



## **STEERS FREQUENTLY ASKED QUESTIONS (FAQ) F2016**

**Q. What is a Franchise Fee?**

A. The franchise fee is made up of two components namely the Initial Franchise Fee also commonly known as a joining fee and secondly the ongoing franchise fee commonly known as Royalties.

The Initial Franchise Fee goes toward design, plans, and drawing up of legal documentation, project management, training, menus and various other items.

The ongoing franchise fee (Royalties) is a monthly percentage of turnover contribution, which enables the franchisor to give ongoing service in respect of Franchisee Support.

**Q. What is an Advertising contribution?**

A. The Advertising contribution is a monthly percentage of turnover contribution, which goes to a marketing fund. The Marketing Fund uses the funds towards National advertising and other activities to which the whole Steers franchise system will benefit.

**Q. How much is the Initial Franchise Fee for a STANDARD AND DRIVE-THRU STEERS?**

A. The franchise fee for a Standard Steers is R159 900-00 excluding VAT.

A. The franchise fee for a Drive Thru Steers is R175 700-00 excluding VAT.

A. The franchise fee for a Kiosk Steers is R114 800-00 excluding VAT

**Q. What is the Royalty and Advertising percentage contribution of turnover for a Standard and Drive-thru and Kiosk Steers restaurant?**

A. Royalty – 6% of monthly turnover.

Advertising – 5% of monthly turnover.

**Q. What would the approximate set up cost be for a Standard Steers?**

A. Approximate set up cost for a Standard Steers is R1 650 000-00 excluding VAT, joining fee and contingency. Set up cost includes equipment, shopfitting, wet works, furniture and fixtures.

**Q. What would the approximate set up cost be for a Kiosk Steers?**

A. Approximate set up cost for a Standard Kiosk is R1 590 000-00 excluding VAT, joining fee and contingency. Set up cost includes equipment, shopfitting, wet works, furniture and fixtures.

**Q. What would the approximate set up cost be for a Drive-Thru Steers?**

A. Approximate set up cost for a Drive-Thru Steers is R2 350 000-00 excluding VAT, joining fee and contingency. Set up cost includes equipment, shopfitting, wet works, furniture and fixtures.

**Q. How much working capital is required?**

A. Between R80,000-00 and R90,000-00 working capital would be required.

**Q. How much would be required for stock?**

A. Between R60,000-00 and R65,000-00 stock would be required.

**Q. What is the approximate size of a Standard Steers?**

A. The approximate size of a Standard Steers is between 100m<sup>2</sup> and 120m<sup>2</sup>.

**Q. What is the approximate size of a Drive-Thru Steers?**

A. The approximate size of a Drive-Thru Steers is between 180m<sup>2</sup> and 240m<sup>2</sup>

**Q. What is the approximate size of a Kiosk Steers?**

A. The approximate size of a Drive-Thru Steers is between 60m<sup>2</sup> and 80m<sup>2</sup>

**Q. What type of training is given?**

A. The training consists of 2 weeks for the Core Franchisee and management team, and a further 2 weeks for the rest of the staff as well as the Core team.

**Q. What would be my return on investment?**

A. Return on investment is dependant on site location and the capability to manage and run your business according to the specified Steers standards and operating procedures.

**Q. HOW WOULD I APPLY FOR A STEERS FRANCHISE?**

A. Step 1. Down Load a Franchise Application form from the web site.

Step 2. Complete the Franchise Application form and forward to Famous Brands Limited via post, fax or e-mail.

**Q. What happens after my Franchise Application is received by Famous Brands Limited?**

A. The Franchise Application form is processed and should your application be successful a list of existing sites for sale will be forwarded to you should there be no new sites available.

**Q. Is the Franchise Application confidential?**

A. Your Franchise Application will be treated in the strictest confidence. The completion of the Franchise Application Form is a standard procedure and is in no way binding on either party, however gives us comfort in your commitment in pursuing a Steers Franchise.

**NB. It is to be noted that only applications proposing owner-operated franchises will be considered.**