



FRANCHISEE DEVELOPMENT PROPOSAL

PREPARED FOR

Luis Angel Soberanis-Pacheco

PREPARED BY

John Iverson

VR Productions LLC



September 6, 2022

Luis Angel Soberanis-Pacheco

San Francisco, CA

Dear Luis,

Re: Enclosed Franchise Proposal

Please find enclosed our detailed franchise development proposal for your kind consideration.

At The VR Arcade USA we are aware that creating an amazing customer-oriented experience takes a mixture of technical excellence and clear communication and our firm is partnering with only the very best to ensure they receive both. We know that every customer is unique and we strive to deliver an individual, innovative and affordable experience every time and to follow it through with an outstanding delivery which is both easy and memorable.

We have over 8 years of experience in this area. Please let us know if you would like to get in touch with our existing franchise team from whom you will receive nothing but positive endorsements. You may also wish to review our website at www.vrarcadeusa.com to learn more about our organization.

We pride ourselves on our after-sales client-care including our guarantees, staff-training and onsite and offsite support.

Finally, we realize that you are very busy and want to thank you in advance for your time spent reviewing our proposal.

Yours Truly,

John Iverson



EXECUTIVE SUMMARY

The VR Arcade USA is dedicated to providing each and every guest with a unique and thrilling experience! For many, the thought of a Virtual Reality can be daunting and we aim to provide something for everyone.

The VR Arcade USA highly values innovation and community. We recognize the unique capabilities of Virtual and Augmented reality to connect communities and individuals world wide in empathetic ways. There is tremendous potential to impact the world community as a whole.

The VR Arcade USA invisions a space for consumers to experience the latest and greatest developments in both hardware and software. By franchising, The VR Arcade USA can bring communities across the country together in ways never before possible.

By establishing early with quality, The VR Arcade USA is well positioned to be the first brick and mortar national VR Arcade that consumers can visit with their friends and family in distant places virtually. By providing that community to people, the brand will become a natural chain nationally.

Founder and CEO John Iverson began developing custom VR/AR content in 2016 for a variety of clients including the Denver Broncos and recognized a lack of public awareness. After thorough research and due diligence The VR Arcade USA was established in November of 2018 with a streamlined business model uniquely positioned to react swiftly to the rapidly changing technology.

By leveraging a similar partnership as the Denver Broncos with teams across the NFL locations can be established and coordinated across the country. This partnership, coinciding with other strategic partnerships that have been established such as with the VRML, KAT VR, and others will allow our partners an accelerated opening that will maximize ROI.

1. Project Overview

Establishing and facilitating the opening of a VR Arcade USA location in your area.

2. Obstacles

Determining a location is primary in order to ensure sustainability.

Establishing differentiators compared to competitors.

Properly identifying all expenses involved and preparing an initial cash flow.

Defining a financial and marketing strategy to ensure success.

Be fully trained and prepared for opening day and beyond.

3. Technical Obstacles

The technology is still fairly new and troubleshooting is key.

4. Industry and Market Risks

Updating offerings to include the latest and greatest experiences is crucial.

Maintaining a low overhead has been an important factor in the success of each location.

Competitors have made the mistake of growing ahead of the technology instead of with it.

Misunderstanding the primary demographic is a risk that we eliminate.

5. Budgetary Risks

Maintaining a low overhead and growing with the technology rather than ahead of it has allowed The VR Arcade to remove any budgetary risks by formulating a financial plan that is focused on low overhead.

6. Hardware

7. Software

Software is provided or can be purchased independently.

8. Milestones and Reporting

Total estimation of man hours: 226

Milestone	Tasks	Reporting	Hrs	Date
1 - Analysis				
1.1	Analysis and research stage, gather data and create mockup	None	20	
1.2	Architecture design	None	4	
1.3	work plan	meeting to review work plan	10	
2 - Deployment Phase One				
2.1	Determine location	None	5	
2.2	Create business entity	None	5	
2.3	Open marketing channels	None	5	
2.4	Intergrate with website	meeting to review	30	
2.5	Complete offsite training	None	10	
2.6	Integration with franchise network	Email report	10	
3 - Deployment Phase Two				
3.1	Purchase Hardware	Email report	25	
3.2	Coordinate Marketing Assets	None	25	
3.3	Open Beta (volunteer/employees)	Client meeting	22	
3.4	Finalise documentation	None	20	
4 - Training				

4.1	Customer Experience	None	5	01/06/15
4.2	Hardware	None	10	07/06/15
5 - Opening				
5.1	Inhouse training	Client meeting	16	14/06/15
5.2	AdHoc training	None	4	30/06/15

This outline is a generic vision and will need to be updated accordingly per each candidate.

9. Startup Expenses

\$5k-Hardware

\$20k-Franchise fee

\$TBD-Lease and insurance

Recurring expenses are minimal and include internet and cell phone.

10. Projections

\$10k month one.

\$15k monthly average year one.

\$450k valuation

The initial VR Arcade location earned \$7,464.90 in revenue the first month 11/18 and \$15,811.80 in it's most recent month 8/22.

Based upon this data a conservative estimated projection is \$10k in the first month and a \$450k value in the first year.

Acceptance of intent to execute:

Luis Soberanis-Pacheco

Date