

# Financial Information

## Motivation & Co. Initial Franchise Package

The Franchise Package fee includes the goods and services that Motivation & Co. provides for all franchisees during the start up period. This includes the following items:

- Initial franchisee training - Normally two weeks
- Launch support for a new franchisee during the first four weeks
- Specialist accreditation for franchisee and one other Motivation & Co. Therapist by our panel of experts
- Installation of business telephone line
- Initial stationery pack and artwork
- Initial supply of corporate clothing items
- Promotional launch - PR, Telesales etc to arrange initial appointments
- On site support for first demonstration classes
- Provision of copy of franchise operations manual
- Provision of Motivation & Co. kit - Trolley & bag, CD player & microphone, patented game & accessories, set of exercise CDs, set of Motivation & Co. mental stimulation activities
- Motivation & Co. accounts software package & training

The initial franchise package fee charged by Motivation & Co. to cover the above services is £13,000 + VAT.

## Potential Financial Return

The potential financial return from the business varies depending upon how the business is run - part-time, full time, with or without staff.

We have developed financial models based on the above variations to illustrate the potential financial return and these are available after the initial meeting. As a guide, the current charge for a class is between £35.00 and £45.00.

To keep the quality of classes at a high standard we recommend that a Therapist only delivers three classes per day. On this basis the projected earnings potential for a franchisee is between £25,000 and £45,000 per annum.

## How do we generate our income?

Like many franchisors, our income is generated as a percentage of franchisee sales - 12.5% as a management fee and 2.5% for central marketing.

Very simply, if a class fee is £35.00 then £5.25 of this is paid to the company for ongoing help, advice and support leaving just under £30.00 for the franchisee if the franchisee delivers the class personally.

