

Franchising: Profile

Company Profile

Pizzaville is an exciting foodservice concept ideally suited to today's fast-paced lifestyle. It is a member in good standing of the Canadian Franchise Association, and one of Ontario's leading fast-food franchises. We specialize in providing top quality pizza, panzerotto and other complementary products to the public.

From its inception in 1963 Pizzaville has grown to over 60 locations throughout central and southern Ontario, with over 40 stores in the Greater Toronto Area (GTA). This growth has been attributed to the following factors:

- The impeccable quality of all our menu offerings. All products are made fresh from recipes calling for only the finest ingredients;
- An aesthetically superior store design concept;
- An unrelenting focus on providing the highest level of customer service;
- Synergies and efficiencies created by the operation of a centralized call-center to receive orders for stores located in the Greater Toronto Area, as well as an in-house commissary and distribution warehouse to service all outlets;
- Stores outside of the GTA have their own mini order entry system to process orders, track customers, and provide a data base to assist in such vital aspects as product orders and staffing requirements;
- A genuine commitment to the success of all franchisees evidenced by the fact that Pizzaville operates on one of the lowest overall cost and flat-fee frameworks in the pizza industry (in relation to such things as the franchise fee, and construction, equipment and product costs).

It is the combination of these elements that has distinguished Pizzaville from the competition within the pizza segment of the foodservice market, and on which future growth and prosperity will be predicated.

Franchising: Vision

Our Vision

It is Pizzaville's belief that it, in its role as the franchisor, must be financially sound. Therefore, it is vital that the company has the financial capacity to act quickly and penetrate the market with definite goals and objectives, and to endure all competitive pressures. Pizzaville has defined its goals and objectives, and has combated the competition and consequently formulated a corporate philosophy that espouses a resolute commitment to:

- Quality products;
- Excellent service;
- Cleanliness and hygiene;
- An innovative 'new look' store design concept;
- The success of all franchisees;
- Fair dealings with franchisees, suppliers and landlords;
- Day to day operations; and
- A unique and leading-edge advertising and promotional campaign.

This philosophy has enabled Pizzaville to validly establish a reputation as an industry leader, and is the reason why it is regarded as a respected franchisor. It has also placed Pizzaville in a position in which it is

poised for growth - to wit, it is its vision to achieve growth in the number of its stores, growth in sales per unit, and growth in profitability. With expansion continuing in Ontario, its vision is manifesting itself and, as such, Pizzaville is entering into a new and exciting phase of its development.

Franchising: Benefits

Pizzaville strives to provide its franchisees with all the necessary services. As a Pizzaville franchisee you will receive the benefit of the following services:

1. **MARKETING**
 - A successful model based on years of clever and effective print and radio initiatives
 - Inherent goodwill attained via the award-winning and highly acclaimed "It was a rainy day in Pizzaville ..." radio campaign
 - Brand name recognition with the 'Rainy Day Man' radio persona and a highly recognized phone number jingle
2. **OPERATIONAL SUPPORT**
 - Ordering from a central commissary
 - Marketing and business development support
 - Ongoing support from designated area representatives
 - Unique promotions
3. **DEDICATION TO CUSTOMER SERVICE**
 - A one-number central ordering system
 - High standards of quality, cleanliness and customer service
4. **COMPREHENSIVE TRAINING**
 - In all facets of store management and operations
5. **SPECIALIZED IN-HOUSE SERVICES**
 - Legal department
 - Architecture design department
 - Real estate department
6. **PRODUCT DEVELOPMENT**
 - Constant monitoring of supplies to ensure high quality consistency
 - Research and development of new products

Franchising: FAQ

Frequently Asked Questions

If I am interested in opening my own Pizzaville franchise, how do I get started?

If you are interested in joining our team or would like to know more about franchising opportunities with Pizzaville please complete the online franchise application and submit it to us. You may also download the application and upon completion you may either FAX it to us at (905) 850-0339 or mail it to Pizzaville

Inc., 741 Rowntree Dairy Road, Unit #1, Woodbridge, Ontario, L4L 5T9. Alternatively, you may call us at (905) 850-0070 and arrange an appointment with a Franchise Development Representative.

Is previous experience in the restaurant industry required?

No, restaurant experience is not required to become a Pizzaville franchisee. However, such experience is definitely an asset. Pizzaville will provide comprehensive training and operating assistance. A prospective franchisee's desire and effort can be as significant as one's level of experience.

What is the cost of opening a Pizzaville store?

Franchisees of Pizzaville operate 'full production' stores. Its total turnkey cost is typically in the range of \$190,000.00 depending on the size of the location and the leasehold improvements required. The turnkey costs include those relating to: store design, permit acquisitions, all equipment, necessary leasehold improvements, signage, small wares, construction, administration charges, and uniforms. All of the equipment, except for the computer's licensed software, is typically owned by the franchisee.

What does the initial Franchise Fee buy?

It secures the right to own and operate a Pizzaville franchise within a designated territory, area or region. It is a fee that permits the franchisee to obtain a nonproprietary right in the Pizzaville name, logos, trademarks, marketing plans, formulae, and recipes and to operate accordingly. Finally, it pays the initial 2-4 week training session necessary to own and operate the franchise.

How much money must I have in order to obtain financing for a Pizzaville franchise?

The amount of capital you will need to invest in a Pizzaville franchise varies depending on location, required leasehold improvements, etc. The level of equity required as a means of qualifying for a business loan varies from lender to lender and is ultimately based on the creditworthiness of the franchisee. However, prospective franchisees ought to expect to be able to provide an unencumbered cash equity sum equating to 50% of the purchase price.

What is the requisite royalty fee?

The royalty levied will be a flat rate fee payable to Pizzaville on a weekly basis. It starts at \$250.00/week for all new stores, and progressively increases annually at a rate of \$50.00/week up to a maximum of \$500/week, for the first term of the Franchise Agreement (new stores only).

What is the advertising fee and what does it cover?

The advertising fee is a flat rate payable to Pizzaville on a weekly basis. Currently, stores outside the Greater Toronto Area pay \$150.00/week and those within the GTA (currently defined, The Free Dialing Area of 416-736-3636) pay \$200.00/week. It covers the set-up cost of all advertising initiatives, marketing promotions, flyers, newspaper ads, print advertisement, radio/television commercials and airtime used to acquire and maintain a loyal customer base. In addition, the franchisee is obligated to spend a minimum of 2% of gross sales, or \$200/week, on local advertising in the form of flyers. Those franchisees with extra funds available are required to engage in other forms of advertising and marketing.

Will Pizzaville select the location and build the store for me?

Pizzaville is constantly seeking suitable locations. In certain instances you may choose to open a store in a location selected by yourself though it must be evaluated and approved by Pizzaville. In any case, Pizzaville coordinates the construction and/or renovation of the store.

Who holds the lease? I have little experience in negotiating leases, will Pizzaville offer assistance in this regard?

This varies from location to location and is primarily a function of the landlord's leasing policies. In some cases the franchisee will be the tenant and in other cases Pizzaville and its affiliated companies lease the premises and then sublease it to the franchisee. Pizzaville can be engaged to negotiate a lease entirely, or can simply offer assistance and guidance where the franchisee deems it necessary. Despite this, a franchisee is strongly advised and will always be well served to seek independent legal advice from a solicitor.

How do I get building plans?

Pizzaville will provide plans for your location, including any necessary architectural and/or engineering drawings.

What hours must the store be open?

Pizzaville's current standard hours of store operation are as follows:

	Open	Close
SUN	11:30am	11:30pm
MON/TUE/WED	11:00am	12:00am
THU	11:00am	1:00am
FRI	11:00am	2:00am
SAT	11:00am	2:00am

Does Pizzaville require franchisees to be actively involved in operating the store?

Yes. Pizzaville requires and responds to the personal input and attention of the owner. It is essential that the franchisee become personally involved in all facets of the business. You can expect to work many long hours, particularly at the outset. You should be willing and capable of performing all sales, production and other functions required on a daily basis. The demands on you personally can be minimized by your ability to build sales and attract, motivate, and retain competent employees.

Can a Pizzaville franchisee own more than one Pizzaville franchise?

Possibly. A franchisee who has demonstrated success in organizing and operating a profitable Pizzaville franchise may be eligible for future franchise opportunities.

What level of income can a franchisee expect to earn?

A proper understanding of the financial aspects of owning a Pizzaville store is a paramount component of the investigation process for prospective franchisees. In an effort to provide the most thorough information possible, a detailed "Financial Information Summary" is furnished to prospective franchisees who have completed the interview stage of the qualifying process. This package information will convey details on development costs, and operating expenses, together with a format to allow prospective franchisees to develop site-specific cash-flow projections based upon their situation. There are many factors

involved such as the franchisee's management skills, commitment of time to the business, site factors, overhead costs, etc. will all be influential.

Franchising: Join Us

Join the Pizzaville Team

Pizzaville's concept is based on the strong, personal involvement of the franchisee in the management of the franchise. As such, Pizzaville prefers owners who will operate the store personally.

Franchise applicants must meet rigid qualifications including, but not limited to, the following criteria:

- A satisfactory financial rating, and must demonstrate the financial capability to open and operate a store. Typically, prospective franchisees should have a net worth of \$80,000.00 to \$100,000.00. Liquid capital requirements typically range from \$80,000.00 to \$90,000.00 depending on store development costs.
- Due to the physical demands of operating a Pizzaville store, applicants must be in good health.
- A willingness to devote full time and effort toward the success of his/her store.
- Good interpersonal and communication skills since effective interaction with both staff and customers is essential to the success of each store.

Other considerations involved in assessing applicants include character traits, level of motivation, related experience, etc.

Where do we go from here?

1. If you are interested in proceeding further, please complete the online prospective Franchise Information Form and forward it to our office either online or by downloading it and delivering it by FAX 905-850-0339 or by mail.

Provided there is mutual interest, we will arrange for a personal meeting. Additional meetings with our legal department may follow the initial meeting.

In the event there are no franchises available at the time, your application will be retained on file for future reference.

2. Qualified prospective franchisees will be furnished a copy of Pizzaville's Disclosure Document, and will then be encouraged to visit several existing locations and to contact existing franchisees.
3. Our Disclosure Document provides all documents you will be required to sign and which is to be reviewed by your solicitor.
4. In the event that a specific location has not yet been determined, we will work together to secure one at the best rate and terms possible.
5. Once a Franchise Agreement is executed and a lease is finalized, we will arrange for the construction of your store as well as a mutually convenient time to commence training and store takeover.

Franchising: Contact Us

Please feel free to contact Pizzaville Franchising Department with your questions or concerns:

Write to us at:

Pizzaville
741 Rowntree Dairy Road
Unit 1
Woodbridge, ON
L4L 5T9

Email us:

info@pizzaville.ca