

# STREATS

Franchise Information

# Why StrEATS

## The Concept

strEATS is a restaurant that moves with the times. Food tastes change quickly and strEATS is designed to bring the current flavour of the streets into our restaurants and capitalize on current trends. We'll supply the system, you supply the passion.

## Store Design & Construction

Our team develops your location into an efficient, beautiful, and contemporary space that guests enjoy. We involve you in every step of design and construction so you can understand your restaurant from the ground up.

## Training

You will be provided with a complete training program on everything from preparing our Casual Fresh favorites, managing your team, understanding your guests to cutting edge financial analysis.

## Marketing / Advertising

strEATS has an experienced executive and marketing team always available to support you.

## Ongoing Support

Our Team of seasoned Operations consultants is available to you in every aspect of your business from the day you sign on.

## Buying Power

Our purchasing division combines the power of two restaurant chains into one big buying advantage for our franchise partners.

## Synergy

We believe in the word 'Partner', especially with you! Our Partners are the reason we do what we do and their success is our priority.

The logo for STREETS, with the word in a bold, sans-serif font. The letters 'S', 'T', 'R', 'E', 'A', and 'T' are in a light green color, while the letters 'S', 'T', 'R', 'E', 'A', and 'T' are in a bright orange color. The letters are slightly shadowed, giving them a 3D appearance as if they are floating above a dark surface.

# The Concept

strEATS is a fun and exciting restaurant concept focused on world class flavours, member of the family service and "Save the Planet" business ethics. We want our customers to feel good about every aspect of their dining experience and know that we are taking care of all the same things they care about for a sustainable future.

strEATS has a contemporary interior with vibrant colours and a comfortable feel. Our furnishings are simple and fit the modern urban world. We are well connected for a hip, strEATS atmosphere that has guests returning time and time again.



# The Experience

At strEATS, we believe in getting REAL. We're about REAL value and REAL food made with the highest quality ingredients.

strEATS has a 'Live' kitchen, completely open to our guest to accentuate the freshness of our meals and to give our guests a show with every visit. Guests often stand at the kitchen glass to watch their meals being prepared and chat with the team. It's about building relationships!



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# The Menu

The menu has been specifically developed to invigorate the palate, excite our guests and build repeat visits. It is restaurant efficient and streamlined to allow our franchise partners to concentrate on customer relationships and the marketing of their business.

The strEATS Menu is comprised of culturally iconic menu items, including;

- Globally Inspired Tacos
- Gourmet Poutines
- Burritos

The food is prepared to order so every Taco, every Poutine and every Burrito is at its peak when served hot and fresh. We make our own Pico de Gallo and other salsas, chipotle mayo, shredded meats, secret fried fish recipe and much more, in house and fresh to your plate.

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# Industry Overview

Fast-Casual restaurants (alt Quick Serve Restaurants - QSR's) are a segment of the foodservice industry defined as "a type of restaurant that offers counter service and promises a higher quality of food with fewer frozen or processed ingredients than a fast food restaurant". strEATS fits into this category though we think of ourselves as FRESH CASUAL.

The Fast-Casual segment has been the fastest growing part of the food service business over the last 5-10 years. Stats Canada reported in 2018 that "limited service eating places, also known as fast food or quick service restaurants, reported an increase of +5.1% from 2017. Every province recorded sales growth..."

Lifestyle choices associated with the Gen Y (Millennial) population wave are propelling what is likely to be a long-lasting success story in this segment.

"Recent social trends, such as busier lifestyles, heavier workloads and longer working hours, have helped boost demand for restaurant services and convenience food, as *time poor* consumers look to cut down on cooking times and make better use of their spare time." UBC Small Business Accelerator Program, March 9, 2019.

The Fast-Casual segment has several advantages over full serve or traditional fast food franchises. Small footprints reduce standing build out and rental costs. Counter service reduces expensive labour cost loads compared to full service yet allow strong pricing practices as customers are willing to pay for convenience without the burden of tipping as an expected additional cost. As reported by the NDP Group in their 2020 Visions: The future of QSR report, "The desire for customization, for food prepared fresh right in front of you with the toppings of your choosing, and the halo effect of health and wellness around Fast Casual is propelling the Category."

# Investment

Your initial investment, as outlined below, pays for the leasehold improvements required to build out your store. Equipment, marketing, franchise fees, deposits, smallwares, legal costs, training, signage, inventory and various other costs are reviewed below. The Royalty Fee is 5% on net sales while the Advertising Fee is 3% of net sales. Net sales are calculated as all Food/Beverage sales, less coupons and discounts.

## Cost to open Converted Location (Based on 1200 square feet)

Initial Franchise Fee	\$25,000	-	\$25,000
Opening Promotional Fee	\$5,000	-	\$5,000
Purchase Price	\$50,000	-	\$75,000
Signage	\$10,000	-	\$15,000
Lease Deposit	\$5,000	-	\$10,000
Leasehold Improvement and Fixtures	\$35,000	-	\$75,000
Furniture, Equipment and Small Wares	\$15,000	-	\$61,000
Opening Inventory	\$8,250	-	\$11,500
Pre-Opening Training Program	\$5,000	-	\$8,000
Third Party Contracts (Initial Month)	\$300	-	\$500
Professional Fees (legal and accounting)	\$5,000	-	\$7,500
Business Licenses and Permits	\$250	-	\$250
<b>Total Cost to Open</b>	<b>\$163,800</b>	<b>-</b>	<b>\$296,000</b>

## Projected Opening Costs (Based on a NEW 1200 square foot location)

strEATS, based on 1200 square feet with an average Tenant Improvement Allowance of \$20.00 per square foot;

Initial Franchise Fee	\$25,000	-	\$25,000
Opening Promotion Fee	\$5,000	-	\$5,000
Signage	\$10,000	-	\$15,000
Lease Deposit	\$5,000	-	\$10,000
Leasehold Improvements and Fixtures	\$118,000	-	\$168,000
Furniture, Equipment and Small wares	\$120,000	-	\$135,000
Opening Inventory	\$8,250	-	\$11,500
Training and Pre-Opening	\$5,000	-	\$8,000
Third Party Contracts (Initial Month)	\$300	-	\$500
Professional Fees (Legal and Accounting)	\$5,000	-	\$10,000
Deposits, Permits and Drawings	\$11,500	-	\$15,000
Business Licenses and Permits	\$250	-	\$250
<b>Estimated Total Investment*</b>	<b>\$313,300</b>	<b>-</b>	<b>\$405,500</b>

\* These are estimated costs only and do not include GST and or PST. strEATS cannot guarantee the exact costs of opening each individual restaurant. The estimated Leasehold Improvements and Fixtures sections already has the estimated \$20 allowance removed from this figure. Estimates are compiled using previous strEATS opening calculations. Your store will vary based on construction rates in the region, the present-day economy and various other factors beyond strEATS' control.

## Capital Requirements

A potential Franchise Partners must have a net worth of at least \$400,000. They must also meet their preferred financial institution's financial qualifications in order to receive financing for the restaurant. Partners are encouraged to have at least 40% of the total costs to open in unencumbered capital and retain at least 10% of that for operating capital once they are open. Your financial institution may require a higher investment level in order to finance a project.

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# Store Design / Construction

## Help From The Ground Up

strEATS offers a partial-turnkey or full turnkey concept. If you have a little business experience you can be involved throughout the process and save a significant amount of money or you can request a full turnkey so that all you have to worry about is administering funds and hiring staff. Once your franchise application is approved, strEATS will assist with your site selection, prepare your initial Offer to Lease(s) and help negotiate your lease. strEATS always recommends that you consult legal counsel with regards to your Franchise Agreement and Lease. Although our information kit outlines our Traditional location model, strEATS is also available to convert an existing restaurant as well as options for non-traditional models, such as food courts, hotels/motels, food trucks, and various vendor opportunities.

Once a site is secured, strEATS will complete an initial floor-plan for your review based on our standard layout. strEATS will then work with you to have Architectural, Mechanical and Electrical drawings completed by our preferred professionals for submission to contractors for quoting. Once a contractor is secured he/she then submits for building permit. strEATS will then help you oversee all aspects of your build-out and provide an equipment quote for your opening needs.

## strEATS University

We believe training is the most important investment of time that a new Franchise Partner can make. Our three week training program takes you through every aspect of restaurant management at an established training restaurant. Training includes:

- Food Preparation
- Purchasing
- Inventory and Food Cost Analysis
- Human Resources Management
- Local Store Marketing
- Service and Operational Systems
- Facilities & Equipment Management
- Financial Management

Taught by seasoned experts, your training features hands-on practical training. Our classroom sessions complement your "on the job" training and you will receive accounting, marketing, and operations materials to guide you through the process.

A strEATS opening specialist along with an Operations Consultant will be on-site for at least one week when you open to ensure a smooth beginning to your new business.

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# Operational Support

## Ongoing Support

Operations Consultants are available for ongoing support throughout your tenure with us. Their expertise and experience in the restaurant business will assist you in your continuing education in how to operate an efficient outlet.

strEATS will be with you every step of the way working with you to make sure your franchise is a success. From the hands-on training to regular visits from your Operations Consultant, help with troubleshooting, logistics, goal setting, and business analysis, the positive interaction between strEATS and its franchisees allows our Partners to run their restaurants with confidence. Our secure Franchise Partner website puts memos, marketing tools and training materials at your fingertips and regional meetings help operators get to know their peers and share ideas.

## OUR PROMISE

The strEATS culture is unlike any other franchise system. We understand that there is a circle of excellence that is continuous between the training, expertise and strategic viewpoint we bring and the ongoing experience and front line wisdom our franchise partners provide.

We bring our Passion, a Sense of Urgency and a Demand for Excellence to work with us everyday.

# Marketing Support

## Marketing Program

strEATS' Marketing Department provides the type of support that exceeds the expectations of today's educated franchise partner. Focused on customer acquisition and engagement, our franchise partners receive detailed and on-going training from an accomplished team of restaurant marketers.

Compelling national marketing campaigns are supported with traditional and cutting-edge social media. Our partners have the ability to personally connect to their communities with social media and receive regular Local Store Marketing (LSM) advice and coaching. A keen understanding of these local business building opportunities keeps advertising costs low and loyalty high.



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# Partner Qualifications

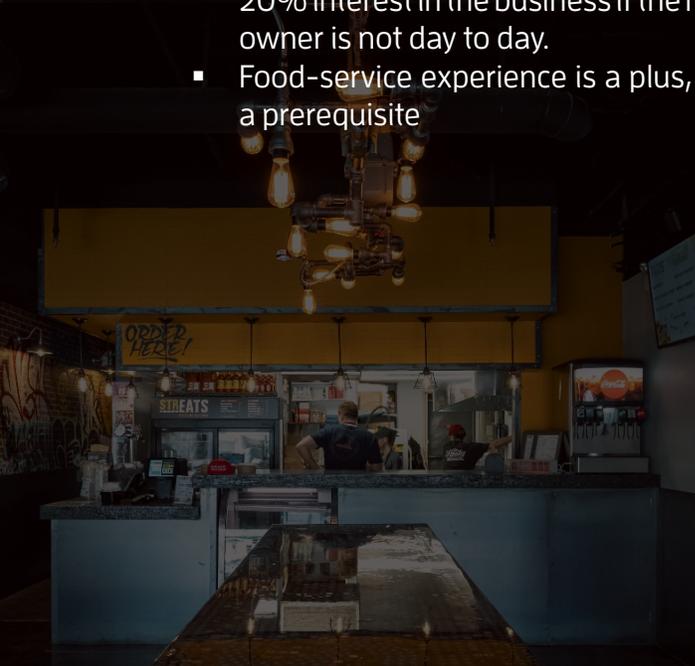
Our Franchise Development Team works very hard to find the right franchise partners to award a franchise to. It is a privilege given only to those who exemplify the following attributes;

- A positive and outgoing attitude
- Good Business Acumen and business financial knowledge
- Strong Problem Solving skill and the ability to see projects to completion
- Well rounded people leadership and communication abilities
- Hands-on ownership is preferred. An operating partner should hold a minimum 20% interest in the business if the majority owner is not day to day.
- Food-service experience is a plus, but not a prerequisite

ZERO  
ALCOHOL  
ZERO  
RISK

Hard to tell.  
Have to ask.

It's the law.



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# Available Territories





## FAQ's

1. How much money do I need to complete a restaurant?

Typically, you will require approximately \$200,000 in unencumbered cash and have a Net Worth in the range of \$400k. However, your banking institution may require more or less depending on your credit history and financial strength

2. How much are the royalties?

Royalties are 5% of food and beverage revenue, less discounts. The advertising fee is 3%.

3. How much can I expect to make operating a strEATS?

Profitability is dependent on your overall ability to manage food and labour costs, the location and traffic patterns, market trends and the effects of the local economy, as well as many other items outside the franchisor's control.

4. Does Joey's provide financing?

The franchisor does not provide financing. We can indicate sources that have provided assistance in the past, such as Government secured Small Business Loans through major lenders, third party lenders etc.... Typically, the best source for financing is

through the same institution that holds your current accounts and/or mortgage.

5. How long before I am ready to open the restaurant?

Depending on the real estate process, a typical strEATS is open within 9 - 15 months from the start of the application process.

6. What kind of training can I expect?

The initial training includes hands on and theoretical training. The course starts with 3 weeks at an approved training location and concludes with 7-10 days of support during your opening with a training specialist and an Operations Consultant.

7. What can I expect from my marketing contribution?

The strEATS marketing team works with our partners right from day one on their grand opening plan through to Local Store Marketing. After the opening an ongoing digital advertising presence is the preferred form of marketing. The marketing department will work diligently to provide a service and brand image that our Partners can be proud of.

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strEATS, is a franchise system owned and operated by Joey's Franchise Group

For more information about strEATS

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