

Guide To Owning Your Own Frozen Yogurt & Baked Good Business



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Welcome To The Quick Service Restaurant Business

I'm happy you have chosen to learn more about the quick service restaurant (QSR) industry before taking the plunge. There has been an ongoing surge in the QSR segment thanks to shifting demographics and changing lifestyles. With increasingly busier schedules, consumers are looking for true quality food – and they want it fast. This is where QSR beats fast food restaurants hands down.

But, while the QSR market is thriving, I have to stress that this isn't a "get rich quick" industry. Success takes a lot of hard work and dedication. The harsh reality is that most restaurants fail during the first year. This is where an established franchising system becomes invaluable to success.

To get you started, we've prepared this helpful guide that takes you through the important steps necessary to put you on the path to buying a quick service restaurant that has all the key ingredients for success you need. Wishing you the best of luck!

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what happens first?

A QSR venture is exciting in ways that other businesses just aren't. Everyone enjoys good food, so there's a special appeal to becoming a QSR owner. Despite it's unique draw, a QSR takes a lot of work to achieve profitability. Many QSRs fail within a few years of opening because of poor planning and insufficient infrastructure. At Famous Brands, the parent company of TCBY and Mrs. Fields, we take what we do very seriously. That's why we've been able to lead franchisees to success for so many years. We have done the

hard work necessary to build the solid business infrastructure and support that is crucial to building and maintaining a profitable QSR.

This quick guide is your first step toward becoming a successful QSR franchisee. It will help you understand what it takes to succeed in the food business and explain in simple terms the first steps you need to take to get closer to owning your own QSR.



do you have what it takes to own a quick service restaurant?

The key ingredient common to all successful restauranteurs is passion. This business isn't always easy, requiring lots of long hours. A passion for what you're doing is essential to see you through when times get tough. In addition to passion, you also need to be an efficient multi-tasker. Quick service restaurants (or QSR as they're referred to in the industry) have many components to their daily operations. As the owner, you will be required to wear many different hats to best manage all

of these moving parts. Great food is key, but there are many other elements that contribute to the success of your QSR like financing, human resources, marketing, and public relations. The real value of becoming a franchisee is that you're walking into a proven system that has already strategized, tested, and implemented branding, operations, training, management, marketing, real estate, and construction processes and resources.

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the franchise advantage

This is probably the number one question that we get asked by people thinking of entering the food business: Am I better off taking a franchise in an already proven concept or should I develop my own concept? Here's how we answer that. In simple terms, franchising involves paying someone else for the right to use their success model. We believe there is a significant value for you in an investment in a proven system like franchising offers. Here are some of the advantages of franchising versus going it alone:

An Instant Business - A franchisor offers you an instant business. You don't have to worry about the name, the décor, the menu, or the marketing. It's all done for you.

Support - Our franchise comes with support from the head office. If you have questions or concerns, you can always ask our experts.

This is very helpful for new QSR owners who don't always know what to do when they encounter certain problems.

Better Buying Power - QSR franchises have bigger buying power. Food and other inventory can often be purchased far cheaper than your local independent QSR.

Name Recognition - Name recognition is a huge benefit of a QSR franchise. National branding provides instant name recognition and brand awareness, something that would cost you significant marketing dollars – if you were trying to build the brand on your own. When you own a franchise, you'll be responsible for local store marketing. The national organization provides you with input, ideas, and marketing tips that you can apply in your local market.

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Before deciding on a franchise, ask yourself these four questions:

- 1. Can I make money?**
- 2. Is there a clear point of difference?**
- 3. Is there room for growth in my market area?**
- 4. Am I comfortable with the franchise ownership group?**

Essentially, deciding to invest in a QSR franchise will depend on your finances, your experience, the time that you can commit to operating a business, and your personality. If you are comfortable working with a team and being told what and how to do something, a franchise may be the right move

for you. If you are ready to join a successful team with over 880 operating businesses with 3 revenue streams, you are ready to consider an investment in a TCBY and Mrs. Fields franchise. You'll be part of our business family and proven track record.

what concept is best for you?

When you are considering a franchise, you need to think about which concept works best for you. First, we strongly encourage you to study the market. Is there a clear audience for the product? Is the product category growing? Avoid gimmicks and theme-style concepts. Analysts say that most people often only visit theme restaurants once and don't come back – been there, done that. See what's hot in other markets for inspiration. Check out our blog at <http://franchise.tcby.com/blog/> to keep up with what's hot and explore these great resources for a little bit of inspiration:

- www.springwise.com/food_beverage/ - Their network of spotters scan the globe for smart new business ideas

- www.qsrmagazine.com/articles/ones_to_watch/archives.phtml - A monthly review of some of the hottest QSR trends from US based Quick Service Magazine

Also look at what the big chain QSRs do, particularly because they spend a fortune on expensive market research and then implement it. If you are just at the idea stage, why not take a grand tour? This is the fun part. If you are thinking about opening up a TCBY and Mrs. Fields QSR, take our tour at <http://franchise.tcby.com/tour/> or attend a webinar at

<https://cc.readytalk.com/cc/s/meetingArchive?eventId=4mvj41fpkphm>.

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the dual branding advantage

The “dual-branding” innovation strategy

(especially for two iconic brands) has accelerated the growth of the company. Here’s how:

- **Maximize the Value of Brand Awareness** – This is one of the biggest costs of building a franchise business. By effectively offering two well-known brands simultaneously, business owners can leverage marketing power and 90% brand awareness.
- **Make Efficient Use of Space and Generate Savings** - Locating two hot franchises in a single property permits more efficient use of space. The two franchises sharing a traditional or non-traditional space may be able to share costs that would otherwise have to be duplicated.
- **Tap Into Buying Power** - The dual brands are not only part of a nationally established company, but they are also part of an 880 store operation with significant buying power.
- **Access Multiple Revenue Streams**
In addition to TCBY and Mrs. Fields traditional revenue streams, Mrs. Fields offers Mrs. Fields Gifting Stations – part of the three revenue opportunities for Famous Brand franchise owners (the other two are TCBY and Mrs. Fields). The Gifting Station, www.mrsfields.com, is your link to an e-commerce profit center as well as a marketing program that you can offer to local businesses. Car dealers, businesses, community organizations etc. are always seeking ways to thank customers and the Mrs. Fields Gifting Stations is a tool you will want to offer again and again! To learn more visit mrsfields.com/business.
- **Sell the Perfect Combination** – The two products are in the same marketing category, so they can be co-marketed easily and effectively as part of the dual branding offer.



how dual branding works at famous brands

The TCBY & Mrs. Fields dual branding strategy provides a mix of revenue growth opportunities, significant brand awareness, and financial efficiencies rarely offered by a franchisor. This makes it the perfect business plan for any business investor looking to maximize ROI.

- **TCBY Frozen Yogurt** – a variety of unique and delicious self-serve or hand-scooped flavors in addition to cakes, pies, sundaes, and shakes
- **Mrs. Fields Bakery** – freshly baked cookies, nibblers, cookie cakes, brownies, savory pastries, shakes, and coffee

- **Mrs. Fields Gifting Stations** – beautifully wrapped and fully customized options for delicious gift giving

When you invest in TCBY and Mrs. Fields, you get three proven revenue streams under one roof for just one franchise fee. And, our new gifting stations are supported by our \$50 million [mrsfields.com](https://www.mrsfields.com) business in Salt Lake City, Utah. This addition combined with the two iconic brands is a true differentiator.

The gifting stations are also an excellent B2B model.


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how do you decide on a location?

A common concern for any franchise owner is how to find the perfect location for their franchise. The last thing you want to do is spend loads of time and money on a fresh new store and find out you're in the wrong location. That's why we provide extensive support and guidance during the site selection process.

One of the great advantages of working with a franchisor is that they provide the direction of a real estate team that has performed analysis of many markets and locations to determine how many and where your franchise location should go. We utilize local expertise in each market as well as the services of the leading customer analytics firm, The Buxton Company, to help us find the right location for each franchisee.



Once we have worked with you to identify a potential location, we help you negotiate a Letter of Intent and Lease as well as ensure that the site meets all of the requirements of your QSR. Here are some of the things to consider when choosing a location:

- **Visibility and passing traffic (foot and car)**
- **Parking**
- **Demographics**
- **Potential for outdoor seating**
- **Zoning**
- **Refurbishment required**
- **Freehold or leasehold**
- **Competition**
- **Complementary businesses located close by**

self-serve stores

The self-serve store offers an interactive customer experience where guests create their own unique indulgences.

The typical store size for a self-serve operating model is between 1200 and 1600 square feet of retail space. Since customers are grabbing their own cup of deliciousness, your employees can give their full attention to the cleanliness of the dining area and your customers' satisfaction.

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store design

One of the most powerful advantages of using a franchisor is that they have years of experience with successful design of the QSR. The QSR needs not only to look good but to also have a clear flow for both customers and employees. The franchisor provides the store

design for you so you don't have to do the work. You can learn more about the store designs offered by the TCBY and Mrs. Fields brands by visiting

<http://franchise.tcb.com/real-estate/>.

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what are the costs involved in setting up a QSR?

There is no one easy answer to this question as each QSR operation is different. However, here are the typical costs associated with starting up a TCBY:

Initial Franchise Fee	\$35,000
Ongoing Royalties	6% of Gross Sales
Advertising Fee	3% of Gross Sales
Initial Training Fee	Included in Franchise Fee
Initial Terms of Agreement	10 years for traditional location; 5 years for non-traditional location
Total Estimated Initial Investment	\$245,700 to \$450,000*

get funded

Potential franchisees and small business owners often have financing on their mind. Sometimes the process can be frustrating because you might not know exactly how to access financing or where to start.


At Famous Brands we provide financing

assistance for our franchisees through multiple financing partners, including traditional lending sources, lending networks, and brokers.

In addition, through our partnership with BoeFly.com and their powerful resources and processes, franchisees gain access to thousands of lenders through a convenient single loan request. BoeFly is secure and provides the resources to improve your odds of accessing a small business loan and ultimately getting better terms. In addition, BoeFly automatically includes the TCBY material in your loan package that lenders need to see.

*A complete inventory of associated costs is disclosed in Item 7 of the Franchise Disclosure Document. These figures do not include real estate lease costs and may vary with actual circumstances.





Recently, we've worked with Boefly to offer bQual, their loan pre-qualifying product. Much like getting pre-qualified for a home mortgage, bQual provides potential franchisees with a Financial Report that includes a loan qualification score. The report will not interfere with the prospect's credit score.

To learn more about bQual please visit:

<http://www.boefly.com/fundability/TCBY/>

Here are some links to several lending programs resources:

lending programs & resources

- **How to Get a Franchise Loan**
- **Conventional Loans**
- **Unsecured Credit**
- **SBA Loans**
- **Business Loan Terms**
- **Closing Costs Definitions**

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local store marketing

One of the great advantages of a franchise is the assistance you receive to help build your brand. Here are just some of the marketing ideas that will help you drive local QSR traffic:

- **Strategic business partnerships**
- **Theme-based store promotions**
- **Customer appreciation campaigns**
- **Local e-mail promotions**
- **Public relations**
- **Charitable tie-ins**
- **Local events**
- **Local hotel tie-ins**
- **Text messaging**
- **Local school and club support**
- **Local sports sponsorship**
- **Social Media**

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getting started

Ready for a tasty business adventure? At TCBY we have endless frozen yogurt and topping flavor combinations. We bring this same philosophy of choices to becoming a TCBY and Mrs. Fields franchise owner. Choose what works best for you: single-unit storeowner, multi-unit store owner, or Area Director. And, because we believe preparation is so important to success, we provide the resources to help you identify the right location, design and build your store, and even secure financing if needed.

Our requirements depend on which development option you select. However, here are some of the requirements that all franchisees must meet:

- **Passionate about the TCBY and Mrs. Fields brands and products**
- **Desire to operate a customer-focused and fun business where people come for a delicious treat**
- **Detail oriented with respect for standards**
- **Strong people and leadership skills**
- **Outgoing, friendly, and energetic personality**
- **Willing to work hard to be successful**



take the next step

You likely have questions about the best way to get started. We want to help. Please contact me with your questions at:



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about tcbym and mrs. fields



Our name stands for The Country's Best Yogurt. That sentiment was true back when we started in 1981, and it's still true 34 years later. TCBY isn't just about making great frozen yogurt or continuing to push ourselves to innovate in the market, although we do both. We also believe it's our job to provide our franchisees with the infrastructure, resources, and industry experts to help them open

and operate a successful business that will bring them joy for years to come. This approach has earned us recognition as the segment leader in franchisee support and has grown our parent company, Famous Brands International, to include over 880 franchisees in 16 countries across the TCBY and Mrs. Fields brands.

a leader in yogurt sales and brand awareness

TCBY continues as the category leader in the \$1.7 billion frozen yogurt industry, with an impressive brand awareness that's over 90%.

Here are a few other tasty facts:

- **There are more than 360 TCBY stores operating in the United States alone.**
- **TCBY offers the most extensive product line in the frozen treats category.**
- **TCBY invests heavily in franchisee training and support systems.**
- **New franchisees attend training in Broomfield, Colorado, to learn the latest processes and tools available to help them succeed.**
- **TCBY started franchising only one short year after it opened in 1981.**
- **In 2000, TCBY and Mrs. Fields joined forces to become Mrs. Fields Famous Brands.**
- **Using the Franchise Support Center and Mrs. Fields Famous Brands University, franchisees have a central point for corporate contact.**

frozen yogurt industry facts

According to IBIS World Research:

- Frozen yogurt revenues surpassed \$1.6 Billion in 2011 and have remained robust with projected growth as the economy improves, the unemployment rate declines, and consumers continue to spend more money on eating out.
- Demand from the frozen yogurt stores industry will likely remain stable over the next five years, as increasingly health-conscious consumers and new markets drive growth.
- Sales are projected to grow an average of 2.4 percent a year between 2011 and 2016.
- The self-serve share of the frozen yogurt market has grown to 20.7





Yes, there really is a Mrs. Fields, and her name is Debbi. She began baking and selling her famous chocolate chip cookies back in 1977 in Palo Alto, California, when she was only 20 years old. She knew that once people tasted her freshly baked cookies made with premium, fresh ingredients, they would be hooked. But, even she couldn't have anticipated that her cookies would become the most recognized and sought after premier cookie brand in the world. That popularity has never waned. Here are a few more tasty facts:

- There are approximately 280 Mrs. Fields franchises operating in the United States alone.
- Mrs. Fields began franchising stores in 1990.
- Mrs. Fields' founder, Debbi Fields, wrote a biographical book called *One Smart Cookie*.
- Mrs. Fields currently employs over 4,000 employees.
- Despite persistent urban legends, Mrs. Fields' famous recipe has never been sold to the general public.
- Providing free samples to potential customers has remained a cornerstone of the Mrs. Fields business since the very first store was opened in 1977.
- Mrs. Fields has developed The Mrs. Fields Famous Brands University, located in Salt Lake City, Utah.
- Mrs. Fields has over 30 years of brand success and almost 20 years of franchising experience.





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