

WLS!

MM  
FOOD

# STREETS

Business Ownership Kit



# HIT THE STREETS

Each strEATS is built around being unique and local



# GLOBALLY INSPIRED STREET FOOD

Here's our mantra. Our food is inspired from the streets, blending flavours and delivering them in surprisingly delicious ways.

We do this by using only high-quality ingredients to deliver excellence at all times. We also think a good planet is incredibly hard to find, which is why we continuously work to stay on top of best sustainable practices. We also engage with charities that help the most vulnerable in our society and help feed them.





# GROWTH TRACK

**18%** brand sales growth in 2023

**Up to 21%** in profitability\*

**4** new locations in **2023**

**10** projected locations in **2024**

\*Based on 2022 Profit Loss statement provided by top performing locations.

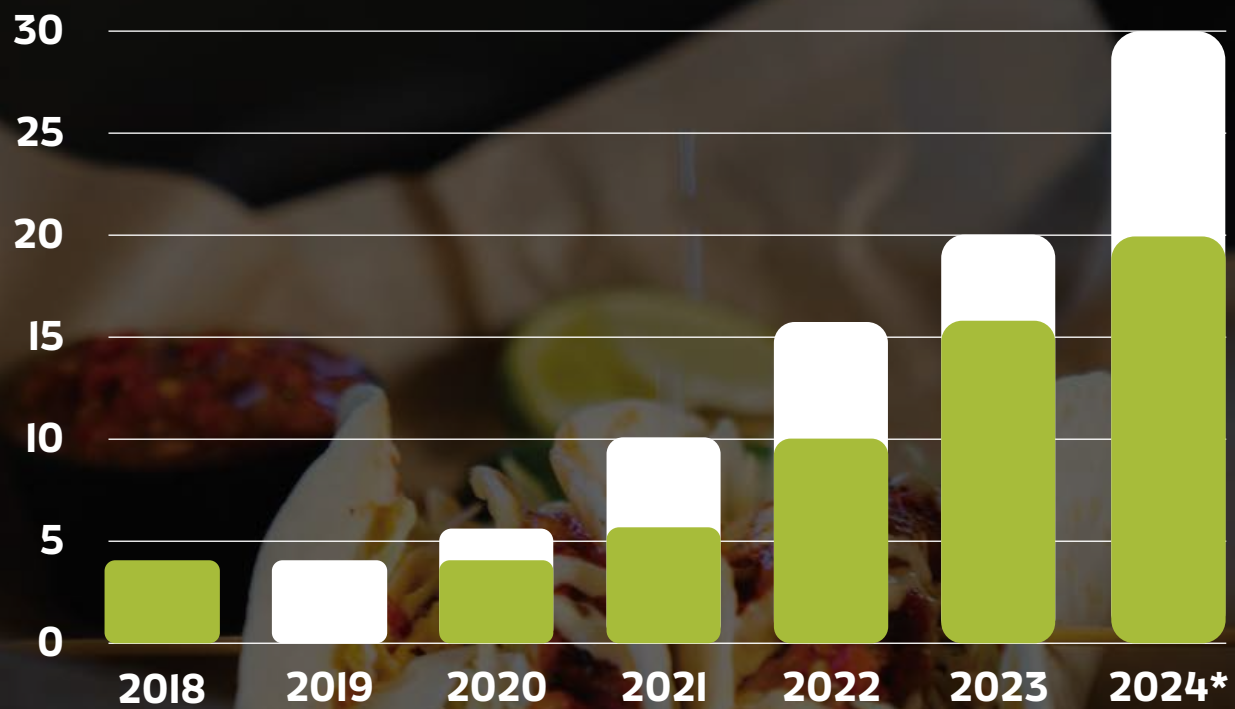




# ADVANTAGES

- **Adaptive Menu** – strEATS is not stuck in one food category, our menu always rotates based on current market trends.
- **Local Feeling** – A strEATS location doesn't feel like a typical QSR. With an outside-the-box approach, each strEATS feels unique to the local climates they're in.
- **Research Locations** – We fill a market niche with little competition and provide developers & landlords with an exciting option compared to "ordinary" concepts on the market today. We also actively assist in handling negotiations and real estate hunting for you.
- **Low Barrier to Entry** – A very competitive cost to open a strEATS compared to a similar-sized QSR.
- **Proven Track Record** – With a 38 year track record, we limit the risk you incur.

# OUR JOURNEY



*\*10 projected store openings in 2024*

■ Stores Already open.  
■ Stores Opened that Year



# FAST CASUAL RESTAURANTS ARE GROWING

- Market size of QSRs and full service restaurants in North America was **\$675bn** in 2023, surpassing 2019 numbers
- Market size of Fast Food Restaurant Industry in North America is expected to grow by **4%** in 2023
- The Fast Casual Restaurant Market is expected to grow by **\$28.8bn** between 2021 and 2025

# OUR GROUP

**Joey's Franchise Group** operates passionate brands like Joey's Seafood Restaurants, Joey's Fish Shack and more for well over 37 years.

Furthermore, Joey's Franchising Group has great buying power, which means lower food costs for our franchise partners.

We believe the next generation does not want to sit inside a typical QSR store, they want to go to their local spot that feels local, which is why **it's our goal to create franchises that curate and offer local experiences.**

## We offer

- a) Concept Variety
- b) Internal Supply Chain Relationship
- c) 200 Years of Combined Contemporary Restaurant experience
- d) 38+ Years in Business





# THE NUMBERS

- Typical Rent\*: **1,100 sq/ft**  
(or \$3200/mo rent based on \$35 sq/ft)
- Sales\*: Average **\$650,000/year**
- Average staff needed: **6 - 9**
- Food Cost\*: **24%**
- Crew Labour\*: **19%**
- Top performing strEATS locations hit sales over **\$950,000** in revenue

Rent \* Based on average location across Canada. Base rent only.

Sales \* Based on markets with over 30k population with location in operation over 12 months.

Food Cost \* Based on ideal recipe costs on product cost analysis breakdown.

Crew Labor \* Based on profit and loss statements submitted from top performing locations in 2020.

# THE MENU

The menu has been specifically developed to invigorate the palate, excite our guests and build repeat visits through trend-focused offerings.

Furthermore, our exciting offerings are 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
- Specialty Fries
- Burritos
- Bowls

The food is prepared to order, so every Taco, every Poutine and every Burrito is at its peak - served hot and fresh.

We make our own Pico de Gallo, other salsas, chipotle mayo, shredded meats, secret fried fish recipe and much more, in-house and fresh to your plate.





# OPERATOR KEY ASSETS

Our Franchise Development Team works very hard to find the right franchise partners to award a strEATS franchise to.

***When awarding franchises, we look for the following key attributes:***

- A positive and ongoing attitude
- Good business acumen and business financial knowledge
- Strong problem-solving skills and the ability to see projects to completion
- Well-rounded people leadership and communication abilities
- Hands-on ownership is preferred, but an operating partner should hold a minimum of 20% interest in the business if the majority owner is not a day-to-day operator
- Food-service experience is a plus, but not a prerequisite





# BRAND NEW BUILD VS CONVERSION BUILD

Like all QSR franchises, we offer franchise partners the ability to open a brand new build of strEATS (building a strEATS from scratch).

However, there might be market opportunities our team finds where we can take over an old restaurant, buy the business out, and build a strEATS for considerably less than a brand new build.

In order to qualify for financing, a Franchise Partner or group of 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.







# **COST TO OPEN BRAND NEW LOCATION**

Business Licenses & Permits	\$250 to \$2,500
Initial Franchise Fee	\$35,000 to \$35,000
Opening Promotion Fee	\$5,000 to \$5,000
Signage	\$10,000 to \$15,000
Lease Deposit	\$5,000 to \$10,000
Leasehold Improvements & Fixtures	\$140,000 to \$282,000
Furniture, Equipment & Small Wares	\$120,000 to \$167,000
Opening Inventory	\$8,250 to \$11,500
Training & Pre-Opening	\$10,000 to \$10,000
Third-Party Contracts (Initial Month)	\$300 to \$500
Professional Fees (Legal & Accounting)	\$5,000 to \$10,000
Deposits, Permits & Drawings	\$11,500 to \$15,000
Expenses during Training	\$3,000 to \$5,000
<b>Total Estimated Cost*</b>	<b>\$353,300 to \$567,500</b>

## **Fees**

Monthly Royalty Fee From Sales	5%
Advertising Fee	3%

\*Based on 1,200 sq/ft built from scratch without any pre-existing restaurant infrastructure with an average Tenant Improvement Allowance of \$20.00 per sq/ft. These are estimated costs only and do not include GST and/or PST. strEATS can not guarantee the exact costs of opening each individual restaurant. The estimated Leasehold Improvements and Fixtures sections already has the estimated \$20.00 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.



# **COST TO OPEN CONVERTED LOCATION**

Initial Franchise Fee	\$35,000 to \$35,000
Opening Promotion Fee	\$5,000 to \$5,000
Purchase Price	\$50,000 to \$100,000
Signage	\$10,000 to \$15,000
Lease Deposit	\$5,000 to \$10,000
Leasehold Improvements & Fixtures	\$50,000 to \$90,000
Furniture, Equipment & Small Wares	\$25,000 to \$65,000
Opening Inventory	\$8,250 to \$11,500
Business Licenses and Permits	\$250 to \$2,500
Training & Pre-Opening	\$10,000 to \$10,000
Expenses during Training	\$3,000 to \$5,000
Third-Party Contracts (Initial Month)	\$300 to \$500
Professional Fees (Legal & Accounting)	\$5,000 to \$7,500
<b>Total Estimated Cost*</b>	<b>\$203,800 to \$357,000</b>

## **Fees**

Monthly Royalty Fee From Sales	5%
Advertising Fee	3%

\*Based on 1,200 sq/ft built from scratch without any pre-existing restaurant infrastructure with an average Tenant Improvement Allowance of \$20.00 per sq/ft. These are estimated costs only and do not include GST and/or PST. strEATS can not guarantee the exact costs of opening each individual restaurant. The estimated Leasehold Improvements and Fixtures sections already has the estimated \$20.00 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.





# OWNERSHIP PROCESS

## Step 1

Send us an inquiry of interest to own a strEATS to Doc Cassama at [doc@joeys.ca](mailto:doc@joeys.ca) or (403) 874-2215

## Step 2

Must have a net worth of at least \$400,000, as well as 40% of the total costs to open in unencumbered funds

## Step 3

Awarded your Franchise Agreement

## Step 4

Approve pre-selected location from strEATS team

## Step 5

Agree to lease conditions negotiated by the strEATS team

## Step 6

Sign off on restaurant plans (the layout, architectural drawings, etc.)

## Step 7

Attend 4 week training program

## Step 8

Hire staff & open after marketing push

## Step 9

Operate day-to-day, follow policies and procedures of the restaurant

# WE MAKE LIFE EASY!

We know the process of store ownership can be tedious and tough, which is why we aim to make the process as easy as possible!

Our prospective franchisee have little to no work during build outs, other than to simply sign off, get the keys, and start selling!

**Below are things we handle during the building process:**

- Pulling permits
- Architectural drawings
- Finding advantageous locations
- Negotiating lease
- Offer to lease
- Handling quotes from General Contractors
- Interacting & management of General Contractors
- Check ups on the store throughout construction
- Ordering of equipment
- Training for staff & franchise partners



# TRAINING

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

## **Training includes:**

- a) Food Preparation
- b) Purchasing
- c) Inventory & Food Cost Analysis
- d) Human Resources Management
- e) Local Store Marketing
- f) Service & Operational Systems
- g) Facilities & Equipment Management
- h) Financial Management

*Taught by seasoned experts, your training features hands-on practical guidance. Our classroom sessions complement your "on the job" education 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. This is to ensure your opening is a smooth process for your new business.*





# RESPONSIBILITIES

Once your strEATS is live & open - it will be hard work for the first three to six months.

We typically recommend Franchisee to be in their stores as to ensure operations are running smooth & their staff are correctly trained.

Below is a typical workflow of the types of responsibilities you can expect while owning a strEATS:

- 1) Ensuring food being put out to customers is good
- 2) Protecting product quality
- 3) Handling rush hours
- 4) Closing of store (ensuring finances and cash are done correctly)
- 5) Inventory once a week
- 6) Labor cost analysis to ensure profitability
- 7) Two hours a day with local sales marketing to drive business
- 8) Nurturing customer satisfaction & reviews
- 9) Maintaining consistent Customer experience



# OPERATIONS & SUPPLY

strEATS will be with you every step of the way and working with you to make sure your franchise is a success.

From the hands-on training to regular visits from your Operations Consultant, along with help in troubleshooting, logistics, goal setting, and business analysis. The positive interaction between strEATS and its Franchise Partners gives them the ability to run their restaurants with confidence.

Our secure Franchisee website puts memos, marketing tools, and training materials at your fingertips. In addition, regional meetings help operators get to know their peers, and share ideas.

**We estimate we pay 20% less** than an independent on food cost!





# MARKETING

*Advertising fees received from Franchisee are allocated to advertising and marketing programs.*

- 1) A marketing department that supplies Franchise Partners with individual guidance and support materials
- 2) Agency fees for content production, trend-focused, authentic/relatable creative direction and digital marketing management
- 3) Advertising budget on paid media, PPC, DOH, and influencer marketing
- 4) Grand Opening, Anniversary, and Special Promotions programs
- 5) Local Store Marketing Representative available to help determine specific marketing trends for your area

## ***We've generated over: need to edit***

15,439,114 impressions  
301,668 clicks,  
9,363,411 engagements  
21,800,157 people reached  
Over 35,000+ combined followers  
4.5 average Google score



***In the last year through our innovative marketing programmes***

*(as of Dec 2022)*





# OCEAN SUSTAINABILITY PROJECT

## OCEAN SUSTAINABILITY AT OUR VERY CORE

We care a lot about the long term survival of our oceans, so we have deemed it important to follow the recommendations of the world's authority on Ocean Sustainability.

We pride ourselves in sourcing only the highest quality fish for our Fish Taco. Our fish comes from an Alaska Fishery certified to withstand overfishing.

It is a well-managed fishery with a long history of exceptional attention to sustainable practices. They ensure fish is caught in a way that limits bycatch or any damage to marine environments such as coral reefs!



# HEAR IT FROM OUR PARTNERS

## **Nikita, West Leth Owner**

I worked as a server at strEATS sister Franchise (Joey's Only) for 10 years. I loved my job for the most part, it was fast paced, laid back, and I met some great customers that turned into friends along the way.

I found myself wanting something more. My job was becoming less fulfilling as the years went by and I wanted more freedom to live my life while still doing what I loved: connecting with people. I had the opportunity to be one of the first strEATS to open and it was one of the best decisions in my life!

I have owned strEATS West Lethbridge location for 3.5 years and I'll be opening my second Lethbridge location this January 2022. (Now open!)

I'm 34 years old now, own two strEATS locations and there hasn't been a single day where I dread going to work. I'm pretty grateful.

The great thing about this franchise is the continued and consistent support they give, they're kind of like a little family to us and they always have your best interest at heart. You are given a road map of what you need to do to get started and they help you every step of the way, which sure relieves a lot of pressure when you have no idea what to expect. The faces and hearts behind the scenes of this franchise are intelligent, driven, goofy, and loyal. I really lucked out taking a chance on them."





# FAQ

## **How much money do I need to complete a restaurant?**

*Typically, you will be required to have a net worth of at least \$400,000 as well as 40% of the total costs to open in unencumbered funds. However, your banking institution may require more or less depending on your credit history and financial strength.*

## **How much are the royalties?**

*Royalties are 5% of the food and beverage revenue, less discounts. The advertising fee is 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 factors outside of the franchisor's control.*

## **Does strEATS provide financing?**

*The franchisor does not provide financing. We can indicate sources that have provided assistance in the past, such as our partner bank, 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.*

## **How long before I am ready to open a strEATS?**

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

## **May I purchase some of my equipment products from suppliers other than strEATS preferred suppliers?**

*Yes, but these suppliers must first have the approval of strEATS.*





### **What kind of training can I expect?**

*The initial training includes hands-on and theoretical training. The course starts with four weeks at an approved training location and concludes with 12 days of support during your opening with a training specialist and an Operations Consultant.*

### **What can I expect from my marketing contribution?**

*The strEATS Marketing Team works with our Franchisees 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 Franchisees can be proud of.*

