



PIZZA SALADS SUBS WINGS

WESTERN PIZZA
express

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Overview:

A Western Pizza Express franchise restaurant provides you with an opportunity to own and operate a business that is backstopped by an established company and product offerings. We can help you achieve financial security and build your net worth. The success of our franchise program is based on:

- **Low investment:** Compared to other available franchises, Western Pizza Express Franchise offers great earning potential along with lower start up costs
- **Great food:** Since 1976 we've been fine tuning our menu to provide the best quality in ingredients and preparation techniques.
- **Proven support systems:** We have been supporting a multiple franchise operation for over 30 years. Our WPX Operations Manual details menu items, preparation techniques, store operations, marketing and advertising guidelines and other information to help you succeed.
- **Simplicity:** We've fine tuned our menu and operating techniques in order to offer a distinctive menu while minimizing the need for high inventory levels.
- **Proven Operational Controls:** Unique supplier arrangements and just in time delivery methods help us to maximize the efficiency of your franchise.
- **Benefit Package:** Western Pizza has a complete benefit package for Owners, Management and Key Personnel.
- **Labour Assistance:** Western Pizza has committed to tackle the labor shortage by bringing in Foreign Workers.





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Standards of Operation

The success of Western Pizza Express is built upon high standards of operation. These high standards are attained by paying particular attention to three basic areas of the operation:

- QUALITY OF PRODUCT
- QUALITY OF SERVICE
- QUALITY OF RESTAURANT APPEARANCE

Good presentation is the key and total involvement by the franchise owner is essential. We must continually take an objective look at ourselves to ensure that we are doing the best possible job presenting Western Pizza to our valued customers.

Three simple rules apply:

- Always serve a high quality product.
- Ensure that staff is always courteous and efficient. Our staff is the front line of communications and as such, -can greatly affect the quality of our operation.
- The restaurant (the interior and exterior) requires continuous monitoring to ensure that it remains in good repair and is always exceptionally clean.



All of the above are simple, common sense principles which have proven time and time again to be the key ingredient of our success.



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Service in the Service Industry

The days of an owner coming into the restaurant for an hour or so, pulling off the cash and then leaving, have gone the way of the dinosaur. Total involvement by the franchise owner is essential to success.

To survive and succeed today, we must place an incredibly strong emphasis on our front line staff. It's these front line people who can make or break your business based on their quality and level of knowledge and friendly efficient service. We must place an even stronger emphasis on the start-up training and continuous training of our front line people. This task should not be left up to an existing counter sales person alone. The owner must take an active role in this process -after all, it's your business to make or break.

An example of how to do business successfully today is, naturally, hire and train responsible sales staff. Give them the direction and authority to allow a customer to leave happy. If a customer has a complaint, in the past the employee's model response at best would be say " I'll have the manager call you." Most times it would be "Well, that's the way it is," etc.

Today, give your employees the authority to correct the situation and allow that customer to go away happy. Simply use discretion on this statement. When this approach is used effectively, it has been proven to build customer loyalty and increase a customer base in a business. Please start thinking in terms of your front line people, as they are a critical ingredient to success.

Training and Support:

Western Pizza is committed to providing excellent support to our franchisees... both before and after they open their restaurants.

Pre-Opening:

- **Training** - you will spend two weeks training at one of our teaching restaurants in either Regina, Saskatchewan or Calgary Alberta.
- **Site selection** - our real estate experts help you find an optimal location(s).
- **Restaurant layout and design** - configured precisely for your specific location.
- **Equipment purchasing** - we pass along volume purchasing discounts and work with suppliers to ensure timely delivery and installation.
- **Financing** - we will introduce you to consultants that will help you secure financing for your Western Pizza Express restaurant if necessary.

Post Opening:

- **Operations Manual** - our comprehensive manual covers key topics critical to running your business.
- **Field support** - you will be assigned a field consultant who will help with your store opening and provide ongoing assistance and evaluation.
- **Franchisee Co-ordinator** - You will be assigned a coordinator who will act as your main contact person at Western Pizza Express HQ.
- **Ongoing research and development** - we are continually introducing new products and systems in addition to improving those that currently exist.
- **Advertising** - we assist you with grand opening and ongoing advertising designed to build brand equity for Western Pizza Express in general and for your location specifically.
- **Purchasing** - you benefit from volume discounts we have negotiated with national suppliers of the highest quality products.
- **1-800 Telephone Support** - If ever you have a question that requires an immediate response, support is available through our 1-800 telephone number.
- **Newsletters** - monthly newsletters are mailed out to each location and posted on our website (www.westernpizzaexpress.ca) any specials, promotion, developments, announcements are placed here.





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- **Website** - www.westernpizzaexpress.ca offers a complete showcase of locations, promotions, coupons, online ordering, communication along with your own personalized webpage and e-mail accounts.

Process Steps and Timeline

STEP	FAST TRACK
Selection	
Candidate submits fully completed application	Day 0
Candidate visits stores and reviews available information	Day 0
Application screened/interview takes place	Day 10
Receive Disclosure Documents (where applicable)	Day 15
Candidate does due diligence	On-going
Candidate secures financing	On-going
Letter of Intent/Draft Franchise Agreement	Day 20
Site Lease	
Generate and review site options	On-going
Site visit by Western Pizza Express staff (once a site is identified)	Day 25
Conditional Offer to Lease	Day 30
Applicant pays Franchise fee	Day 30
Zoning Application	Day 30
Western Pizza Express Construction Team does floor plan	On-going
Site lease signed	Day 44
Applicant signs Franchise Agreement	Day 45
Construction	
Franchisee formally hires Construction Manager	Day 45
Construction Team hires local Engineer	Day 50
Engineer completes design/applies for Building Permit	Day 60
Construction Team identifies local construction crew	Day 71
Building Permit issued	Day 78
Construction begins	Day 80
Store Opening	Day 100



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WESTERN PIZZA EXPRESS - Start Up Expenditures

Item	1000 Sq. Ft.	1200 Sq. Ft.	Timing
Franchise Fee	\$ 25,000	\$ 25,000	When Franchise Agreement is signed
First and Last Months rent	\$ 4,000	\$ 5,000	When Lease Agreement is Signed
Leasehold Improvements	\$ 56,000	\$ 67,000	During Construction
Equipment Package	\$ 91,000	\$ 91,000	As Equipment is Received
Furniture / Fixtures / Signs	\$ 16,000	\$ 18,000	As Received
Inventory and Supplies	\$ 7,400	\$ 7,400	As Received
Insurance	\$ 300	\$ 300	Before Opening
Legal and Accounting	\$ 1,000	\$ 1,000	As Incurred
Advertising	\$ 2,000	\$ 2,000	Within 30 Days of Opening
Misc. (licenses, deposits etc.)	\$ 2,000	\$ 2,000	As Incurred
G.S.T. (refunded within 30 days of opening)	\$ 11,000	\$ 12,000	As Incurred
Working Capital	\$ 10,000	\$ 10,000	As Required
Total	\$ 225,000	\$ 240,700	

NOTE: The capital investment required to set up a Western Pizza Express varies by location, landlord design criteria and contractor pricing in each area. Leasehold improvements may vary considerably depending on the previous state of the premises. There is no guarantee that your costs will fall within the range shown. This is meant solely as a guideline.

Financing Assistance:

Stonebridge Capital Group (Stonebridge) will assist prospective Western Pizza Express Franchisees in their efforts to secure financing. Stonebridge is remunerated on the basis of a success fee. In other words, they earn their fees only when you are approved for the requested funding. Contact Joel Steinberg at Stonebridge Capital Group: jsteinberg@stonebridge-partners.com



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FAQs

Are partnerships able to acquire a Western Pizza Express Franchise? Yes, two or more persons (or companies) may team up to acquire a single restaurant.

Is it necessary for me and / or my partner(s) to work in the restaurant? Yes, at least one owner must work at your business full-time. We do not permit absentee ownership.

Is previous restaurant industry experience necessary? No, one of the advantages of acquiring a franchise is the existence of proven operational systems and comprehensive training programs.

How much is the Franchise Fee and what does it cover? The Franchise Fee is \$25,000. The fee covers use of the Western Pizza Express name, recipes and systems in addition to training, site selection and pre / post store opening assistance.

How much money will I require? Chartered Banks or Credit Unions typically require 30% to 35% of the total project cost in the form of an unencumbered cash down payment.

What are the royalty and advertising fees? The royalty is 5% of gross sales paid weekly and the advertising fee is 3% of gross sales paid weekly.

How big are Western Pizza Express restaurants? The average size of a Western Pizza Express restaurant is approximately 1,000 square feet.



Food Service Industry Quick Facts

There are 63,517 commercial foodservice units in Canada, or 20.1 units per 10,000 Canadians. By segment, there are:

28,794 full-service restaurants,
25,094 limited-service restaurants,
4,035 contract and social caterers,
5,595 taverns, bars and nightclubs

Source: CRFA's Provincial InfoStats and Statistics Canada



- Nearly two-thirds, or 63.5%, of restaurants in Canada are independent brands . Chain restaurants account for the remaining 36.5%, and many of these are locally owned and operated franchises.
- The average Canadian household visits a restaurant for a meal or snack 508 times per year. Meals and snacks sourced from restaurants account for 1 in 10 meal occasions.
- The average Canadian household spends 30.3% of its total food dollar on foodservice, compared to 42.0% for U.S. households
- Including spending by households, government, businesses and foreign tourists, foodservice accounted for 40.5% of the food dollar in 2004.
- The most popular food and beverage ordered at Canadian restaurants are French fries and regular coffee .
- The average check size at a restaurant is \$5.98 including taxes, but excluding tips.
- The average household sources a meal or snack from a restaurant 11.3 times over a two-week period.
- The percentage of restaurant meals and snacks eaten off-premise has increased from 53% in 1994 to 60.0% in 2003 due to the increased popularity of drive-through service .



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Market Share Definitions

Commercial Foodservice (78% Market Share) Operations whose primary business is food and beverage service.

- **Full Service Restaurants** (39%):
Includes licensed and unlicensed fine-dining, casual and family restaurants as well as restaurant-bars.
- **Limited Service Restaurants** (28%):
Includes quick-service restaurants, cafeterias, food courts and take-out and delivery establishments.
- **Social and Contract Caterers** (6%):
Includes contract caterers supplying food services to airlines, railways, institutions and at recreational facilities, as well as social caterers providing food services for special events.
- **Bars** (5%):
Includes bars, taverns, pubs, cocktail lounges and nightclubs primarily engaged in serving alcoholic beverages for immediate consumption. These establishments may also provide limited food service.