

NEWCREATIONS®

Repair | Restore | Renew

FRANCHISE INFORMATION PACKAGE





**Why do our customers prefer
getting their belongings restored
by New Creations?**



**It's simple: we're professional,
creative, and we can do jobs other
restoration companies can't.**

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ABOUT US



When I first began New Creations, I didn’t expect it to become the Franchise Business that it is today. In 1988, I was a poor college student earning \$4/hr, and I knew I would eventually have to move on to something better. During that time, I met someone who offered to teach me his skill of vinyl repair. My first attempt was on a badly torn piece of vinyl, and this repair sparked a new creativity in me that I never knew I had.

It was satisfying to take something that looked old and turn it into something new again. It became a ‘new creation’ right before my eyes. I was hooked. I thrive on forward thinking and being innovative, so since that time we have expanded our services from vinyl to fabric, leather, carpet, wood, laminate, tile, stone, and almost any material you can think of. New Creations technicians can now repair over 100 surfaces, and the list is constantly growing.

Today, that thrill goes far beyond just what we can restore, or how much money we can earn. Providing good people a good career and business opportunity is very rewarding. Saving our customers money, restoring their prized possessions, and helping them make environmentally sound choices are all things that are valuable to us at New Creations.

OUR HISTORY



New Creations Mobile Restorations, Inc. was founded in 1988 with an uncompromising passion for restoring people’s belongings to their original condition. The opportunity was to create and use products that could be easier to work with, more closely match the original material, be environmentally friendly, and that produced a lasting finish that made the whole structure more durable after the treatment.

OUR MISSION



Our mission is to restore people’s belongings with excellence, and to serve our customers, partners and franchise owners with the highest levels of dignity and integrity.

IS NEW CREATIONS THE RIGHT BUSINESS FOR YOU?

Our goal is to establish New Creations franchises in every province across Canada. All we need is enthusiastic entrepreneurs to join our franchise team to help us in our quest to establish New Creations as the leader in surface restorations.

That said, we cannot sacrifice quality for quantity; therefore, only those franchisees that meet our strict criteria will be selected to join our team. We ensure that each of our franchisees possess the necessary skills and entrepreneurial drive that are required for both parties to succeed. To help you decide if New Creations is the right business for you, please see our list of requirements below:

FRANCHISEE PROFILE

REQUIREMENTS

- **Exceptional ability to lead and build a team**
- **A passion for delivering and maintaining superior customer service**
- **Strong business acumen along with an enduring passion for restoring people’s belongings**
- **Hands on commitment and superior work ethic**
- **An entrepreneur with the drive to do “whatever it takes” to succeed**

- **Adhere to the New Creations business system**
- **Demonstrate unwavering commitment to providing outstanding service**
- **Consistent dedication to operating with the highest business ethic – with both customers and employees**
- **Be willing to share your successes and failures with the New Creations team**
- **Give back to your local community**

FRANCHISEE TRAINING PROVIDED



Our formal training program for new owners is competency based, takes one month to complete, and consists of three phases.

- **PHASE 1**
Each new franchisee is introduced to members of our different functional departments and will learn how they support the new business during start-up and subsequent day-to-day operations.
- **PHASE 2**
A comprehensive program comprised of web-based learning and hands-on “classroom” experience facilitated by instructors at our Port Coquitlam, BC head office. New franchisees will learn the different operational strategies and restoration techniques associated with New Creations.
- **PHASE 3**
Real-world, on-site restoration experience with a qualified instructor. New franchisees will work “in the field” completing actual projects while our head office team prepares your territory for you to begin servicing that area.

FRANCHISEE TRAINING INCLUDES:

- 🕒 **Client intake and service management**
- 🕒 **Product knowledge and handling**
- 🕒 **New Creations team training and customer service focus**
- 🕒 **Marketing and promotions**
- 🕒 **Purchasing and inventory control**
- 🕒 **Effective management practices**
- 🕒 **Staff development**



INVESTING IN NEW CREATIONS

As we expand our operations across Canada it is paramount that each franchisee is matched with a suitable location. The specific cost of a franchise may depend on its location and what the franchisor determines are important start-up items.

Included in the cost of the franchise is the following:

- NEW CREATIONS STARTER TOOL-KIT INCLUDING SUPPLIES AND SPECIFIC PROMOTIONAL MATERIALS
- USE OF RECOGNIZED AND RESPECTED ‘NEW CREATIONS’ SYSTEM AND BRAND EQUITY
- 6 WEEKS OF CONSISTING OF RESTORATION TECHNIQUES AND BUSINESS START-UP STRATEGY. SOME TRAINING MAY TAKE PLACE REMOTELY.
- FRANCHISE LAUNCH MANAGER TO ASSIST IN ALL ASPECTS OF THE LAUNCH OF YOUR NEW FRANCHISE
- THE USE OF ALL NEW CREATIONS PROPRIETARY MANUALS, SYSTEMS AND VENDORS
- RIGHT TO USE NEW CREATIONS TRADEMARKS OR TRADE NAMES
- COMPREHENSIVE MARKETING AND MERCHANDISING PROGRAMS
- ONGOING INNOVATION, TRAINING OPPORTUNITIES, AND SUPPORT FROM HEAD OFFICE AND FIELD PERSONNEL

FRANCHISE TERM: 10 YEARS WITH AN OPTION TO RENEW

ESTIMATED INITIAL INVESTMENT

INITIAL FEES TO NEW CREATIONS

CATEGORY	INVESTMENT
Franchise Fee	\$42,000
Initial Supplies Fee	\$12,000

INITIAL START-UP CAPITAL DIRECT TO YOUR FRANCHISE OPERATION

CATEGORY	INVESTMENT
Training & Attendance Costs	\$2,000 - \$5,000
Advertising & Promotion	\$2,500 - \$5,000
Legal & Professional Fees	\$1,000 - \$5,000
TOTAL	\$59,500 - \$69,000

ONGOING FEES	RATES
Royalty Payments	7% (regular) 5% (paint)
National Marketing Fund	1%

(Actual costs can be above or below the above estimates depending on location site specifics)

* A 6-month cushion (approximately \$50,000) is recommended while the business is established

NEW CREATIONS UNIVERSITY

RESTORATION MASTER TECHNICIAN PROGRAM

This program is designed to bring the New Creations technician to the highest level of skill in the restoration process. Having a Master Technician on your team means top quality work and also inspires customer confidence in the New Creations brand.

The process of becoming a Master Technician is a collaborative process between the Head Office team and franchisee. It involves a combination of field work and several evaluation periods along the way.

Someone can become a Master Technician in the following fields:

- AUTOMOTIVE PAINT CHIP RESTORATION
- RESIDENTIAL/COMMERCIAL INTERIOR
- AUTOMOTIVE INTERIOR

When a person achieves a Master Technician designation, he/she receives a certificate and badge to display on the worksite.



EXTENDED SUPPORT

New Creations Mobile Restorations, Inc. offers continued support through our proprietary business system to assist each Franchisee in managing their day-to-day operations. Ensuring each Franchisee’s business is an ongoing success is our top priority, which is why we are continually improving our business systems to serve them better. We want to provide the most up-to-date and relevant tools, policies and procedures and deliver them in a timely manner. We know that the business landscape is constantly changing, which means our business has to adapt with it in order to achieve our corporate goals.

Our areas of ongoing support include:

- **MARKETING**

We provide ongoing support with advertising, media, pricing, public relations, merchandising, local marketing, national marketing and market research.

- **TRAINING**

Additional training and information updates for managers, support staff and technicians are provided on an ongoing basis when changes to our business systems or restoration protocols are made.

- **FINANCE**

Our financial assistance program includes the use of our payroll systems, restoration tracking software, loyalty programs and custom web portal. In addition, we are able to provide lower cost liability insurance and health premiums through group coverage.

- **IT**

Franchisees will also be provided assistance with issues relating to hardware, software, system administration and other IT requests.

EXTENDED SUPPORT

- **OPERATIONS**

New Creations manages their franchise locations by offering the time, knowledge and energy of an Operations Manager (OM). Our OM is responsible for a designated location to ensure the utmost focus and commitment to our Franchisees. In addition to providing experienced and knowledgeable feedback and guidance, the OM also ensures that our standards of quality and customer service are consistently met in all locations.

- **PURCHASING**

Franchisees will also be able to benefit from New Creations’ purchasing power which affords superior discounts on product pricing and services only available to companies with the minimum required economies of scale.

- **NEW CREATIONS NETWORK**

We consider our network to be one of our greatest assets. That is because we believe networking to be the most powerful marketing tactic available to any individual or organization. Our franchisees will be able to accelerate their success by having access to our vast network of business and technical professionals who are willing to share information and their advice.

FRANCHISE PROCESS

MONTH 1

- PROSPECTIVE FRANCHISEE FILLS OUT THE FRANCHISE INQUIRY FORM FOUND UNDER THE FRANCHISE TAB ON OUR WEBSITE (www.newcreations.com/franchise)
- WE WILL RESPOND TO THE INQUIRY WITH INFORMATION ON FRANCHISE OPPORTUNITIES AVAILABLE IN THE AREA OF INTEREST AND TO ANSWER ANY ADDITIONAL QUESTIONS POSED IN THE INQUIRY. IF BOTH PARTIES WISH TO PROCEED, AN APPLICATION FORM WILL BE EMAILED.
- IF THE APPLICATION IS APPROVED, A MEMBER OF OUR FRANCHISE TEAM WILL CONTACT THE PROSPECTIVE FRANCHISEE TO ARRANGE A MEETING

MONTH 2

- UPON COMPLETING THE 1ST INTERVIEW, IF THE PROSPECTIVE FRANCHISEE IS DEEMED TO HAVE MET ALL THE NEW CREATIONS CRITERIA, THE DUE DILIGENCE PROCESS COMMENCES
- THE PROSPECTIVE FRANCHISEE WILL BE ASKED TO SIGN A NON-DISCLOSURE AGREEMENT AND BE GIVEN A COPY OF THE FRANCHISE AGREEMENT FOR THEIR REVIEW

FRANCHISE PROCESS

MONTH 2 cont.

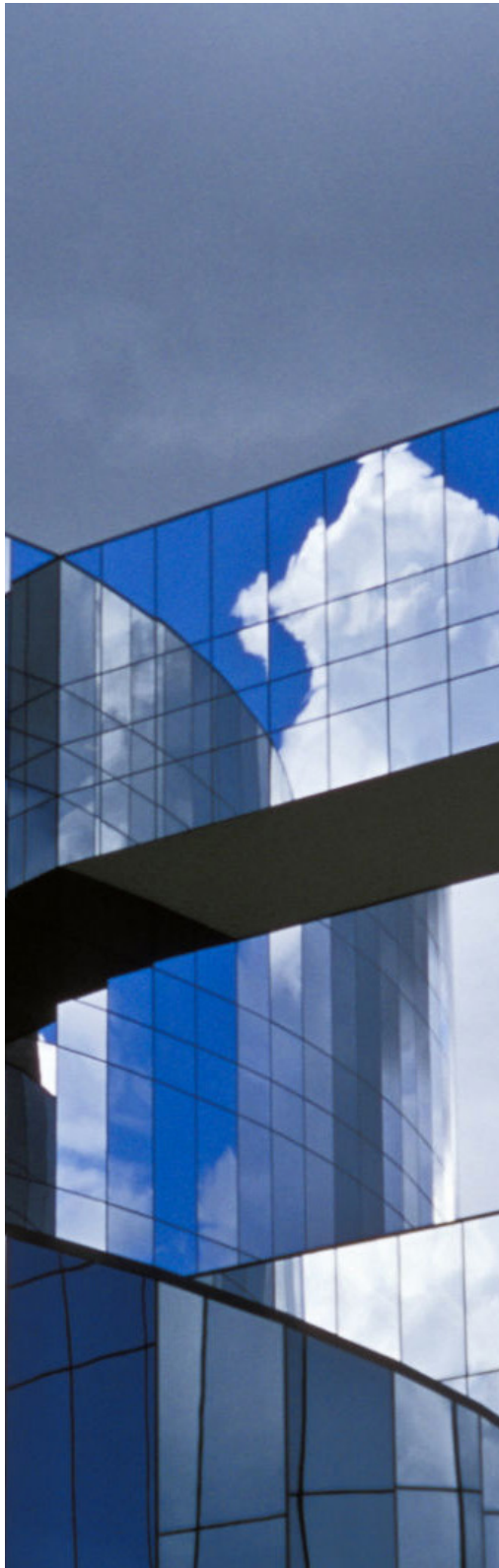
- DURING THIS STAGE THE PROSPECTIVE FRANCHISEE WILL BE REQUIRED TO GET APPROVAL FOR ANY FINANCING THEY MAY REQUIRE
- ONCE FINANCING IS SECURE THE FRANCHISEE SIGNS THE FRANCHISE AGREEMENT AND PAYS THE FRANCHISE FEES TO NEW CREATIONS

MONTHS 3 – 5

- NEW CREATIONS TRAINING DATES ARE SET AND BUILD OUT BEGINS (6 – 12 WEEKS)
- TRAINING IS COMPLETED
- NEW FRANCHISE LAUNCHES



FAQ'S



• **HOW MUCH CASH AM I GOING TO NEED UPFRONT?**

An initial cash investment of approximately \$75,000 to \$100,000 is required depending on the location, plus \$50,000 in working capital. At least 50% of the franchise cost must be unencumbered (cash or liquid assets). The remaining amount may be financed through the chartered banks, or by way of the Canadian Small Business Loan program.

• **HOW MUCH CAPITAL NET WORTH IS REQUIRED FOR A FRANCHISEE?**

We require a minimum net worth of \$200,000 and unencumbered capital of a minimum of \$100,000.

• **HOW MUCH CAN I EXPECT TO MAKE?**

By law we are not able to provide earnings claims; therefore, we cannot guarantee any financial results or timing of said results. However, we are able to provide you with a financial modeling tool that you can use to assist in calculating your own financial projections. We will make this tool available to you after we receive your signed non-disclosure agreement.

• **AM I REQUIRED TO BE A FULL-TIME FRANCHISEE?**

At New Creations we believe the best results are achieved when the owner of a franchise is fully involved in the day-to-day operations of the business. However, we do permit absentee investors provided they have an operating partner who also invests his or her own capital and has an equity interest in the business.

FAQ's, cont.



• **WHAT ARE THE ONGOING FEES?**

Royalty Fee: 7% (regular); 5% (paint)
National Marketing Fee: 1% (gross sales)

• **DOES NEW CREATIONS OFFER FINANCING?**

No, New Creations does not lend funds to finance the cost of the franchise. However, once you have been awarded a franchise with New Creations, we will be happy to assist you in the process of securing financing from external sources.

• **DO I HAVE TO HAVE PREVIOUS EXPERIENCE TO OWN A FRANCHISE?**

No, it is not necessary to have mechanical, construction, or restoration experience to be a successful franchise owner. Our comprehensive training program ensures each franchisee has access to the latest industry techniques and trends. However, good people skills, ethics, high motivation, and the ability to see colors are all requirements of an owner/operator of a New Creations franchise.

• **WHAT ON-GOING SUPPORT WILL I RECEIVE?**

- Access to a growing library of training videos
- Access to the New Creations training manual
- Regular newsletters with the latest "Tech Tips" as well as relevant articles on running and growing your business
- Direct access to highly skilled master technicians to coach you on difficult restorations
- Evaluations and coaching from an Operations Manager (OM). The OM not only provides knowledgeable feedback and guidance but also helps ensure that our standards of quality and customer service are consistently met in all locations.

NEXT STEPS

Still have questions?

We would be happy to answer them. Visit www.newcreations.com and click on the Franchise tab. Additional questions can be posed by filling out the Franchise Inquiry Form.

Thank you for your interest. We look forward to receiving your application and working with you during the next steps of our due diligence process.

**For additional information,
please contact:**

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