



Step 1: Research

Am I A Good Candidate?

This is a good question as you begin the franchise research process.

In the application review process, we want to learn about you and your reasons for wanting to own Woof Gang Bakery. The right reasons for wanting a Woof Gang Bakery are things like wanting to be your own boss, being tired of traveling, wanting your family to work together, or just loving pets and caring about quality service. It can be as simple as seeing a Woof Gang Bakery, talking with the owners, and just plain wanting the same thing for yourself.

Capitalizing on the Pet Industry's \$64 billion industry, Woof Gang Bakery is an innovative concept seeking franchisees who meet the following criteria:

- Passion for being part of Woof Gang Bakery
- Desire to work and manage your store
- Prior experience owning or managing a business
- Willingness to be involved in day-to-day operations or have an experienced operations partner
- Willingness to follow Woof Gang Bakery training and operational standards
- Primary residence within 10 miles of the store
- Commitment to ethical business practices
- \$500,000 net worth
- \$100,000 liquidity

Step 2: Investment Details

Start Up Costs

Woof Gang Bakery is developed primarily through Area Development Agreements, requiring a minimum of three units in primary markets and one unit in secondary markets. In select markets and under specific market criteria, single unit agreements may be available. Depending on the real estate site selected, the total cost of investment for one store will be approximately \$100,600 - \$179,900, and the franchise agreement initial term is 10 years.

The initial franchise fee is \$35,000

Franchisees also can expect to pay a 5 percent royalty fee of monthly gross sales. In addition, franchisees will contribute 1 percent to the National Advertising Fund for revenues up to \$500,000 and 0.5 percent on sales amounts exceeding \$500,000.

Total Estimated Initial Investment:

Expenditures	Low	High
Initial Franchise Fee	\$35,000	\$35,000
Leasehold Improvements	\$10,000	\$20,000
Furniture, Fixtures and Equipment	\$5,000	\$10,000
Computer and POS Hardware / Software	\$2,000	\$4,000
Opening Inventory	\$18,000	\$35,000
Signage	\$2,000	\$7,000
3 Month's Rent	\$7,000	\$15,000
Security Deposit	\$0	\$5,000
Grooming Equipment & Supplies	\$3,000	\$7,000
Grand Opening Advertising	\$1,000	\$5,000
Travel and Living Expenses During Training	\$1,000	\$3,000
Miscellaneous Costs	\$5,000	\$10,000
Additional Funds (3 months)	\$10,000	\$20,000
Insurance (6 months)	\$500	\$1,000
Legal and Accounting Expenses	\$600	\$900
Permits and Licenses	\$500	\$2,000
TOTAL ESTIMATED INITIAL INVESTMENT (SINGLE UNIT FRANCHISE)	\$100,600	\$179,900

Start Up Facts

Capital requirements of applicants: \$100,000 in liquid, unencumbered cash (cash and securities, not including retirement accounts). In addition to the \$100,000, applicants should have additional resources and/or the ability to borrow or acquire the balance that will be needed to open a Woof Gang Bakery.

Average time from signing a franchise agreement to opening your doors is about 4 months. Securing a location can be the biggest variable to this time period.

Start-up & initial training support include:

- Site selection assistance
- Lease negotiation assistance
- Layout and design assistance

- Equipment search assistance
- A Training and Development Specialist will walk you through the details of obtaining your store
- Team of opening trainers
- Pre-opening marketing assistance
- One month, four month, eight Month, and one year anniversary post-opening visits

We recommend 1,000 to 2,500 square feet for your Woof Gang Bakery. Our stores average 1,488 square feet.

Initially, your franchise agreement will contain a defined "Search Area" which is the smaller of approximately 100,000 people or a ten-mile maximum radius where you will be able to search for a location. Once you sign a lease, we'll define your territory.

Purchasing an Existing Woof Gang Bakery & Grooming:

The Purchase of an Existing Franchise Business can offer Distinct Advantages over a Start-up Franchise Operation:

- The current revenue stream of an existing franchise has value and provides an advantage versus a brand new franchise.
- Sometimes, a new franchisee brings a level of enthusiasm and creativity that will translate into added sales.
- A franchise resale is already equipped and in operation.
- Buying an existing franchise can save time and may save money in comparison to starting up a new franchise.
- For those who seek a franchise in a particular geographic area, a franchise resale may be an option in cases where new franchise territories are limited.
- We are happy to let you know of any stores that are currently for sale.

Step 4: Getting To Know Each Other

We would like to get to know better and discuss the Woof Gang Bakery opportunity. This informal conversation takes place with one of the principles of Woof Gang Bakery, and not a franchise sales person. Getting to know each other allows us to answer questions about Woof Gang Bakery, discuss the direction and goals of the organization, talk openly about the industry, and go into more depth about your local market.

At this point most people have genuine interest in Woof Gang Bakery or have decided Woof Gang Bakery is not for them.

For those who have a genuine interest, it's time for us to send you our Franchise Disclosure Document ("FDD"). You are required to sign the "Acknowledgement of Receipt" page at the back of the document and return it to us, showing you have received the FDD.

Despite the assumption that a Discovery Day is solely for the benefit of the potential franchisee, Woof Gang Bakery also uses the occasion to develop first impressions of prospective franchisees and to informally assess their suitability for the business. So, it is the day for the management team and the franchise candidate to get to know each other on a deeper level than phone and email to decide if this is a good match for both parties. But what else can you expect?

Woof Gang Bakery will be generating income (royalties) based on the income of the franchisee. Therefore, we have a vested interest in the level of success of our franchisees

In addition, the overall reputation of Woof Gang Bakery is at stake. If a customer of one of our stores has a bad experience, it is reflected on the entire corporation, including all franchisees. Word of mouth will spread unpleasant news at warp speed, and people will assume that the entire franchise is bad if a negative experience is had at one unit.

Step 5: Discovery Day

By the time you attend Discovery Day, he/she has walked through a well defined process. You have spent hours on the telephone with our franchise sales representative, and possibly the president. You have reviewed the FDD (franchise disclosure document), and then validated information with existing franchisees.

Discovery Day is an opportunity for prospective franchisees to meet the franchise corporate office team. It is a day spent with the team to get a feel for the corporate culture, as well as other departments of the franchise organization that support franchisees. Prospective franchisees have the opportunity to meet the representatives and learn about the process of opening a Woof Gang Bakery

Discovery Day is held in our corporate offices but sometimes can be part of an Expo or franchise event.

You have thoroughly reviewed The Woof Gang Bakery franchise website, talked to Paul Allen, love the Woof Gang Bakery concept and need to know more. What are your next steps?

1. Fill out your franchise application to see if you are qualified. What does that mean? We need to know financially if you are in a position to buy a franchise. Fax or e-mail your application to the attention of Pam Evans. She will call you within 24 hours to review it with you.
2. Upon being qualified you will be invited to Orlando to attend a full day with Corporate Headquarters for a Discovery Day.

3. Discovery days are 2-3 days each week of the month, check with your Woof Gang Bakery for the days and dates of the discovery days for the month you want to attend.
4. Book your flights enjoy 1 FREE night of hotel stay on us. Discovery day starts at 9am and ends at 5pm. If you are leaving that evening you will not want to miss any of the Discovery Day presentation leave no earlier than 6 pm.
5. You will be picked up at your hotel on the morning of discovery day and have a tour of 3 or 4 of our Woof Gang Bakery locations. We than will go to corporate headquarters and meet the corporate support team.
6. Your day will be full and you can expect to learn what it's like to be a Woof Gang Bakery franchise owner.

Lastly, if Woof Gang Bakery doesn't already know, you must show that you are financially qualified. You should already know, prior to Discovery Day, how you are going to finance the franchise and be able to demonstrate that to the franchisor. We needs to know that you are more than capable of handling the investment, and will also have sufficient living expenses as you begin growing your business.

Remember, you need to be adequately prepared for your Discovery Day. Finally, make this a fun experience; you may very well end your Discovery Day as a Woof Gang Bakery Franchisee!

Step 6: Training & Franchise Support

We have assembled an experienced, talented, and dedicated team to lead our efforts. We take our obligations to our franchisees very seriously and are ready to provide tools, materials, and time to your efforts and success. Our Executive and Operations staff alone have a wealth of experience in multiple franchising organizations. We have people waiting to assist you in the following areas:

- Franchise Development
- Operations and Training
- Purchasing and Distribution
- Marketing
- Product Research and Development
- Architecture and Design
- Construction
- IT Support

Here's a sampling of our support services:

- A comprehensive training program that blends hands on training for everyone from operating partners to new employees.

- Our management tools will facilitate ordering, scheduling, and contains an ideal cost program to help manage your costs.
- Our Operations Manual takes you from A-Z, from securing real estate to opening your store.
- Our management team will keep you posted on all operations, marketing, purchasing, and other current events happening at Woof Gang Bakery. Our Opening Support team will be on site a minimum of two weeks to help you successfully launch your store.

We have also partnered with the best companies and suppliers to provide products and resources such as: Phillips Feed & Pet Supply, Central Garden & Pet Company, Pet Food Ltd, and Wholesale Pet. These companies provide our franchisees with high quality products, solutions, and services to assist in the operations of our stores and deliver a high level of guest satisfaction.

Step 7: Open your Woof Gang Bakery & Grooming Store

It's time to open your Woof Gang Bakery. It's an exciting event but one that can also be filled with anxiety. But you can alleviate much of that anxiety with some proper planning and by relying on advice and support from our support team.

You've gone through all the training and had a "soft opening" to work out the kinks, bring employees up to speed, and make the necessary operational adjustments. Your job now is to create an awareness of your store among the community where you are opening.

We will have a corporate team devoted to assisting with store openings. We will help you with materials and other resources that you can use to build up excitement for your grand opening.