$30K franchise fee)
- \$237-533K for multiple (\$90K → \$30K + 4 x \$15K)

Financing Options:

- BDC:
 - Finances up to 100% of buildout costs and equipment; up to 50% of working capital
 - Owner responsible for 100% of assets in event of default
 - Personal guarantee required
 - Prime + 2.5-3.5% rates
- Canadian Small Business Financing Program:
 - 3 to 1 debt to equity ratio for owner
 - Bank of Canada covers 75% of assets in the event of default; owner responsible for 25%
 - No personal guarantee required
 - Prime + 3% rate
 - Executed through major retail banks (i.e. TD, RBC, Scotia, BMO, CIBC)

Expenditure type	Cost
Letter of Intent	\$5,000
Franchise Fee	\$30,000
Travel & living expenses while training	\$10,000 - \$25,000
Marketing Deposit for Grand Opening	\$10,000
Real Estate / 3 Months' Rent	\$10,000 - \$30,000
Security Deposit	\$5,000 - \$15,000
Construction, Remodeling, Leasehold Improvements	\$30,000 - \$150,000
Furniture, Fixtures, Fixed Assets, Equipment	\$30,000 - \$100,000
Signage	\$3,000 - \$10,000
Opening Inventory and Supplies	\$5,000 - \$10,000
Insurance	\$1,000 - \$7,500
Licenses and Permits	\$1,000 - \$3,000
Miscellaneous Opening Costs	\$5,000 - \$15,000
Contingency Capital	\$10,000 - \$60,000
Total Investment	\$175,000 - \$470,500

Legal Requirements

- Direct and indirect owners control 90% of the business
 - 10% equity interest to managers
- Franchisee's responsibility to meet all disability, payment, and food certification requirements
- All copyrighted/marketing materials must be approved by franchisor
- Franchisee may not withhold payments to franchisor
- Disputes between franchisor and franchisee may go to arbitration (via AAA)
- Cannot be personally bankrupt



Operational Requirements to open a Freshii?



- Furniture, Fixtures and Equipment
- Multi-Unit Approved Manager
- On site General Manager
- Secure approved suppliers
- 500 to 1,500 square feet
- Oracle system
- First Data

What physical and personal required to open a Freshii?



- Open 12 months after signing
- Certified Training
- Urban Location

8-Month Go-To-Market Plan



1-3: Site selection and lease review; Commission drawings that align to regional Building Code and apply for permit

3-4: Sign commercial lease agreement & align on leasehold improvements with landlord; secure financing & place security deposit (Offer to Lease required to apply for CSBF bank loan)

5: Source contractor and determine scope of work; Order initial equipment, leaseholds, signage

6: Order any supplemental equipment - i.e. smaller items; Order branded marketing materials and employee uniforms

7: Review and execute grand opening marketing strategy: window banners, flags, postcards, stickers, social media, radio, digital ads, search, local sponsorship (all channels and collateral must be approved by franchisor)

8: Grand Opening



Thank you!