



October 2015  
Issue 10

## STATE OWNER NEWSLETTER

### *Some Considerations*

In the State Owner Newsletter for September, I requested that each of you put in writing your suggestions on ways to solve some of the concerns that we have in the business. I received comments from many of you. I do appreciate your ideas and suggestions. My time has been limited, and I have not been able to speak with all of you, but I have read your comments numerous times.

We are all in this together and we all need to be pulling in the same direction. I have tried to look at things from every point of view for both immediate and long term sustainability. I have concern for every customer, every city owner, every state owner, and the corporate office. I personally am part of all four categories.

Concessions will need to be made in order to move forward. I would like each of you to consider the following:

1. The state owner will pay 25% of all new monthly fees to the corporate office which will cover ongoing help and support for each of your Subfranchisees. This means that for a new \$200.00 monthly fee you receive from a new Subfranchisee, you would owe the corporate office \$50.00 per month.
2. As an existing monthly fee of \$80 per licensed territory is raised no more than \$20 per month annually, \$10 of the increase would be paid by the Subfranchisor to the corporate office to cover ongoing help and support for each of your Subfranchisees. This will give the state owner a \$10 per licensed territory increase for 5 years until it reaches the 25%, but will receive the entire \$20 for the 6<sup>th</sup> year as it reaches the \$200 per month annually. The monthly fee would rise early next year, and will be reviewed each year. This means that depending on financial conditions, there may be some years that an increase would not take place so it could take longer than 6 years before the monthly fee would reach \$200 per month. We would put a cap of 5 licensed territories per Subfranchisee for 5 years for those who have numerous licensed territories. This would give Subfranchisees the ability to develop or sell off portions of their territory.

#### *INSIDE THIS ISSUE*

- *Some Considerations*
- *New Website*
- *State Owner Webinar*

3. Instead of deducting the expenses for a new franchise sale and splitting the profit between the State Owner and the corporate office as listed in the draft of the FDD, we will revert back to charging you the State Owner cost for the Schedule "A". A new Franchise sale at the \$39,000 price will include the new equipment package at a \$25,500 cost to the State Owner. This would leave the State Owner \$13,500 profit before they deduct their advertising, commissions, or other costs they incur in connection with the sale. We are working on a few additional packages with less equipment, which would mean an overall lower cost. We will let you know what those are next month.
4. We will discontinue the State Owner advertising fund of \$200 per State Owner per month, and will allow each State Owner to advertise on their own to generate their own franchise sales targeted to their own state.

## *New Website*

Our new web site is getting very close to being live. It is mobile friendly. It will be a work in progress and will get better as time goes on. Its' purpose is to help generate new franchise sales. I would like each of you to review the site and help by giving us feedback. The locations portion is still being worked on and is not functioning properly yet. We want it to show locations where there is an existing operator and what areas around them would be available. This is a little more complicated and needs more work. Our site is like building a house. We have poured the foundation, built the walls, shingled the roof, and now we are ready to add all the fine details. We still need to do a page for each state owner with specifics for your available areas, etc. You can view our site at [new.heavensbest.com](http://new.heavensbest.com)

## *State Owner Webinar*

I would like to have a State Owner Webinar on Thursday October 8, 2015 from 3:00 pm to 5: pm MDT. I understand this is only one week away, but I would like as many State Owners in attendance as possible. If you are unable to attend, we will have a recording available for you to listen to later.

Please register for the Heaven's Best State Owner Webinar on Oct 8, 2015 3:00 PM MDT at:

<https://attendee.gotowebinar.com/register/5759529248420263937>

After registering, you will receive a confirmation email containing information about joining the webinar.

Of course there are many issues that need to be addressed on both the State Owner and corporate office levels in order to keep the business moving forward. We all have a lot of work to do.