

STATE OWNER NEWSLETTER

State Owner Webinar Follow-Up

I want to thank those of you who participated in our State Owner Webinar on April 30, 2014. I am sorry that we did not have time to hear from each of you, but we would like you to post your thoughts on our state owner portion of the bulletin board. We have started a new topic entitled "April 2014 Webinar Discussion" for your response on the following subjects:

A \$2,000.00 finder's fee for operators who get us a buyer for our franchise which would allow them to share the finder's fee with their carpet cleaning customer regardless of what state the lead comes from. All state owners would need to be on board with this in order for it to work. I would like each of you to respond on this post stating whether or not you are willing to be part of this increased fee. We may want to limit it to the year 2014. We could then evaluate how it worked to see if we want to continue on with it into future years.

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We also want to know if you would be willing to give a flat fixed fee of \$5,000.00 as a commission to a Franchise Brokerage company for getting us a qualified lead that resulted in a sale. We would still be able to accept or reject any lead they give us. We would only end up paying if we were able to complete the sale from their lead. We are currently working with a few companies to negotiate this kind of a deal with them. We may end up dealing with numerous companies which would increase our possibilities of completing more good sales of our franchise.

We also want to know what additional photos and/or videos that you would like to see us produce that could be used for training, social media, general marketing, and web development. We have hired some temporary help that will be able to accomplish these types of things. We would like your input on the items you feel would be beneficial.

Part of the Team

Being part of the team means that you are actively engaged in moving the team forward. Each player does their part, which benefits the entire team. It is all for one and one for all. A team that works together succeeds in many ways.

In our state owner meeting in Texas on January 20-21, 2006 it was agreed by all state owners that there was a need to pool our resources together to conduct internet and other advertising in order to get more city franchise sales. We all agreed that each state owner would pay \$200.00 per month into the corporate office to be used for promoting franchise sales.

It was understood by every state owner that they would also be spending more money each month on their own to promote franchise sales in their own state.

Most of you are doing very well on this however, we have a few state owners that are consistently late, or have intentionally failed to pay some of these fees. Any state owner that falls into this category will not receive the commission from their city operator's orders until they are current and up to date. Being a state owner involves more than just depositing your commission checks twice a month. It requires being actively involved in helping your existing operators, as well as promoting within your state to increase the number of Franchisees. If any of you have no intention of being a contributing player on the team, you may want to consider taking us up on the lease buyback plan we have offered. In the near future much more will be required of state owners. This will include a greater time commitment to the running of your state. It will require a greater financial commitment in the promotion of franchise sales and/or the running of employee based areas.

Changes in business are necessary to survive. A business must adapt to the current conditions and outside influences, or it will not grow but it will decline to the point of becoming extinct.

We are excited about the future and the benefits that some of these changes will bring to our operators, state owners, and the corporate office. We have been through some rough patches, but we see a bright future ahead.

The definition of insanity is doing the same thing over and over and expecting different results. We are not insane. We realize that many changes need to be made. We have made some great progress over the last couple of years and have been laying the ground work for a lot of change. We need our operators to be on board with EZ Net Tools. We need our operators to be healthy and strong in their individual areas. We need them to develop their areas, or to sell off the portions they are not servicing. We need every state owner to be active in monitoring what is taking place with the city operators in their state.

I hope we can each look at how we are running our portion of the business and look for ways we can improve. Each of you is part of the team and I am glad that you are. Let's move forward and make 2014 a great year.