

Frequently Asked Questions

1. What is the history of Pretzel World?

It was during a trip overseas in January 1998 when we first sank our teeth into an unimaginably delicious snack – a Hand Rolled Soft Pretzel!

Back in Australia we decided that all Australians should have the opportunity to taste this amazing product.

The image of Pretzel World is everything to us, we wanted our stores to look fresh, fun and ultra hip, the most important thing is that it be inviting for everyone from all walks of life.

After spending a lot of time researching the product, the flavours, toppings, locations and image, in October 2000 Pretzel World was started and the first store opened.

Pretzel World – 100% Australian Pretzel Company!

2. What is the Pretzel World Mission Statement?

Originally, Pretzel World anticipated that an expansion rate of 10 stores in the first 5 years would be achievable, boy were we wrong.

Thank you, to all our loyal customers

Due to the high level of customer demand and support, we continued to expand Pretzel World. Currently, we have Pretzel World locations throughout Sydney and Melbourne.

To date, most Australians have been exposed to only one type of pretzel “the small dry salted pretzel”.

Our vision is to introduce Australians to our 97% FAT FREE soft fresh baked Pretzels. Our ultimate objective is to open a Pretzel World outlet in every major metropolitan and regional shopping centre in Australia.

Our mission is “To Make Money & Have Fun”

3. What does the Pretzel World system consist of and what royalty/franchise fees do we pay?

Each outlet pays 2% Marketing Levy and 6% Royalties.

The system consists of:

- Use of company trading name, trademark and logo type

- Training in product knowledge, customer service, merchandising, staffing, stock control and day to day operations
- Business/Management systems
- Assist Franchisees with recruitment of staff for new shops
- Negotiation of all shop Leases
- Shop construction, layout and fit-out requirements
- Field support
- Printed communications to stores
- Instore marketing materials
- Supplier negotiations
- Franchise meetings
- Operations Manual
- Group advertising and promotion
- Industrial information and awards advice
- Web site information

The royalties are paid because of the established system and covers a wide range of management and operational services, including:

- Quality control standards and applications
- Ongoing research and development of new products and equipment
- Preparation and updating of manuals
- Operational accounting systems and methods of reporting
- Continual improvement to operational procedures
- Training seminars, where applicable
- Area Support Managers assist franchisees with the many aspects of daily operations and to ensure quality standards

4. What is the standard size of a Pretzel World store?

Depending on the configuration of the store, the minimum kiosk size is 18 m² plus seating and the minimum in-line store size is 25m² plus seating. A larger frontage provides greater scope and benefit for a Pretzel World outlet rather than a store with depth. The reasoning behind this is simple "**EXPOSURE**". Exposure to a market that is gaining momentum in the recognition of the Pretzel World product and concept.

5. How much does a store cost or how much do we need to set-up a store?

The typical price range is \$180,000 to \$280,000. However, there are exceptions to every rule.

6. How much rental do we pay and to whom?

As part of the Franchise Agreement, Pretzel World grants all its franchisees a license to occupy the premises.

The rental payable varies from centre to centre and is dependent on your location, size of premises and lease terms. The rental is normally paid to centre management on the 1st of every month.

7. What must I do if I am purchasing an existing store and what is the purchase price?

The purchase price will vary from store to store. The first step is to meet with our head office team. During this initial meeting you will be provided with detail about Pretzel World and we will answer any questions you may have. We will provide an overview of the available stores and put you in contact with the owner/franchisee of the preferred store so that you can negotiate the price.

You should seek advice from your financial advisor and/or accountant and provide them with all relevant financial and other information.

8. What potential profit do you (Pretzel World) think we can make?

Results can vary up or down and are dependent on a number of variables including how the franchisee structures the business, its location, work/leisure and lifestyle considerations of the franchisee, management, staff & economic conditions etc.

Buying a business is a serious undertaking and we request that you seek the advice of legal, accounting, financial and other competent/qualified professional people before making a final decision.

11. What funds do we need?

You must have a good credit rating, as financing is sometimes required.

An ideal candidate for a Pretzel World franchise should have a minimum of 30% of the purchase price in cash. You will need some more cash for working capital, stock, rental bond, your legal costs, etc.

10. What will our location be? Do we select our own store?

Ideally, a Pretzel World site is selected in a medium to large shopping mall/centre or in a high profile strip location.

You can nominate the area where you would like to be and we handle landlord negotiations. Each location and tenancy lease is different. Therefore, individual store performance and sales will vary.

Notwithstanding our involvement in store assessment and location, prospective franchisees are advised to also carefully evaluate a proposed store and its location. Some factors that you should consider in this process are: -

1. Location
2. Pedestrian traffic flow and in particular near the store
3. The mix of other stores
4. The type of direct competition
5. What impact will new or nearby centres and stores have?
6. Comparison with other existing Pretzel World locations to see if similar characteristics exist
7. The type of customers
8. Existing and future parking facilities
9. Geographical statistics on surrounding 'feeding' areas

11. Do I purchase all products from Pretzel World and can I introduce new products if I wish?

Pretzel World provides you with a list of approved suppliers that we recommend you purchase from. However, you may be able to purchase products from other suppliers provided the level of quality and performance of the goods and services meet the minimum standards set by Pretzel World.

Certain exclusive products used on our pretzels are made for Pretzel World to a special unique recipe and can only be bought by Pretzel World, via it's approved distribution system.

All leases have usage clauses in them that we (and hence you) must adhere to.

12. Do we need to hire an experienced baker or does the Franchisee need to be an experienced baker

You do not need any experience in baking nor do you require a qualified baker.

During the Pretzel World training program you will be taught how to make & understand dough, how to safely use the oven and other bakery equipment. A lot of time has been dedicated to simplify the operation so that NO EXPERIENCED baking staff are required.

13. What training do I receive?

Every prospective franchisee is required to complete a training program.

You will be taught what is required and you will receive the Confidential Pretzel World Operations Manual. You will cover areas such as production, preparation, manufacturing, sales, instore marketing, inventory management, payroll, staff management and a variety of other store operational and management procedures.

On takeover of your Pretzel World store, a designated Pretzel World representative will assist you.

14. What is the role of a Support Manager?

Each store has a Support Manager that works with you on all aspects of running your Pretzel World store. This person's job is:

- To be the first contact for Pretzel World
- Work with you on operational problems & questions
- Report to head office on a regular basis
- Promote your business with you
- HELP HELP HELP

15. What hours will my store open and am I expected to be actively involved in the day to day running of the store?

Shopping Centres

This varies from centre to centre and hours of operation are more regulated. You should be in your store at least 1 hour before opening to commence preparation for trading. When the centre closes it will take approximately 1 hour to clean and close up. You must operate in accordance with the hours of operation in the lease (including late night trading). As a general rule, there should be no early morning starts.

Strip shops

These hours vary and are more often than not at the franchisees discretion, depending on type of location, i.e. some strips are more active early in the day whilst others during the afternoon.

Like any small business it requires dedication, commitment and direct involvement of the owner. You will need to understand and be able to perform the various tasks associated with running a Pretzel World store on a day to day basis.

Once you have mastered the operational and management tasks and you have trained your staff to assist in the operation of your store then your time commitments are very likely to be reduced and you will be able to better manage your time.

16. How long is the franchise for and what costs will be incurred if a new Lease and Franchise Agreement is granted to me?

The Pretzel World Franchise Agreement is for 5 years, with a further 5 year option and it mirrors the Head Lease from the landlord. Leases in Shopping Centres are usually for 5 years with no renewal options.

17. Can we own more than one store?

Yes, in most cases we would welcome our existing Franchisees to be multiple franchise holders. However, for a second store to be granted a number of things need to be considered including your financial position, the present operation and management of your existing store, your staff resources and what impact operating a second store will have on your existing store.

18. Why should I purchase a Pretzel World franchise?

- Great product
- Group buying power & consistent product quality
- Proven operations systems
- Support to succeed in business
- Extensive franchising experience
- Innovative Marketing
- Part of a larger group
- A fast growing national chain with a point of difference

19. What experience do I need to operate a Pretzel World store?

You need to be a self motivated, organised and happy person.

Pretzel World is a team, so you need to be a Team Player.

20. What is the next step?

Please complete an **Application Form** (available as a PDF download) so we can commence the search for your Pretzel World store.