



SEVEN-STEP PROCESS

1 OPERATIONS AND MARKETING AUDIT

The audit is a fresh, objective look at your current business practices. In order to accurately assess the situation and opportunities at the restaurants and make a diagnosis, we must begin with an accurate compilation of data. During an initial meeting, SBC will work with your management team to identify the critical path/timetable for the data gathering and plan development process. In addition, SBC will communicate all data needs to allow the restaurants to begin compiling the requested sales and profit history, product mix, marketing history etc.

Following the initial meeting, SBC will make a more extended site visit to each one of the restaurants including but not limited to interviewing the staff and guests, administering the Internal Guest Surveys (IGS), coaching the management team on administration of the Guest Attitude Profile (GAP) and conducting a competitive analysis.

The following information is needed to complete the diagnosis:

Background information

We will ask each member of the staff to provide his/her observations about the restaurant, including perceived strengths and weaknesses, improvements they would like to see, their general opinion of the operation and sales-building opportunities they would like to pursue.

Historical Sales, Guest Counts and Average Check

We need to know everything you can tell us about restaurant sales, guest counts and average check trends. What is the seasonality of the business? What are the best sales days, the worst sales days, how does the check average differ by day of week and day part?

Menu and Product mix

We want to learn about your menu. What are your sales categories (entrees, appetizers, desserts for example?) What are the top sellers within each category? What are your most popular and profitable menu items? Product mix data from at least the past three months will be needed for this.

Guest Research (GAP)

SBC will custom design guest exit surveys and co-ordinate their completion with the franchisee management. The guests will be interviewed until a minimum of 200 to 300 surveys have been completed for each restaurant. Survey questions cover guest perceptions of attributes such as food quality, service etc. In addition, the surveys allow is to pinpoint guest visit frequency, competitors, demographic information, gender, age, income levels, party size, and media habits. The results will be tabulated and a formal report will be presented to you.

Internal Guest Research (IGS) Optional

SBC will co-ordinate a confidential employee survey to be completed by all restaurant level employees. The survey requests candid answers regarding how employees feel about systems in the workplace, company marketing programs, salary and benefit programs, motivational factors and much more. In addition, employees are asked whether they would recommend their restaurant as a place to eat or work. Identifying internal guest issues and addressing these concerns is critical to the success of any marketing program. The completed surveys will be sealed to maintain confidentiality and sent to our tabulating company and a formal report will be presented to you.



SEVEN-STEP PROCESS cont'd

Marketing History

An understanding of your past marketing activities, plans, tactics, budgets and results is vital so we can get an idea what has worked and what hasn't in the past. We will want to analyze all of your marketing activities to date and results, if available.

2 BUSINESS ANALYSIS

SBC will then analyze the data collected by each restaurant to develop a situational analysis which will become the foundation of your operational execution plan.

3 ESTABLISH OBJECTIVES

SBC will meet with you at this juncture to present the research results and mutually define key objectives for the marketing plan.

4 DEVELOP STRATEGIES

SBC will then develop an overall execution strategy with that will guide and assist you on when and how to implement the plan.

5 CREATE TACTICS

Using our years of restaurant experience we will develop specific tools and ideas that will help us accomplish the agreed upon goals. This will include implementation steps and ultimately, estimated costs for each.

6 PROGRAM EXECUTION

Once the plan and budget have been approved, SBC will provide logistic supervision of all elements involved in the execution of the recommended tactics.

7 PROGRAM EVALUATION

SBC will provide tracking instructions for each program and your restaurants will provide requested data each week for SBC's use in tracking each program. Within 60 days of receiving the requested data we will provide an analysis of the program results.