

Operations

Manual



Operations Manual

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Dover, DE

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Office personnel no need dress code. Field operators can or not have any kind of distinction on dress, like company colors, logos, etc., but this is entirely at management discretion. We are not using any as of now. They need to be well dressed and clean, presentable. Need mask and gloves at any home until the COVID is over. We do not discriminate about their appearance, they can have piercings, long hair, etc., but our customers have the last word. If they do not like their appearance, we will not send them back to that particular place.	40
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The business needs to be open 7 days a week, from 7 am to midnight, but the office will be open at 7am and closed at 7pm or 8am to 6pm. It is up to each franchisee as long as the phone is answered at least 10 hours a day. The online platform is open 24/7. All online requests should be answered within one hours on days and night bookings or quote requests at 7am next day.	40
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CHAPTER 1: INTRODUCTION

Chapter 1: Introduction

Welcome to Our Maids, Inc.! Before delving into the program, please sign the Confidential Disclosure Agreement. The contents of this manual are confidential and proprietary. They are protected as trade secrets under the federal Law of Intellectual Property. This operations manual is the property of the franchisor and is licensed for your use as a guide and reference tool in the operation of your Our Maids, Inc. franchise. Access to its contents should be limited to those who have signed the confidential disclosure agreement. Please protect and safeguard this manual. It will help guide you to a successful business enterprise. Finally, be sure to keep it current with the latest updates.

How to Use this Manual

Our Maids, Inc. operations manual is designed to assist you in the development and operation of your franchise. The operations manual must be used in conjunction with the Franchise Agreement. Upon signing of the Franchise Agreement, you have agreed to operate the Business pursuant to the terms of the Franchise Agreement and to use the operations manual solely in the manner prescribed by franchisor. This includes complying with the Franchisee Obligations in the Franchise Agreement, exhibits and manuals.

It is your responsibility to understand and implement the methods of service to the specifications and standards required by the franchisor. Every detail of the design and operation of the Business is important in order to develop and maintain uniform operating standards.

Updates to the Manual

In a continuing effort to provide better service to our customers and build a stronger business, periodic updates will be made to the manual. Updates will occur either via mail or through a website-based system.

CHAPTER 1: INTRODUCTION

Confidential Disclosure Agreements

Confidential Disclosure Agreement:

This Agreement is entered into this ____ day of _____, 202__ by and between _____ with offices at _____ (hereinafter "Franchisee") and _____, with offices at _____ (hereinafter "Franchisor").

WHEREAS Franchisor's operations manual contains certain ideas, information, and trade secrets that are confidential and proprietary to Franchisor (hereinafter "Confidential Information"); and

WHEREAS the Franchisee is willing to receive disclosure of the Confidential Information pursuant to the terms of this Agreement for the purpose of operating the franchised business.

NOW THEREFORE, in consideration for the mutual undertakings of the Franchisor and the Franchisee under this Agreement, the parties agree as follows:

1. **Disclosure.** Franchisor agrees to disclose, and Receiver agrees to receive the Confidential Information.

2. Confidentiality

2.1 **No Use.** Franchisee agrees not to use the Confidential Information in any way, or to manufacture or test any product embodying Confidential Information, except for the purpose set forth above.

2.2 **No Disclosure.** Franchisee agrees to use its best efforts to prevent and protect the Confidential Information, or any part thereof, from disclosure to any person other than Franchisee's employees having a need for disclosure in connection with Franchisee's authorized use of the Confidential Information.

2.3 **Protection of Secrecy.** Franchisee agrees to take all steps reasonably necessary to protect the secrecy of the Confidential Information, and to prevent the Confidential Information from falling into the public domain or into the possession of unauthorized persons.

3. **Limits on Confidential Information.** Confidential Information shall not be deemed proprietary and the Franchisee shall have no obligation with respect to such information where the information:

(a) was known to Franchisee prior to receiving any of the Confidential Information from Franchisor.

(b) has become publicly known through no wrongful act of Franchisee.

(c) was received by Franchisee without breach of this Agreement from a third party without restriction as to the use and disclosure of the information.

CHAPTER 1: INTRODUCTION

(d) was independently developed by Franchisee without use of the Confidential Information; or

(e) was ordered to be publicly released by the requirement of a government agency.

4. Ownership of Confidential Information. Franchisee agrees that all Confidential Information shall remain the property of Franchisor, and that Franchisor may use such Confidential Information for any purpose without obligation to Franchisee. Nothing contained herein shall be construed as granting or implying any transfer of rights to Franchisee in the Confidential Information, or any patents or other intellectual property protecting or relating to the Confidential Information.

5. Term and Termination. The obligations of this Agreement shall be continuing until the Confidential Information disclosed to Franchisee is no longer confidential.

6. Survival of Rights and Obligations. This Agreement shall be binding upon, inure to the benefit of, and be enforceable by (a) Franchisor, its successors, and assigns; and (b) Franchisee, its successors, and assigns.

IN WITNESS WHEREOF, the parties have executed this agreement effective as of the date first written above.

Franchisor ()
Franchisee ()

Signed:
Print Name:
Title:
Date:

Signed:
Print Name:
Title:
Date:

Franchisor Copy

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Franchisee Copy

CHAPTER 1: INTRODUCTION

CHAPTER 2: WELCOME TO OUR MAIDS, INC.

Chapter 2: Welcome to Our Maids, Inc.

Letter from Our Maids, Inc. CEO

Welcome to Our Maids, Inc. As owners of the original Our Maids, Inc., we share in your excitement about our business concept. Over the last few years, we have been hard at work developing a solid business model that has allowed us to be tremendously successful – and profitable! Now we want to share our superior system with franchisees just like you, and help you deliver the same consistent quality that Our Maids, Inc. customers have come to expect from our business.

Our training program will guide you through our processes and every phase of the business, giving you the necessary skills for the success of your franchise. The degree of your success, however, will depend upon your willingness to learn and communicate with us and with your customers. Your success is also a function of the amount of time and effort you are willing to devote to learning and executing each phase of the business.

It is our goal to provide support and services to you with the highest level of honesty, integrity, and professionalism. Our Maids, Inc. takes the partnership we form with our franchisees very seriously; it is the foundation of our success. From lead generation programs and cutting-edge technology to branding campaigns and customizable marketing tools, our support is second to none. Comprehensive training and ongoing support will keep you and your staff knowledgeable and competitive at startup and beyond.

Our Maids, Inc. is positioned to do great things and we are delighted that you are along for the ride. Our Maids, Inc. has achieved recognition and respect while building market share. Our potential is limited only by the creativity of our management and the vision of our owners. Our future in this “growth” industry is flourishing, and we welcome you!

Sincerely,

Antonio V. Moreno
Owner / Operations
Our Maids, Inc.

CHAPTER 2: WELCOME TO OUR MAIDS, INC.

History

Our Maids Franchise, INC., is a Delaware Corporation. Founded by Antonio V. Moreno, back in July 4th, 2000, when he was a senior student of Business at Amberton University in Garland (Dallas Co.) Texas. His Philosophy was simple back then: to be the most affordable, detail/oriented cleaning service company in any market and to be able to do business anywhere in the world. Unlike the grocery store, that is tied to the neighborhood it is located at, Our Maids Franchise, Inc. can be anywhere in the world and managed from our office in Delaware.

Today, it still holds true. Many of you who started paying \$99 back then, are still paying the lowest rates in the market. That shows, we care about you, appreciate your loyalty. We now service 5 markets (Delaware and parts of Maryland, Los Angeles, Dallas-Ft. Worth and Austin) from our office in Delaware (and most of the time from Our Office in Merida, Yucatan. DELETE THIS PLEASE) With more than 22 years of uninterrupted professional, cleaning experience, we are still the best value for your money.

Management Team

Antonio Moreno — CEO

One man operation, Antonio Moreno, he holds a Bachelor of Business Degree from Amberton University. All others are either field workers, website, developers, office clerks or receptionists.

Principles and Promises

Our Maids, Inc. Mission Statement:

To be the most affordable and most reliable cleaning service company in any market. We are not just a cleaning company; we are an integral part of the communities we service. We were there when the child was born and are still there now that she is moving out to college and will be there when she is back and hire us to help her with the cleaning, as did her parents. We are a people's company.

Company Principles

Develop our Employees

We strive to provide the tools and environment necessary to bring both personal and professional development to each of our employees. We view the growth and development of our employees not merely as a means for increasing profits, but as an end in itself.

Serve our Customers

We will be expedited in our service, timely, and highly communicative to our customers.

Expand our Business Profitably

We must steward the financial resources of our investors wisely. We strive to return the highest profit possible under the guidelines of our objectives. This is achieved through constant innovation and improvement, creative marketing, reducing costs, listening to our customers, and fulfilling our commitments.

Our Promises to the Customer

Each customer is our most important customer

CHAPTER 2: WELCOME TO OUR MAIDS, INC.

We understand the needs of each customer and tailor our service to meet their individual needs. We treat our customers like family, addressing them by first names when they call and greeting them with a smile. We ensure complete satisfaction and often go above and beyond the call of duty.

We make it easy for the customer

We help customers enjoy an easy and relaxing experience. Thanks to the services we provide, customers know they have that much less to worry about. When they call on us, we are there to provide for them – just the way they expect.

We stand behind our work

We are experts at what we do. We have the tools and the training to deliver on the promises we make. We start each job with the desire to do it right the first time. If we fall short, we work equally hard to make it right. We always look for ways to improve our performance.

Our Promises to the Employee

We provide a safe and rewarding work environment

Safety is our first priority. We provide training and equipment to protect the health and well-being of both our employees and our clients. We equip our employees with knowledge, tools, and technologies to maximize competence and productivity. We open channels of communication that encourage creativity and innovation.

We instill and promote leadership, principles, and personal growth

We strive to provide our employees with a career. We take pride in our work. We are emotionally intelligent leaders who view our employees as members of a team rather than a means to an end. We provide opportunities for advancement and reward excellence. We abide by our core objectives instilling sound moral, ethical, and business principles.

We help people reach their goals

We get to know each of our employees on a personal level, understanding their hopes, dreams, and aspirations. We use a coaching style of leadership coupled with constructive feedback to help our employees develop. We challenge and encourage each other. We provide equality in the workplace, steering clear of favoritism or bias.

CHAPTER 2: WELCOME TO OUR MAIDS, INC.

CHAPTER 3: SUPPORT RESOURCES

Chapter 3: Support Resources

Franchise Support Matrix

Below you will find Our Maids, Inc.'s franchisee support team, our respective areas of responsibility, and contact information. The franchisee shall abide by the following reference charts and listings in contacting Our Maids, Inc. Corporate Headquarters for assistance in product ordering, training sessions, equipment maintenance or replacement, and all other miscellaneous items and topics concerning the operations of your Our Maids, Inc. franchise.

SUPPORT CATEGORY	CONTACT PERSON
TRAINING	
Scheduling Training	Antonio Moreno or a person appointed by him
Management/ Administration	
ADVERTISING	
Payment Amounts Local, Cooperative, National	Antonio Moreno or a person appointed by him
Advertisement Approval	
National Advertising	
Local Advertising	
Sales and Pricing	
ROYALTY PAYMENTS	
Summary of Payments	Antonio Moreno or a person appointed by him
Payment in Arrears	
LEGAL	
Franchise Specific	Antonio Moreno or a person appointed by him
Local Specifications	
OPERATIONS	
Corporate Support	Antonio Moreno or a person appointed by him
New Product Testing	
Human Resources	

CHAPTER 3: SUPPORT RESOURCES

CHAPTER 4: PRE-OPENING TIMETABLE AND OBLIGATIONS

Chapter 4: Pre-Opening Timetable and Obligations

Pre-Opening Timetable

Please refer to the following chart for an outline of items that must be completed prior to opening your business. The table is laid out chronologically, beginning with signing the franchise agreement.

Weekly Chronology	Pre-Opening Task
Congratulations!	Sign Franchise Agreement
Week One	Register for the next “Our Maids, Inc. Orientation Training”
Week Two	Apply for a business license
	Apply for Federal Employer Identification Number (FEIN)
	Choose your business structure and make appropriate filings.
Week Three	Open banking accounts
	Secure Insurance
Week Four	Ensure all licensing and code requirements have been met
	Start interviewing potential staff
	Find all necessary management accounting and legal support
Week Five	Install all necessary hardware/software on computer systems
	Set up credit card processing account
Week Six	Order all necessary “office” supplies
Week Seven	Order Business Cards and Marketing Collateral
Week Eight	
	Conduct local market research
Week Nine	Conduct first staff meeting
Week Ten – Open for Business	Find source of labor for large projects

Week 1

Register for Upcoming Our Maids, Inc. Orientation Training

Our Maids, Inc. will be conducting monthly training for new franchisees. You will typically register for the next available training upon the execution of the Franchise Agreement. Most new

CHAPTER 4: PRE-OPENING TIMETABLE AND OBLIGATIONS

franchisees should be open for business within 3 months of signing the Franchise Agreement. Please reference the Training chapter for more information.

Week 2

Apply for a Business License

Contact your state's Department of Licensing for applications and instructions on how to file for a business license. Each state has unique application, filing and registration requirements. Your Our Maids, Inc. training coordinator will provide assistance in this matter if needed.

Apply for your Federal Employers Identification Number (FEIN)

Also known as the Tax Identification Number (TIN), Federal Employer Identification Number (FEIN) or the Federal Tax Identification Number, this is a unique nine-digit number assigned for purposes of identification by the Internal Revenue Service (IRS) to business entities operating in the United States. When the number is used for identification rather than employment tax reporting, it is usually referred to as a TIN, and when used for the purpose of reporting employment taxes, it is usually referred to as an EIN.

Similar in purpose to the Social Security Number assigned to individuals, EINs are used by employers, sole proprietors, corporations, partnerships, non-profit organizations, trusts and estates, government agencies, certain individuals, and other business entities. The IRS uses this number to identify taxpayers who are required to file various business tax returns. Individuals who are employers may choose to either obtain an EIN or use their Social Security Number for the purpose of reporting taxes withheld on behalf of their employees.

An EIN is usually written in the form 00-0000000 whereas a Social Security Number is usually written in the form 000-00-0000 in order to differentiate between the two.

EINs do not expire but they are only numbers given to identify businesses. Nonprofit organizations need EINs to apply for an exemption from federal income tax. Exemption is terminated if annual reports are not filed. To maintain a group exemption letter, the central organization must submit an annual report, at least 90 days before the close of its annual accounting period.

For additional information about a FEIN number visit the US Internal Revenue Service website at www.irs.gov

Choose your Business Structure and Make Appropriate Filings

You should consult with a business attorney, CPA, or tax consultant when deciding what business structure is right for you.

The actual formal mechanics of creating a corporation is known as "incorporation." The process involves completing and filing a "Certificate of Incorporation" or "Articles of Incorporation" and paying a filing fee. Each state has its own set of laws governing the process of incorporating.

Corporate existence starts when the articles of incorporation are filed with the state office that handles incorporations (e.g., usually the Secretary of State or Corporation Commissioner), along with the required filing fees. Accelerated incorporations or same-day filings are available in some states.

CHAPTER 4: PRE-OPENING TIMETABLE AND OBLIGATIONS

Week 3

Open Banking and Checking Accounts

Choosing a bank account for your small business is an important stage in the startup process. There are several key things to consider – such as transaction and borrowing costs, what facilities the bank offers, and the type of relationship you want from a bank. Here are some suggestions which may help you decide which bank would best suit your needs:

You must set up a business account if you are starting up as a Limited Company, Partnership, or any other key business structure. Sole Traders can use their own personal accounts (or via a new business account – John Smith trading as XYZ).

Do not necessarily choose a business bank simply because you are already a personal banking client of that bank. You may feel more comfortable with a bank you already know personally, but they may not offer the best deal for your business.

Make sure you compare several business bank account offerings, and compare the costs and charges associated with each one.

Naturally, only consider banks that have a strong background – names you will have heard of, or even internet banking brands which are owned and operated by the big players.

Bank Charges: A key point to consider is how much it will cost you to have a business bank account. You may have a large number of monthly transactions to process, for example, so ensure you know exactly what charges will be levied on your account before signing up. Many major banks provide "free" banking for set periods to new businesses, so this may also be of interest.

Online Banking: This is an increasingly important service, and most banks now provide an internet service so you can check the status of your account day or night. At Our Maids, Inc. this is an essential service. Rather than calling the bank to check if a payment has been made to your account, you can check online in a fraction of the time.

Interest: Although the major banks have improved their interest rates on business current accounts in recent years at the request of the government, they do vary wildly. Some well-known banks pay virtually zero interest on your account balance, but there is always a trade-off between free transaction costs and interest rates, so consider the overall benefits each account would provide to your business.

Small Business Team: Consider a bank which has a specialized small business unit. The setup process should be simpler, and dedicated teams will be used to dealing with all types of small business and their specific needs. Some businesses will require regular contact with their bankers, so you should go with a team you feel you can build a good personal relationship with.

Secure Insurance

You are required to maintain insurance for your business as specified in the FDD and Franchise Agreement and this operations manual. Our Maids, Inc. does not specify what insurance companies you use. However, we recommend that you secure your general and professional liability (E&O). Please contact your training coordinator for assistance in this matter. See your Franchise Agreement for a detailed description of the insurance that is required for your business.

Week 4

CHAPTER 4: PRE-OPENING TIMETABLE AND OBLIGATIONS

Ensure All Licensing and Code Requirements have been met

You must comply with all local, state, and federal regulations regarding both business operation and specific requirements pertaining to your industry. It is your responsibility to maintain current licenses with all appropriate governing bodies.

You may need to register your business on the federal, state, county, and city levels of government. On the state level, corporations usually register with a particular division of corporations, and professions usually register with a business and professional regulation department. Most county governments require occupational licenses. Many times, it will be necessary to obtain a license from your city clerk and then a county license from the tax collector. These levels of government and the agencies thereof will have various procedures you must follow to comply with licensing and permitting requirements for health and safety on the business premises, including submission of a floor plan. Make certain that your state and county occupational licenses are properly displayed. Be certain you understand what your occupancy capacity is and stick with it. Many states require you to file an annual business report in order to maintain legal business status.

An example: If you are a residential and commercial service operation, probable agencies to contact include state contractors' licensing board, state and county health departments, code enforcement, planning and zoning, building department, fire marshal, solid waste, motor vehicle, etc. These agencies may have toll-free numbers, and most will be part of a state or local website. Much of what will govern your operation will be written into state statutes.

Start Interviewing Potential Staff

Our Maids, Inc. does not assist in your hiring or firing process. However, in this manual entitled Staffing Your Our Maids, Inc. franchise outlines the positions that will need to be filled in order to open your franchise for business. Finding and keeping good personnel is vital to the success of your franchise. Finding "just the right person" may take longer than you anticipate, therefore it is imperative you begin interviewing as soon as possible.

What should I consider before I hire?

When hiring, look for employees that balance your strengths and weaknesses. If you are a creative genius but are poorly organized, try to attract someone who can bring some order to the company's work.

Remember that what you hire is what you will get in terms of personality, strengths, weaknesses, and work style. Good employees are found, not changed. You cannot change someone's personal attributes. Do not expect to try.

Start the hiring process by first understanding Our Maids, Inc.'s Mission, Principles, and Promises. "Who are we?" and "What are our values?" Any company must first have an understanding of "who" it is before it can know what kind of employee it wants to hire. You can help someone learn a skill, but you cannot teach attitude. The better the attitude, the better service your clients will likely receive.

Employees look for responsibility, a good working environment, a sense of accomplishment, a belief in the business and what it does and a fair salary. When interviewing prospective employees, ask them what they expect to find in the position. Determine what skills and attributes are most

CHAPTER 4: PRE-OPENING TIMETABLE AND OBLIGATIONS

needed for the job and see if your expectations and the applicant's match. If they do, you have a good beginning for a productive relationship.

Where can I find good employees? ()

If you already have employees, are pleased with them and are looking for more like them, ask them to keep their eyes open for talented prospects. If you believe you can trust an employee and if that employee trusts the prospect, chances are you can trust the prospect as well. Many companies offer a special bonus when current employees bring in successful hires.

The Internet can be a good source for employees, particularly for entry-level professional positions. The majority of small businesses still use the standard classified advertisement, while a growing number are using employee referral programs. Other possibilities are through business networks, at job fairs and through online job boards.

Another option, particularly during lean times, is hiring independent contractors or outside professionals. Many independent contractors can be paid by the job rather than by the hour and will help you avoid the cost of benefits. Independent contractors are good sources for special expertise for specific jobs.

How do I keep the good hires?

The person you select to work for your Our Maids, Inc. franchise should have a good reason for wanting to work with you, and it should not be just the paycheck. Employees value other benefits such as flexible hours, a pleasant atmosphere, quality professional development and career potential. Find out what is most attractive to your workers about your business and try to ensure that you can offer that benefit. It is the best way to retain good people.

As in any relationship, communication is key. Keep your workers informed about what is going on with the company. One of the biggest mistakes you can make as an owner/operator is to share company information with investors, stockholders, and partners and not with employees. Better communication will result in higher productivity AND morale.

Technology can help. Use email, voice mail and instant messaging to keep your employees informed. Set weekly or biweekly staff meetings to discuss issues in more depth and to offer time for feedback and input. Share challenges and successes and invite ideas and complaints. Such meetings are particularly critical during business start-up. Things change quickly; keep your employees informed. Although some employee benefits are very expensive, good communication and the sense of belonging to a team are free.

Remember that when someone—client or employee—has an extremely positive or negative experience with your company, that person will tell others about it. Work to keep both groups happy, and business will improve. Should problems arise, deal with them quickly and decisively. Respond to compliments and resolve complaints immediately. Positive word of mouth can be a highly effective, yet inexpensive, marketing tool.

Find All Necessary Management Accounting and Legal Support

Your professional advisory team should consist of a CPA, bookkeeper, and business attorney. You may also want to start looking for prospective employees. The need for employees will ultimately be a direct function of the demand for your services. While some franchisees initially go it alone due to

CHAPTER 4: PRE-OPENING TIMETABLE AND OBLIGATIONS

limited working capital, others will hire inside/outside sales, service technicians, and field workers prior to opening for business. We strongly recommend that all franchise locations initially employ an office manager who takes calls, schedules appointments, manages the books, markets the business, etc. Meanwhile a certified service technician or equivalent will perform specified services, write reports, etc.

Week 5

Install Hardware/Software and Computer System

Please refer to the Office Equipment/ Computer Systems chapter of this manual for detailed hardware and software specifications. Our Maids, Inc. can provide limited technical assistance in this area. Please refer to the manufacturer for support with setup and installation. We strongly recommend that you purchase the optional technical support for hardware/ software. Your time is better spent growing your franchise than dealing with the inevitable technical problems that arise from time to time.

Set Up a Credit Card Processing Account

Credit Card Processing Introduction

When Western Union first gave charge cards to their best customers in 1914, no one would have guessed that over \$2 trillion would be charged in 2003. As ubiquitous as credit cards are, their use is still growing. The exploding world of online commerce is playing a part, as is the increasing usage of credit cards in business-to-business transactions. While some businesses could not open their doors without a credit card processing service, it is more of a question for others.

The world of merchant services can be confusing, especially for small businesses who have never accepted credit cards before. This buying guide is designed to help you choose a merchant account provider for your company, as well as avoid some common bait-and-switch tactics that can cost you much more than you expect.

Types of Credit Card Processing

There are several types of companies you can turn to for credit card processing.

Bank: The bank you use for your business finances should be the first place you contact. Banks can be the easiest source to turn to for credit card services; many offer services packages for businesses that include merchant services. Most banks do not process credit card transactions themselves. Instead, they outsource credit card processing to a third-party processor. It can be tough to get approved from this channel. Banks are likely to scrutinize your business more closely before deciding whether or not to accept your application.

Third Party Processor: Third party processors dedicate themselves to handling credit card processing. As such, they take care of different aspects of the transaction process such as authorization, billing, reporting, and settlement.

Independent Sales Organization: An independent sales organization (ISO) is essentially a registered credit card merchant broker who represents one or more third party processors. They set up and service credit card merchants, but do not do the actual processing. ISOs are less selective than banks, but that comes at a somewhat higher price. They are also not strictly regulated the way banks are, so be particularly vigilant when evaluating potential suppliers.

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Financial Service Provider: MasterCard and Visa require you to establish a merchant account through an intermediary. However American Express and Discover give you the option of applying directly to them.

http://home.americanexpress.com/home/merchant.shtml?aexp_nav=merchtab

<http://www.discoverbiz.com/merchant/become/data/become.html>

Association: Small business and trade associations often offer credit card merchant processing at discount prices. They are a particularly good resource if companies in your industry historically have trouble attaining credit card merchant status.

Qualifying for a Merchant Account

Before giving you a merchant account, a merchant services provider will want to make sure you are a legitimate business that will not leave them liable for fraudulent charges. They will start with a basic background check. This includes a thorough credit history review of the owners or officers listed on the application, in addition to credit references from two or three suppliers.

The most important question providers want answered is whether your business is likely to have a high incidence of chargebacks. A chargeback is a reversal of a sale that was credited to your account, usually because of an error made by the cardholder's bank, a misunderstanding by the customer, or fraud. For the most part, tangible products are considered to be much safer than services. Also, businesses that deliver purchased goods immediately in exchange for payment are viewed as being less risky.

Providers will also consider the type of credit card transactions that your company performs. As a general rule, card-present transactions that allow you to swipe the credit card and obtain a signature in person are considered to be much safer than card-absent transactions that take place by phone, by mail or over the Internet. Being a higher-risk merchant does not necessarily prevent you from getting a merchant account, but it will drive up your costs.

Finally, if you have accepted credit cards in the past, providers will require previous merchant statements to better gauge your charge and chargeback volume. Some companies advertise high acceptance rates in an effort to impress - do not be lured; 99% acceptance rates are common among ISOs.

Credit Card Services Pricing

Getting Started Upfront Costs: For card-present transactions, the biggest up-front cost will be for the terminal, the machine used to swipe cards. Basic terminals typically go for between \$150 and \$300, terminals with printers are \$200 to \$600, and wireless terminals can run from \$600 to \$1000. You may want to lease a terminal instead. Leases can be as little as runs \$35/month, although prices can vary depending on the sophistication of the terminal and the length of the lease. Terminals are not required for card-absent transactions. Instead, you can get software to verify transactions from your PC for as little as \$150. Some providers even support card verification directly over the phone.

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Be careful with application fees. Some providers charge application fees of up to \$200, and they may be non-refundable, even if your business is turned down for an account. You may also have to pay setup or account activation fees. Make sure you understand exactly what you will be paying for before you sign anything.

Recurring Costs: The primary fee on a merchant account is the discount rate, a small percentage the provider charges on each transaction. Banks and larger providers will base this fee on criteria including: your company's evaluated risk, average sales ticket, transaction type, and total charge volume.

Because of the difference in risk, most providers have two different rates, one for card-present transactions and one for MOTO (mail order/telephone order – also includes Internet transactions) or card-absent transactions. Currently, card-present transactions usually carry a discount rate of 1.5% to 2%, while card-absent transactions are at 2.2% to 3.0%. Some companies set a monthly minimum fee ranging from \$20 to \$35 per month, so if you do a low volume of credit-card transactions, be sure to ask about this.

Another processing fee charged by the merchant bank is the per-transaction fee. The per-transaction fee is generally \$0.20 to \$0.30 for card-present transactions and \$0.30 to \$0.50 for card-absent transactions. There is also a fee to cover the cost of issuing monthly credit card transaction summaries, usually around \$10.

Still More Costs? In addition to these basic fees, there are an astonishing number of fees that merchant services providers can charge: annual fees, programming fees, Internet processing fees, shipping and handling, American Express setup fee, customer support fees, etc. Essentially, these are arbitrary-jack-up-the-bill fees. We cannot stress this enough: make sure you have a complete understanding of all the charges you will incur before making your decision.

Negotiating Credit Card Services: If you do not expect to charge more than a few thousand dollars each month, focus on lowering the set-up and monthly fees for your credit card service. At this low volume, these fees can significantly boost your effective discount rate. Also, when asked to estimate your monthly sales, be conservative. You may be asked to keep a percentage (or even a full month's estimated order total) in an account to cover fraud.

For larger credit card volumes, reducing per-transaction costs is a higher priority. A particularly good area to focus on is the discount rate. Since your average sales ticket helps to determine your discount rate, you should be more aggressive in estimating your average sales ticket. It can also be helpful to learn what average ticket sizes you need to qualify for even lower discount rates.

Some Pitfalls to Avoid

Be wary of long-term leases with early termination fees - if you are unhappy with your provider, you should be able to switch. Also watch for a tactic borrowed from the consumer credit card industry: low introductory rates that bump up after a few months. While all providers will reserve the right to raise prices (MasterCard and Visa often change the rates they charge the providers), you should not go with one that signs you up for an increase.

Choosing a Merchant Service

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Obviously, price is an important factor in choosing a provider - but it should not be the only factor. Customer support can be essential - problems in credit card processing can quickly impact your bottom line. The best way to learn about a provider's level of customer service is to obtain customer referrals from current clients. Request referrals to merchants that are comparable to your company in size and industry. Then ask these important questions: do they have to wait several minutes before reaching a customer support rep? Are their needs serviced quickly? How does the provider deal with chargebacks? Also ask the provider about their level of support - do they have phones staffed 24 x 7? Do they charge per incident?

If your business will be selling over the Internet and you do not have a secure server that can encrypt credit card information, make sure your provider can offer secure ordering through SSL (secure sockets layer, a widely-used web standard for security). Setting up your own secure site is expensive and technically challenging.

Finally, if you are not using a bank or financial company you recognize, make sure you verify that the company you are investigating is legitimate - there are con artists and scammers who set up fake processing companies just to collect setup fees then vanish. Contact the Better Business Bureau to check the company's status if you are unsure, and if you find a provider on the Web, make sure you get a physical address and phone number.

Merchant Services Buying Tips

- Learn How Long It Takes for Funds to Be Transferred. Providers differ on how long it takes for funds to be deposited to your account. You will want to specify whether it is a retail or MOTO transaction, since MOTO transactions usually take substantially longer to clear.
- Compare Variable Fees. Check on fees that tend to vary between providers and may be negotiable. Such fees include set-up, cancellation, and monthly minimum.
- Get the Complete Picture. Once you know all the fees a provider will charge you, figure out what your total cost would be based on your best and worst recent months.
- Read the Contract. Make sure to read the contract in detail to understand all fees, minimum charges, the term of the agreement, and termination clauses. Some providers will not cover every point and leave it to you to uncover the details.

Week 6

Order Office Supplies

Computer Hardware and Accessories

- A laptop
- A smart phone

Computer Software

- QuickBooks
- Gosite
- Google Calendar

Communications

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- Smart phone
- Internet connection

Week 7

Order Business Cards and Marketing Collateral

It is never too early to start handing out your business cards and/or marketing your business. You can log on to the franchisee section of the Our Maids, Inc..com website to download files that can be used by your local printer. Business cards, brochures, etc. can be ordered through Our Maids, Inc., saving both time and money.

Week 8

Conduct Local Market Research

Researching your potential clientele will provide valuable insight into determining how to price your services. Chapter on Pricing will provide a general guideline on how to price your services. Your company will not need to lowball in order to win clients. The services you provide will often be a cut above the competition given your education, training, and strict adherence to the principles of Our Maids, Inc.

Week 9

Conduct your First Staff Meeting

Staff meeting should become a weekly activity in operating your Our Maids, Inc. franchise. Your first staff meeting will in many ways set the tone for the ones that follow.

Here is how to hold a short, effective staff meeting:

1. **In general, keep them short:** Most staff meetings should last less than an hour. You want your staff to spend their time working on things that earn money for your business, not sitting in meetings. Keep them positive. Negative meetings contain insults, ridicule, and attacks. These activities create caution and resentment, which always costs your company money. Keep them interactive. Your staff consists of intelligent people. Put them to work in your meetings to advance the effectiveness of your organization.
2. **Share news:** Give the members of your group one minute to report on progress made in their area of responsibility. You will find this results in bullet point reports of essential information. It also prevents people from explaining, justifying, criticizing, and engaging in other unproductive activities. Plan a time budget: 8 to 10 minutes.
3. **Teach something:** Invite a guest expert to give a 10-minute presentation on some skill or technology that benefits your group. Tell the expert you want a logical explanation of practical ideas. You can also ask members of your group to take turns delivering brief tutorials on topics that benefit the others. Plan a time budget: 10 to 15 minutes.
4. **Practice skills:** Create team learning activities that sharpen or teach skills needed in your business. For example, you could role-play job skills (especially useful for sales teams), solve puzzles (useful for high tech groups), or take quizzes (useful for everyone). Ask group members to take turns bringing an activity that reviews or teaches a valuable skill. Follow this activity with a brief recap of key ideas. Then ask the group members to give a 15-second report on how these ideas can be applied to improve their work. Plan a time budget: 10 to 20 minutes.

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5. **Solve problems:** Give each group member a minute to describe a challenge that hinders work on a current project and then let everyone propose solutions. Suggestions should be brief and free of self-aggrandizing explanations or motivational sermons. This process also requires a positive, supportive environment to succeed. If this is used to ridicule, insult, or criticize the individual, people will be reluctant to reveal issues that need attention. Plan a time budget: 3 to 6 minutes per person.
6. **Use a facilitator:** A facilitator will help you conduct meetings where the results matter. Then you can participate, rather than spend your time managing the meeting. A good facilitator will know group decision-making processes that move your meeting toward results everyone supports.

Congratulations! You have completed the Our Maids, Inc. pre-opening obligations.

CHAPTER 4: PRE-OPENING TIMETABLE AND OBLIGATIONS

CHAPTER 5: TRAINING REQUIREMENTS

Chapter 5: Training Requirements

Orientation Training

Our Maids, Inc. has specific training requirements which are mandatory before opening for business. The Orientation Training is also a necessity for meeting insurance underwriting requirements and complying with Our Maids, Inc. standards. The training will prepare the prospective franchisee for industry work as well as promote efficient business operations. It is the responsibility of the franchisee to complete all Our Maids, Inc. training requirements as specified in the Franchise Agreement and Our Maids, Inc. operations manual.

Our Maids, Inc. offers our franchisees an Initial Training course presented by Our Maids, Inc. through web conferences. The Orientation Training course will focus on the successful operation of a Our Maids, Inc. franchise.

The table below is the syllabus for a typical Our Maids, Inc. Orientation Training:

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Overview	1 hour	1 hour	Virtual via Zoom
Residential Cleaning Industry	1 hour	1 hour	“
Services	1 hour	1 hour	“
Software Overview	1 hour	1 hour	“
Marketing	1 hour	1 hour	“
Field Operations - Services	1 hour	1 hour	“
Field Operations - Estimating	1 hour	1 hour	“
Policies & Procedures	1 hour	1 hour	“
Sales / Customer Service	1 hour	1 hour	“
Office Management	1 hour	1 hour	“
Budget / Bookkeeping	1 hour	1 hour	“
Performance Management	1 hour	1 hour	“
Total	12 Hours	12 Hours	

CHAPTER 5: TRAINING REQUIREMENTS

Additional Training and Refresher Courses

The franchisee, its managers, or other employees, as designated by the franchisor, shall attend and complete to the franchisor's satisfaction such other training programs as the franchisor may require in writing. The franchisee must stay current with any changes or developments relating to the system and the program. To that end, Our Maids, Inc. shall also provide refresher training programs and make available such other training programs as each is developed for franchisee and to the franchisee, or its managers or other employees, as Our Maids, Inc. deems appropriate. Franchisor may offer seminars, workshops, conventions, or meetings. The franchisor may conduct additional seminars or other training programs for the benefit of the franchisee, and franchisee (and/or franchisee's employees) may attend any such seminar or program. Franchisor may charge a reasonable fee for such seminar or program if it is deemed appropriate. Any and all traveling, living and other expenses incurred by anyone attending training shall be paid by franchisee. Franchisee shall complete and/or shall cause its employees to complete, to franchisor's satisfaction, such other additional training as franchisor may reasonably require from time to time.

Additional training and certification fees and expenses are subject to change with industry changes in the technical business and certifications requirements. We shall provide other training programs as each is developed and as we deem appropriate. Training will be conducted and offered on an as deemed necessary basis. You are required at your expense, to attend at least one annual seminar, workshop, or convention offered by us. All training provided by the franchisor shall be subject to the terms set forth in the Franchise Agreement and shall be at such times and places as may be designated by the franchisor on our website or operations manual, or otherwise in writing. Franchisee or its employees shall be responsible for all expenses incurred by franchisee or its employees in connection with any training programs, including, without limitation, training fees (if applicable), the cost of travel, living expenses and employee compensation during periods of such training. In addition to such travel and living expenses, the franchisee or its employees may incur a nominal charge for training materials and meals at certain training sessions.

Our Maids, Inc. may also offer training resources, at a cost to franchisee to be determined by Our Maids, Inc., to assist franchisee in training hourly employees at their business location.

Franchisee may make reasonable request for training in addition to that specified above, and franchisor shall provide such training, at franchisee's expense, including without limitation, any travel, lodging, meals, and other related costs.

Our Maids, Inc. may, at any time, discontinue management training and decline to certify franchisee and/or franchisee's designated individual(s) who fail to demonstrate an understanding of the management training acceptable to Our Maids, Inc. If franchisee or franchisee's designated individual's management training is discontinued by Our Maids, Inc., franchisee shall have thirty (30) days to present an alternative acceptable candidate for management training to franchisor. If franchisee's new candidate does not adequately complete the management training, then Our Maids, Inc. has the option of terminating this agreement.

CHAPTER 5: TRAINING REQUIREMENTS

Chapter 6: Staffing Your Our Maids, Inc. Franchise

A Word on Legal Compliance

Because each state has special employee regulations, you will need to contact your local government agencies for a complete list of requirements for your franchise. As the owner/operator, you will be responsible for hiring, training, promoting, and dismissing employees. To ensure that all aspects of this process are covered correctly and legally, pay careful attention to the details regarding state and federal employment laws.

The first step is to prepare for the actual hiring process. This allows your franchise to legally hire employees who are authorized to work in the United States. There are several processes you must complete before you hire the first employee.

Key Steps to Complete before Hiring:

1. File for a Federal Employer Identification Number (Federal Form # SS-4). This sets up the federal income tax process for withholding. You will also be required to set up a payroll deduction account. More information about this process is available at www.irs.gov.
2. Determine what federal forms you will need (includes the W-4, I-9). You will need to establish any similar forms on the state level.
3. Download and print the standard franchise hiring forms. These will include the employment application, a consent form for a background check, and a form for drug testing (if applicable).

Key Steps to Begin your Hiring Process:

1. Determine initial staffing needs. This may be difficult because most of your immediate needs will be based on initial demand for your product/service. Refer to your business plan forecast for accurate planning. Determine the minimum you will need to run the office, perform the services, and manage short staffing needs due to illness, vacations, etc.
2. Find key staff members first. This includes any management or supervisory roles. It is also a good idea to have someone who can float across different parts of the business to manage areas where you may be shorthanded.
3. A few well-placed advertisements will bring applications to you. Start interviewing these applicants immediately.

Determining wages or salaries is key to hiring and retaining valuable employees. As manager of a franchise, you will quickly find that keeping turnover low and maintaining a high level of employee morale is vital to your success. You will need to take a close survey of what other employers are paying individuals with similar skill sets or education levels. Establish competitive salary guidelines before advertising any position and relate those figures to what you have allocated for your payroll budget.

Staffing Your Franchise

To maintain the high quality associated with Our Maids, Inc. services and products, the following staffing standards are mandated:

CHAPTER 6: STAFFING YOUR OUR MAIDS, INC. FRANCHISE

Franchise Manager

- Run the daily operations of specific business. Hire, fire, and pay select field associates
- Advertising
- Getting the books, getting paid, schedule services and supervise (remotely) the cleaning crews.

Subcontractors

- Responsibility 1 have a team or teams to do the field work, the cleaning of the homes and offices, buildings, hospitals, etc.

Planning and Visioning

Forward planning: This trait enables the staff and franchise to cope with frequent change.

Being “on top of the details” and meticulous: This trait provides comfort for both franchise owners (who want to be assured the service is in safe hands) and front-line staff (who want to know that their manager understands the implications of change and is able to provide advice and support).

Able to organize the job set effectively rather than being obsessed by formal structures.

Organizing and Connecting

Effective in securing adequate resources for doing the day-to-day work – evidenced in business planning and staff training.

Staffing and Supporting

Good at promoting team working and in communicating: these traits are often manifested in the personal style of the manager being “approachable” and “listening”.

Securing the right level of staff resources; protecting and developing those resources.

Controlling and Challenging/Celebrating

Our Maids, Inc. managers are comfortable, even relish, working in a performance- and target-driven environment: they tend to view performance indicators as relevant and meaningful to the service they are expected to deliver.

Leadership Characteristics

- While not visionary, Our Maids, Inc. managers are able to see the “big picture” with their feet firmly on the ground and focused on operational realities.
- They are champions of constructive change and enthusiastic about performance improvement.
- They foster good relations with franchise owners – often as a means of ensuring their service gets the resources it needs.
- They support their teams energetically – especially through training and planning ahead to prepare for change.

CHAPTER 6: STAFFING YOUR OUR MAIDS, INC. FRANCHISE

CHAPTER 7: COMPANY POLICIES

Chapter 7: Company Policies

Setting Up Your Home-Based Location

Although you are operating a home-based business, you are still responsible for obtaining the necessary licenses and permits required to operate your business.

Quality Standards of Service

Our Maids, Inc. customers should have no doubt they are getting value for the services and products that we provide. Our Maids, Inc. recognizes that the quality of our service is what separates us from the competition.

Our Maids, Inc.'s "Quality Standards of Service" is a key element in our service strategy. A franchisee must constantly aim to improve the quality-of-service delivery by implementing quality control measures, employee training, and ultimately focusing on complete customer satisfaction.

Service standards - a shortened form of the phrase "quality standards of service" - are more than service delivery targets such as timeliness and hours of operation. Customers are entitled to know what they should expect from Our Maids, Inc., how services will be delivered, what cost they are to the customer and what customers can do when services they receive are not acceptable. These standards should include:

1. Each Customer is our Most Important Customer

We understand the needs of each customer and tailor our services to meet their individual needs. We treat our customers like family, addressing them by first names when they call and greeting them with a smile. We ensure complete satisfaction and often go above and beyond the call of duty.

2. We Make it Easy for the Customer

We help customers have a pleasant and enjoyable experience. We aim to please and satisfy to the best of our ability and never allow a customer to remain disappointed.

3. We Stand Behind our Work

We are experts at what we do. We have the tools and the training to deliver on the promises we make. We start each day with the goal to succeed in providing complete satisfaction for each customer. If we fall short, we work equally hard to make it right. We always look for ways to improve our performance.

Planning and Organizational Considerations

Developing and implementing service standards helps ensure customer satisfaction. Franchise owners and managers must be prepared to direct and support their employees.

While franchise owner and managers are expected to assume responsibility for implementation, all parts of the franchise should be involved in carrying out our service standards, and in finding solutions to problems discovered as a result of applying the standards.

Knowledge and Understanding are the Keys to Delivery

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- Know your business and mission.
- Know what is affordable: what is the initial cost of basic goods and employee pay?
- Consult your clients, staff, and stakeholders.
- What are the most important features that make you unique?
- What is your customer satisfaction level? Collect baseline information.
- What changes do your customers need or want?
- What are your customers' expectations?
- What are your responsibilities?
- Train and equip staff to help customers, and let staff know what is expected of them.
- Train managers and supervisors in leadership and motivation.
- Communicate service standards and report on performance

Monitoring

Monitoring is the process of keeping track of customer expectations and operational factors and adjusting delivery as appropriate. Knowing where customers stand and how they feel about quality services should be a key priority. It allows a department to modify policies and programs to improve service quality. Monitoring shows both customers and employees that the company is serious about assessing customer satisfaction to measure its performance. Data on customer service and satisfaction show employees the results of their efforts and help them focus on the essential purpose of the franchise.

Service and Courtesy to Clients

Our customers deserve the same level of quality, efficiency, value, and professionalism that we would want for ourselves. If we do not believe each of these criteria is met, we will not sell it.

The table below outlines our customer service standards:

Excellence	We will guarantee excellent service that meets or exceeds customer expectations. We will measure our performance against the "best in the business."
Timeliness	We will provide our customers with speedy service. (General information) We will answer customer inquiries promptly, usually within 24 hours of receipt.

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Responsiveness	We will respond promptly to all customer requests in accord with our resources and capabilities. We will acknowledge receipt of an e-mail, fax, or telephone call within 24 hours. We will cover the telephones at all customer-contact points during normal business hours. We will investigate and act to resolve all customer complaints.
Accessibility	We will use analysis of customer satisfaction to improve our services to the best of our ability.
Commitment	We will be courteous, respectful, responsible, and professional at all times. We will take responsibility for providing answers to customer requests to the best of our knowledge and skills.

How to Handle Typical Complaints/Problems

Customer Complaints

Complaints should be handled with professionalism and control. Clearly communicating expectations and updating customers on progress will go a long way towards avoiding complaints. If a mistake is made, quickly address the issue.

When dealing with an upset customer remember the following items:

- First try to fully understand the customer's complaint and see it from their perspective.
- If a mistake has been made, apologize immediately.
- Communicate how you plan to rectify the situation.
- If the complaint comes from a miscommunication from both parties, explain the situation and apologize for your part.
- There will be times when a client is simply being unreasonable in their request. At this time, you must decide if it is worth it to stand your ground. Negative word of mouth can spread fast, but you also must be able to recognize customers who are trying to take advantage of a situation.

Employee Appearance and Hygiene

Office personnel no need dress code. Field operators can or not have any kind of distinction on dress, like company colors, logos, etc., but this is entirely at management discretion. We are not using any as of now. They need to be well dressed and clean, presentable. Need mask and gloves at any home until the COVID is over. We do not discriminate about their appearance, they can have piercings, long hair, etc., but our customers have the last word. If they do not like their appearance, we will not send them back to that particular place.

Hours of Operation

The business needs to be open 7 days a week, from 7 am to midnight, but the office will be open at 7am and closed at 7pm or 8am to 6pm. It is up to each franchisee as long as the phone is answered

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at least 10 hours a day. The online platform is open 24/7. All online requests should be answered within one hour on days and night bookings or quote requests at 7am next day.

Computer Usage

Computers, computer files, the email system, and software furnished to employees are Our Maids, Inc. property intended for business use.

CHAPTER 7: COMPANY POLICIES

CHAPTER 8: OPERATION AND MAINTENANCE

Chapter 8: Operation and Maintenance

Daily Procedures

The manager needs to make sure all the work on the field is done properly, then check with her associates if anything is missing.

The shop cannot close if one of the associates is still cleaning a home or office. And that could be 9 pm or later.

Alarms, Locks and Keys

Keys and passwords to alarms should only be provided to managers or employees who have demonstrated a history of trustworthiness. Periodically change the alarm password, especially after the termination of an employee contract.

CHAPTER 8: OPERATION AND MAINTENANCE

CHAPTER 9: EQUIPMENT, COMPUTER SYSTEM, INVENTORY, AND SUPPLIES

Chapter 9: Equipment, Computer System, Inventory, and Supplies

Your Our Maids, Inc. franchise will depend upon efficient and up-to-date systems, equipment, inventory, and supplies. During the initial stages, it is important to allow sufficient time to properly learn each system and adapt it to fit your needs.

Equipment and Supplies

The following table outlines the minimum equipment and supply requirements for operating a Our Maids, Inc. franchise:

Category/Item
Vacuum cleaners
Floor scrubbing machines (for janitorial)

Approved Vendors

Category	Vendor	Website
Equipment	Gosite	https://www.gosite.com/
	Paypal	https://www.paypal.com/us/home

CHAPTER 9: EQUIPMENT, COMPUTER SYSTEM, INVENTORY, AND SUPPLIES

CHAPTER 10: ADMINISTRATION

Chapter 10: Administration

Record Keeping

Good record keeping is, if nothing else, responsible business. We implore you to keep good records in operating your Our Maids, Inc. franchise. The following information is general in nature, intended to assist you in understanding the nature, importance, and process of good record keeping.

Introduction to Record Keeping

An appropriate record-keeping system can determine the survival or failure of your new franchise. For those franchisees already in business, good record-keeping systems can increase the chances of staying in business and the opportunity to earn larger profits. Complete records will keep you in touch with your business's operations and obligations and help you see problems before they occur.

The Need for Good Records

Accounting records furnish substantial information about your volume of business, such as how present and prior volumes compare, the amount of cash versus credit sales, and the level and status of accounts receivable. In addition, good accounting records help to accomplish the following tasks:

Monitor Inventory

While a large inventory allows goods to be delivered when they are ordered, too large an inventory represents an excess investment. If your inventory does not turn over quickly, your franchise may lose profits due to obsolescence, deterioration, or excess investment.

Any items removed from inventory for personal use should be set aside in a special account for two reasons: first, they need to be recognized separately for tax purposes; second, including these items in business gross profit calculations can be misleading.

Control Expenses

Accounting records detail the amounts owed to suppliers and other creditors so that you can plan the availability of cash to meet your obligations. Such records also provide information regarding expenditures and allow you to establish controls over them. At all times, you must be aware of your individual expense requirements and how they relate to the overall picture.

Fulfill Payroll Requirements

Payroll is one of the largest expenses in your franchised business. Adequate payroll records should meet the requirements of the:

- Internal Revenue Service
- State department of revenue
- Local department of revenue
- Workers' compensation laws
- Wage and hour laws
- Social security requirements

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- Unemployment insurance requirements

For each of these categories you are required to provide annual reports and summaries. In addition, you must provide employees with the W-2 forms needed to file federal and other income tax returns.

Determine Profit Margin

Good accounting records will indicate the franchisee's level of profit and provide specific information on the profitability of certain departments or lines of goods within your business. Such analysis is important to avoid continuing product lines beyond their profitability. In most cases, you can avoid losses if you maintain current records and analyze the information from your records on an ongoing basis.

Improve Cash Flow

Good accounting records provide detailed reports of cash availability, both on hand and in the bank, and of cash shortages or the diversion of cash. Since cash is your most liquid asset, you must carefully account for it.

Use Supplier Discounts

A cash budget will provide the franchise owner with a projection of the availability of cash that may be used to pay invoices as they become due. Discounts from suppliers for prompt payment can amount to substantial savings. A 2 percent discount is common if you pay the bill in full within 10 days; if not, full payment is due within 30 days. In business, this is commonly referred to as "2/10, n/30" where n = the net sum due. It means you pay 2 percent less if you pay within 10 days or you pay full price within 30 days. Take into account that this discount is cumulative. If you make timely payments for each month of the year you will gain a 24 percent benefit (2 percent for 12 months).

Measure Performance

Finally, good business records help you measure your business's performance by comparing your actual results with the figures in your budget and those of other similar businesses.

Requirements of a Good System

The following criteria are essential to a good record-keeping system:

- Simplicity
- Accuracy
- Timeliness
- Consistency
- Understandability
- Reliability and completeness

Payroll and Taxes

Current Internal Revenue Service (IRS) regulations require that you withhold federal income tax and social security (FICA) from each employee. You must remit the amount for taxes to the IRS on a

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quarterly, monthly, or more frequent basis. A detailed reporting system for payroll will help you make timely tax payments.

Gather specific information about each employee on individual employee record cards. All employees should fill out federal Form W-4, which indicates their filing status and the number of exemptions they claim. Use this information to compute the federal withholding and social security (FICA) deductions for each payroll check.

Prepare Employees Quarterly Federal Tax Return (Form 941) by totaling each employee's withholding for federal taxes and social security. File Form 941 with the IRS. Each payroll period totals the accumulated withholdings of both federal taxes and social security for all employees. If this total exceeds \$500 for any month, you must deposit this amount by the 15th day of the following month in a depository bank (an authorized financial institution or a federal reserve bank). Generally, when the total exceeds \$3,000, you must deposit this amount within three business days. Any overpayment in taxes is paid back to you quarterly.

At year's end, you are required to prepare not only the information normally required for that quarter, but also summaries of each employee's total earnings and withholdings for the year (Form W-2). Provide this form to each employee and the IRS.

A Word of Caution

It is very easy to fall behind in making tax payments. If you find yourself short of cash, do not be tempted to delay payment of taxes. The IRS will not bill your business for taxes due nor will it notify you of late payments. Delayed payments can easily add up to a large sum; the debt may impede the growth of your business and may even force you to close your business, to say nothing of the federal penalties incurred for late payments.

With a good record-keeping system, you can simplify the process of filing taxes to the point where the information needed to complete the forms is automatically generated. Setting up such a system is a rather technical task, and you may need to seek guidance.

Insurance

Most franchisees have several types of insurance. For each policy, you should have the following information:

- Clear statement of the type of coverage
- Names of individuals covered
- Effective dates and expiration date
- Annual premium

Review your insurance policies on a regular basis. In addition, annually consult an insurance specialist, who will review the total insurance package to determine what coverage is appropriate and ensure that premiums remain in line with prior quotations.

Business Equipment

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Keep an accurate list of permanent business equipment used on both a regular and stand-by basis. The list should describe the equipment and provide serial numbers, date of purchase and original cost. Keep the list available for insurance and other purposes. You will also need this information to prepare accurate depreciation schedules.

Accounting Services

You have several choices in who should maintain your accounting system. You can:

- Maintain the books yourself
- Hire a bookkeeper on a full-time or part-time basis
- Hire the accountant who set up your books
- Set up a hybrid system in which you maintain the day-to-day reports while an accountant does the period-end record preparation, summaries and reconciliations, and the returns for sales tax, excise tax and payroll taxes

In making the choice, you must decide whether you have the ability and time to set up and maintain good records or if you should engage an outside accounting service. It is usually suggested that you hire an accountant to do the final year-end preparations and to advise you. No matter what you choose, you should remain familiar with your books and participate in the record-keeping process. This will maximize the services provided by the accountant and allow you to keep track of your business.

Selecting an Accounting Service

If you decide to hire an outside service, find an accounting firm that will work closely with your business and provide you with the information necessary to develop a successful operation. Interview several accounting professionals and compare their level of accounting knowledge, computer literacy, knowledge of and experience with small business accounting, and any specialized knowledge required in your business.

There are many types of professional you may consider, such as a certified public accountant, an enrolled agent, or an accredited accountant.

- **Certified Public Accountant (CPA):** A person who has passed the American Institute of CPAs national examination, which tests an individual's ability in accounting, auditing, law, and related areas.
- **Enrolled Agent (EA):** An individual who has passed a two-day exam prepared by the IRS covering many areas of federal taxation. This person is generally considered a tax specialist.
- **Accredited Accountant:** An individual who has passed a rigorous examination prepared by the Accreditation Council of Accountancy and Taxation; a national accounting accreditation board affiliated with the National Society of Public Accountants. Accredited accountants specialize in small business accounting.

Other accountants in public practice perform various levels of accounting and write-up services. When selecting an accountant, the cost of the accountant's fees must be weighed against the benefits received. Frequently, the accountant's professional advice can increase profits to more than

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cover the expense. Monthly services by an accounting firm will provide you with complete and timely information and also will allow the accountant to develop knowledge of your business and be in a more comfortable position to render professional advice as the business grows.

Advice and Assistance

In addition to bookkeeping, an accountant can advise you on financial management. They can assist with cash flow requirements and budget forecasts, business borrowing, choosing a legal structure for your business, and preparation and advice on tax matters.

Cash Flow Requirements

An accountant can help you work out the amount of cash needed to operate the business during a certain period for example, a three-month, six-month, or one-year projection. The accountant considers how much cash you will need to carry your accounts receivable, to increase inventory, to cover current invoices, to acquire needed equipment and to retire outstanding debts. Additionally, the accountant can determine how much cash will come from collection of accounts receivable and how much will have to be borrowed or provided from other sources. In determining cash requirements, the accountant may notice and call attention to danger spots, such as accounts that are in arrears or areas of excess expenditure.

Business Borrowing

An accountant can assist you in compiling the information necessary to secure a loan: the assets the business will offer for collateral, the present debt obligations, a summary of how the money will be used and repayment schedules. Such data show the lender the financial condition of the business and your ability to repay the loan. Remember, lenders have two very definite requirements: (1) that the business have adequate collateral to secure the loan and (2) that the business will be able to repay the loan. An accountant can advise on whether you need a short or long-term loan. In addition, your accountant may introduce you to a banker who knows and respects their financial judgment.

Accounting: What You Should Know

Daily

- The balance of cash on hand
- The bank balances
- Daily summaries of sales and cash receipts
- Any errors or problems that have occurred in collections
- A record of monies paid out, both by cash and by check

Weekly

- Accounts receivable (particularly those accounts that appear to be slow paying)
- Accounts payable (be aware of the discount period mentioned above)
- Payroll (be aware of the accumulation of hours and the development of the payroll liability)
- Taxes (be aware of any tax items that are due and reports that might be required by government agencies)

Monthly

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- If you engage an outside accounting service, provide records of receipts, disbursements, bank accounts and journals to the accounting firm. This will allow the firm to maintain good records and present them to you for review, consideration and support in decision making.
- Make sure that income statements are available on a monthly basis, and certainly within 15 days of the close of the month. Review a balance sheet that indicates the balance of business assets and the total current liability.
- Reconcile your bank account each month so that any variations are recognized, and necessary adjustments made.
- Balance the petty cash account on a monthly basis. If you allow this account to extend for a longer period, it may create substantial problems.
- Review federal tax requirements and make deposits
- Review and age accounts receivable so that slow and bad accounts are recognized and handled.

CHAPTER 11: Reports, Audits, and Inspections

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Franchisee Reports

Tracking your business results allows you to monitor the performance of your plans and then make changes to your strategies to improve business performance and profitability. Our Maids, Inc. franchises all monitor and submit reports across many key performance measures. These measures are total revenue, total costs, gross profit, operating profit, incoming inquiries, total number of sales, and total number of bids.

Records and Reports

Franchisee shall at all times maintain true and accurate business records in the manner specified by franchisor. Franchisee shall, on a weekly basis or at such other intervals as specified by franchisor, provide franchisor with such report(s), in the form(s) specified by franchisor, as franchisor may require, and at such times as franchisor may require, including, but not limited to, reports of gross revenues, reports of business expenses and overhead, customer information, copies of detailed purchase invoices, number and type of transactions, identity of vendors, the amount of marketing expenditures, detailed records of marketing expenditures, copies of inspection reports, and weekly or monthly sales summary. By submitting any reports to franchisor, franchisee is certifying that they are true and correct. Within ninety (90) days following the end of each calendar year, franchisee shall provide franchisor with a copy of franchisee's balance sheet and an income and expense statement for the year. At the time they are filed, franchisee shall provide franchisor with copies of franchisee's federal income tax return(s) and state and local excise tax returns, if applicable, together with all exhibits and schedules thereto and all amendments thereafter. Franchisor is authorized to rely upon such reports and financial documents and to disclose them to governmental authorities as and if properly requested. Franchisor may use data from the reports and financial documents in composite or statistical form for any purpose at franchisor's sole discretion. Franchisor is authorized to obtain or verify the information and reports described herein by electronic means from franchisee's computer(s), at any time, without prior notice, at franchisor's sole election. Franchisee shall retain all business records for at least five (5) years or such longer period of time as may be required by applicable law.

Failure to Report

If franchisee fails, for any reason, to timely deliver to franchisor any required report with all required information, franchisor is authorized, without further notice, to assess Royalties and National Marketing Fees for each relevant week and effect an electronic funds or other transfer of such funds calculated as the greater of (a) franchisee's average weekly Royalties and National Marketing Fees over the prior twelve months or (b) the average weekly Royalties and National Marketing Fees of all similar franchisees within franchisee's region as defined by franchisor. Franchisee hereby authorizes franchisee's bank to make such transfers upon franchisor's request. No action taken under this subparagraph shall constitute a cure of any breach by franchisee, an election of remedies by franchisor or act, in any way, to limit franchisee's liability to pay fees under this Agreement.

Audits and Inspections

Franchisor shall have the right, at any time, to enter the premises (either physically or electronically) for purposes of auditing the accuracy of reports submitted and to otherwise verify compliance with the terms and conditions of this Agreement. Should any audit or inspection reveal that franchisee has underreported the amount of gross revenues, franchisee shall immediately pay to franchisor the

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additional amount of royalties and other fees payable on account of the underreporting, plus interest thereon at the rate of one and one-half percent per month, but not more than the maximum interest allowed by applicable law. If an audit or inspection reveals that franchisee has underreported gross revenues by three (3) percent or more for any week, then franchisee shall also pay, immediately, the cost of the audit or inspection. In all other cases, franchisor shall bear the entire cost of the audit or inspection, including incidental costs. Should franchisee at any time cause an audit to be made of franchisee's licensed business, franchisee shall cause a copy of the report of said audit to be delivered to franchisor without any cost or expense to franchisor.

Contact with Others

Franchisor shall have the right, at franchisor's sole discretion and without further notice to franchisee or to any other person or entity, to contact any of franchisee's customers, landlord, accountant, vendors, or other persons within franchisee's Territory or otherwise for the purpose of verifying the accuracy of any information submitted by franchisee, for quality assurance or for any other purpose not inconsistent with this Agreement.

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Chapter 12: Marketing

Marketing at Our Maids, Inc.

At Our Maids, Inc., an effective marketing program is essential to the prosperity of your business. Our business is an advertising-driven business, and a large-scale initial campaign followed by a selective ongoing and continuous advertising is the key to sustaining business and generating new growth. At Our Maids, Inc., you will benefit from some level of national brand equity, and from certain national or regional marketing and advertising efforts. However, many franchises will be required to perform marketing and sales activities within local markets of operation. For that purpose, we will use this section of the manual to communicate ways to build an effective marketing and sales plan.

Marketing is a science and an art form. Companies across all industries spend billions of dollars each year to get their message out to potential customers who will buy their product or service. This is a science, as many statistics are gathered about segmenting and targeting potential markets, and the results are very carefully measured in hopes of improving the results for the next campaign. Marketing is an art form in the way some products take off and their appeal spreads like a virus (hence the term viral marketing). This type of word-of-mouth advertising is very powerful because people are recommending your product to others they know. Regardless of what form of marketing program you take on, you can be sure to experience a unique set of results that you will need to monitor closely. As every marketplace is unique, what works for one franchisee may not necessarily work for another.

The goal of the marketing campaign is to make Our Maids, Inc. synonymous with excellent experience. Therefore, every item that bears Our Maids, Inc. name must use company standard logos and collateral.

Franchisee Marketing Requirements

Our Maids, Inc. Marketing Fees

All Our Maids, Inc. franchisees are responsible for a monthly marketing fee. This fee is due at the same time as your Our Maids, Inc. royalty fee. This fee is required to be paid in full each month by check, pre-authorized check, electronic funds transfer or similar. National marketing fees are set at the beginning of each fiscal year for Our Maids, Inc. but are subject to change. Our Maids, Inc. will communicate any changes 30 days in advance of implementation. Marketing fees include the local marketing fees which is \$2,000 to \$3,000 monthly.

Exclusive Use of Our Maids, Inc. Brands, Logos and Likenesses

Approved marketing materials are supplied by Our Maids, Inc. and are included in the company's operations manual. The franchisee may only use advertising materials that have been provided by Our Maids, Inc. for the express purpose of marketing or related activities. Our Maids, Inc. will not be responsible for any damages or claims resulting from your unauthorized use of advertising materials, including, but not limited to, the unauthorized use of music, song lyrics, stock photos, images, and testimonials/endorsements.

Marketing and Compliance with Our Maids, Inc.

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Our Maids, Inc. franchisees are prohibited from entering into any agreements with any other franchise and/or service organization pertaining to their business, or to use Our Maids, Inc.-owned trademarks, service marks, or logos, without first securing Our Maids, Inc. written consent. Consent may be withheld for any reason or cause that is sufficient, including the need to ensure that information about Our Maids, Inc. offices is consistent, accurate and appropriately stated. In addition, Our Maids, Inc. franchise operators are not permitted to establish or maintain any websites or advertise on any Internet-related sites or activities.

Special Marketing Approval Request

In the event that you want to modify any Our Maids, Inc. marketing materials, or you want to use materials you prepared or had prepared at your request, you must submit a copy of the proposed advertising materials, along with the Advertising Approval Request Form, to Our Maids, Inc. at least 2 weeks prior to the first intended use.

Submit the Advertising Approval Request Form to: Franchising@ourmaids.com.

Note: Such materials cannot be used until you have received written permission from Our Maids, Inc..

Getting Started with Your Marketing Plan

Before we can begin to understand how we would like to advertise and spend money, we must first understand the local marketplace to determine what the current business conditions are in the given geographical area where we will be providing service.

Local Market Research and Answering Key Questions

The franchisee will be required to assess their local market(s) and conduct research about other businesses, including their services, pricing, and reputation. Understanding your potential customers and where they are located is also a priority. It allows you to customize local advertising to include certain zip codes or target a specific type of customer. The goal of all local market research will be to have a simple form that will outline the demand by clients and the services being provided by the competition. This will help you determine the best pricing for services provided by your company. Your market will constantly change so this process should be repeated on a consistent basis, and this may vary every 30-90 days.

There are many helpful resources available to assist in researching your local market. Books, websites, seminars, classes, and work groups can help gather information. Questions to ask during the research phase include:

Key Questions to Answer About Your Market:

- How many competitors exist within the geographic area you will target?
- What types of services do they offer?
- What is their pricing structure?
- What are the strengths of the competition?
- What are the weaknesses of the competition?

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- How are your competitors advertising?
- What methods are they using?
- What types of customers are in your area?
- Are there large residential areas or large industrial or office complexes nearby?
- What specific needs does each customer group have? What are common concerns for your customers?

The Process of Creating a Marketing Plan

Although a marketing plan can be a very complex, multi-faceted set of programs and processes, we will take a look at a basic plan to fit our business. Most college marketing textbooks start with the basics known as the 4 Ps of marketing: product, price, place, and promotion. In essence, your plan will focus on executing the basics of these four items. Your product is the ability of Our Maids, Inc. franchise to effectively serve customers. The price you charge for this service is dependent upon the level of service, cost, and value the company provides. But price is also affected by what your competition will charge. Place refers to the area that you want to sell this service: Who will you target? And finally, promotion refers to the activities you will use to get the word out about your business. While this is a very traditional look at what a marketing plan consists of, this formula has been proven successful time and time again.

While keeping the 4Ps in mind, here are the basic steps:

Collect information: We have already taken a look at the importance of understanding the market you will be serving.

1. Plan the campaign: Now that you understand your market, and the service you are selling, how can you use your resources to effectively draw customers to my business.
2. Implement the campaign: Execution of the plan is often the most difficult part of any business, and requires discipline, dedication, and a commitment to success. It also requires understanding the daily dynamics of success and failure and adjusting on the fly.
3. Review and assess the results: The proper formula for success will be a combination of trial and error with a careful eye on good business judgment.

Planning a Marketing Campaign at Our Maids, Inc.

We have already discussed the exercise of market research, so let us now focus on step 2 in the process: planning the campaign. The goal is to understand what forms of media are most effective at getting our message out, given we are targeting customers who want excellent service. First, we must advertise the excellence of our service. Second, we must communicate to the public that we are the premier company to meet these needs. One way of looking at advertising is through various forms of communications. For example:

- The written medium includes the use of news releases, fact sheets, feature articles, newsletters, brochures and handbooks, advertising, white papers, and books.
- The spoken medium uses face-to-face discussions, speeches, radio newscasts, news conferences, press parties, interviews, meetings, and word-of-mouth exchanges.

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- The visual medium includes television newscasts and appearances, videotapes, motion pictures, slides and filmstrips, transparencies, photographs, teleconferences, charts and graphs, billboards, and other graphics.

Another way to examine types of advertising is to take a media approach. Marketing and advertising campaigns use media as a method of delivering a compelling message about your product or service. Types of media:

- **Print:** Probably the oldest form of advertising and still very effective. Print can consist of direct mail, a magazine ad, newspaper ad, posters, flyers, etc.
- **Radio:** Radio is another form of advertising that has been around for many years and is very effective at targeting a specific geographic area.
- **Television:** Most of us think of national broadcast networks or cable, but TV can be very effective for regional advertising, and can give you the ability to segment your audience by channel subject matter.
- **Internet/Social Media:** This is the newest form of advertising, but also the most powerful. Many franchises have elaborate websites to display product information and active social media accounts to directly engage with customers. They also collect data and feedback from customers with which they improve their marketing campaigns. Paid web searching through concepts like search engine optimization (SEO) or pay-per-click is a powerful way to generate leads for your business.
- **Billboards:** This format will allow you to target many people over a given time period in a geography that is very relevant to your business.
- **Electronic Media:** More businesses today are sending out sample CDs DVDs and other forms of digital information to advertise business and services.

One of the most important components of a marketing plan is the amount of money the franchise will spend, also known as the marketing budget. When a new business is started, a marketing budget should be allocated from start-up funds and set aside for the launch of the business. Starting a business always seems to cost more than entrepreneurs project, so it is very important to plan what types of media you would like to use, how they differ in cost, and a measure of effectiveness (ROI). The start-up marketing budget could also include the cost of a “Grand Opening”, which is discussed later in this section.

While it is a good idea to plan for additional marketing dollars at startup, a good rule of thumb is to allow approximately 12-15% of your projected first year annual revenue for marketing. However, new franchises may have different requirements based on your market research.

Target Marketing

Now that we have taken a look at forms of advertising, we have to analyze our prospective customer base, and overlay the various forms of media to determine how we can “target market” with the most effective use of our budget. Throughout the operation of your business you will notice several distinct groups of customers that typically use Our Maids, Inc. services. In your local market research, you will likely encounter a slightly different set of customers. Recognizing these different groups will allow you to custom tailor your response to best meet their needs

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Many companies focus on serving one market very well. As the adage goes, “you can’t be everything to everybody”. There is much truth to this in business. Companies that are able to serve a market or niche very well typically find more efficiencies over time and become very effective with a given customer. Obviously, when building a marketing plan, the types of media used will differ depending on your target market. For example, advertising in a local business magazine would be a great way to lure commercial customers but would not be effective for the residential market. And a billboard would not be effective for government because all government purchasing goes through an open bid process where the low bidder wins.

The summary for this section is simple: pick your target market, determine what forms of media or what medium is most likely to attract that target, and plan a mix of advertising for those areas. Like most things in business, you must learn from results and adjust your plan over time.

A Closer Look at Various Forms of Media

Advertising can be a powerful medium for both drawing in new customers and building brand recognition in your community. Although there are many forms of advertising, the mediums described below can be very effective, especially for Our Maids, Inc. franchisees. Here is a closer look at several formats:

Internet Marketing

Each year more and more Our Maids, Inc. leads come from the internet, and more and more of our business transactions occur over the information superhighway. This trend is expected to continue exponentially for quite some time. While demographics certainly play a role, you will find customers who prefer to search Google instead of leafing through the Yellow Pages. Many lower income references come from the internet. Designing an effective and highly ranked website is difficult and time consuming and for most businesses it is beyond their scope of interest and ability. For Our Maids, Inc., the company has already invested significant resources to take advantage of the national branding. For a franchise this type of support is expected by the franchisee. After all, that is one of the values in committing to a franchise.

In many businesses or industries, a web-based advertising program is becoming the main focus of marketing funds, and one of the primary sources of new leads, accounting for a significant amount of all new business generated. Web-related leads have the added benefit of producing high sales ratios because customers tend to be more informed and educated.

Internet marketing in terms of website management will be primarily handled by Our Maids, Inc. web development team. Contact the web development team for assistance in making revisions to your website.

Search Engine Optimization (SEO) and Pay-Per-Click (PPC)

We have found the internet is a powerful resource for marketing your Our Maids, Inc. franchise. In some regions, up to 70% of all new customers are generated through internet marketing. To help you utilize this resource, Our Maids, Inc. will dedicate a portion of our website for your business. In addition to your Our Maids, Inc. website it is essential that you establish a pay-per-click advertising program. Google AdWords, Overture, and Yahoo Search Marketing are the three most powerful pay-per-click advertising campaigns available today.

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Upon signing the franchise agreement, we will begin to create your website. You will be sent a link, via e-mail, to your business page on Our Maids, Inc. website. This will include assisting in the setup of pay-per-click accounts. After your account is set up, the ongoing maintenance and upkeep will be your responsibility. This will include setting a monthly budget, tracking results, evaluating the overall effectiveness of the campaign, etc.

Online marketing will become a daily function of operating your Our Maids, Inc. franchise. Though you may have periodic campaigns that use specific internet resources, your overall web campaign will be a constant feature of your marketing program.

Contact Our Maids, Inc. IT manager for assistance in setting up your website or pay-per-click ad campaigns. Additionally, a wealth of resources is available online with articles pertaining to search engine optimization, web site design, etc.

Outdoor Advertising

All signage must contain Our Maids, Inc. ® registered trademark logo including the ®. Submit all sign proposals to Our Maids, Inc. promotional director in the corporate offices for approval along with copies of regulating ordinances. Banners must be pre-approved by corporate office. They should contain Our Maids, Inc. colors and registered logo.

Check local ordinances regarding banners. Some areas only allow banners with a permit or for a limited length of time, some areas do not allow banners at all, and others do not have any governing rules. In the case where banners are not allowed, creativity is necessary, such as putting up signs or posters inside the windows. The banner rules frequently extend to other types of outdoor attention grabbers such as pennants and lights.

Using the Local Press as a Marketing Tool

Press releases or interviews in a news story are a great example of using local press for a very cost-effective form of advertising marketing. Because you cannot simply buy your way into a press release, you must first present something unique and newsworthy about your business. Are you offering a new unique service in the area? Are you offering a new product that strikes a chord with a segment of the population? Try to put yourself in the shoes of a journalist...what would you find interesting enough about your business to showcase it in the local news?

But attempting to directly display your services or product are unlikely to get your name on the front page of the Sunday newspaper. Just because you serve the best food in town hardly makes you newsworthy. But if you set up a program where once a month you offer free food to local seniors, it may not make the front page, but it is certainly newsworthy. The trick is to think creatively and be persistent.

Regional Advertising within the Franchisee's Territory

It is the goal of Our Maids, Inc. to make regional or national advertising services provided by the company available to all franchisees. The territory granted by Our Maids, Inc. under a License Agreement does not mean that the franchise operator "owns" the customers residing within their territory. However, it does guarantee that no other person or entity will operate a Our Maids, Inc. franchise within a specific number of miles of current franchises. This clause is subject to any exceptions stated in the License Agreement.

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Except for media forms whose circulation cannot be limited to the franchise operator's territory, franchise operators shall not, under any circumstances, place advertisements promoting and publicizing Our Maids, Inc. services in another franchise operator's territory without Our Maids, Inc.'s prior written permission.

In addition, franchise operators shall not solicit the services of their own business within:

- Any home, business or commercial building or other entity not listed here, whose jurisdiction is exclusively within the territory of another franchise operator or a company-owned center
- Any private entity whose geographic location lies entirely within the territory of another franchise operator or company-owned center.
- Any business whose jurisdiction is exclusively within the territory of another franchise operator or a company-owned center

All potential customers should be fully advised about alternative Our Maids, Inc. locations that may be more convenient for that customer. Misrepresentations or purposeful omissions concerning other centers negatively affect the goodwill of Our Maids, Inc. franchise system and will be addressed by the franchisor.

Business Cards

Businesses have been using business cards for decades for a simple reason: it is a great way for customers to be reminded of your business. Every time you interact with a potential client, be sure to hand out your business cards. This method of advertising will cost you pennies on the dollar, and it is a great way to establish credibility. Any business cards will be the responsibility of the franchisee. The franchisor will only be responsible for providing company logos and artwork.

Executing Marketing Plan

Tracking Your Progress

After determining which methods will most successfully promote your business, you will need to develop specific goals to better your business and attach a timetable. Build a simple calendar that details each project within the framework of the total program. This simplifies tracking your progress, because you can check off each task as it comes up day by day. Let us take a look at examples of daily, weekly, and monthly marketing-related goals.

Weekly Goals:

- **Check Internet Rankings:** Using primary search engines such as Google, Yahoo and MSN, investigate the ranking of your website in the natural results section.
- **Monitor Pay-Per-Click Internet Advertising:** Check budget and monitor results.

Monthly Goals:

- **Competitor Research:** Using the local phone directory and internet listings, update your list of local competitors. Track changes in competitors' service offerings, pricing, etc.
- **Review Sales Figures:** Look for trends, establish the success or failure of specific campaigns, etc.

Marketing Pitfalls to Avoid

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As we have explained in previous sections, marketing is both an art and a science, and there are no perfect solutions or products you can buy to magically enable you to reach your sales goals. But there are some common mistakes that occur during the trial-and-error process that is a result of learning what works. Some tips to keep your programs on track include:

- **Stick to Your Budget as Best You Can:** Spending too much money is easy when your means of advertising are not producing tangible leads that turn into revenue. Re-think the campaign. Do not continue to throw money at a campaign with the idea that more money will make it work.
- **Spending Too Little Money:** Businesses that shy away from investing capital in advertising and marketing will never receive the proper exposure. Even if you do not see an immediate return on your investment from a marketing effort you may see long-term benefits when clients know all about your business before even having been there.
- **Spending Too Much Time:** Marketing campaigns can require a significant amount of your time. You must constantly evaluate the return on your time spent on each campaign. Each hour spent on a poor marketing campaign is time lost that could have been effectively used elsewhere.
- **Impatience:** Do not assume that the week after your marketing has been set in place your phones will be ringing off the hook. Give your campaigns a chance to produce fruit over a period of a couple of weeks, and if nothing comes of it then rethink your strategy.
- **Misinterpreting Results:** Do not assume there is a lack of demand in a marketplace based on the failure of a marketing effort. Make sure that you are utilizing the right tools for the right audience. Remember to consult the franchisee section of the website for input on effective marketing techniques for your specific region.

Recording the Results of Your Campaign

The last step to consider is assessing the results of your campaign. When setting objectives, you should consider a method of tracking the results. For example, after launching a campaign promoting your business, each time a new customer calls, ask them where they heard about your business.

There are several tools that can help decide which techniques are working and which are not. These include the Sales Tracker, Phone Form, etc. It is impossible to judge the success of any part of the advertising program without having numbers to back up your assumptions.

Each type of marketing effort will have different expectations of results. Direct mailings for example typically do not have higher than a 1-3% conversion rate. Websites, door hangers and other types of advertising also have their own unique percentage of success. As you perfect your marketing campaign you will begin to set a baseline of expectations for each component. This will ensure that you direct your efforts to the most effective channels possible.

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CHAPTER 13: SALES AND PRICING

Chapter 13: Sales and Pricing

Introduction

Without sales, even the greatest are destined for failure. The following information is provided as a starting point in the development of a successful sales campaign. Each region and franchise will require a custom-tailored campaign to achieve the most effective results. A significant part of your time and effort will be spent developing, implementing, and refining the sales process.

Sales Procedure

Usually, these start from engaging with the potential customer to finishing the cash wrap: In our concept this is very easy. For residential services. You advertise your service online, people click on your ad, she is directed to a booking tool, she fills out the form and gets a confirmation message, we get the form in the office and schedule it. Assign it to the team and send her a payment request. She should pay at least an hour before her team heads over her place. Sometimes she needs more information and calls the office.

We answer all or her questions and close the sale most of the time in the same call. We have a detailed website where she can find all the information, even accurate prices. So, when she sends the booking form, she knows exactly what to expect about pricing and type of service. We can do a live demonstration with Katie if she needs more in-depth knowledge about our concept. For commercial service. If it is small (less than 2,000 square feet, we follow the same procedure above. If it is big, we set up an appointment to see the premises, do a walk through, estimate the hours a team of 2 people can take to finish it up, then send a written proposal to the prospect.

Phone Selling

Phone Scripts

- Greeting them: “Hey There!”
- Apologize for missing their call if it applies: “Sorry we missed your call. You can check OurServices, OurPrices, and BookOnline any time here: <https://www.ourmaids.com>”
- If it’s an invitation to book online: “Hi Lori, you can book your next service 24/7 on this link <https://www.ourmaids.com/Book-Online>”
- Please choose the right service and when answering the phone: “Thank you for calling Our Maids customer care center, how can we help you?” and more.

Booking Follow up & Reminder (All States)

- “Hi Nathan, we got your booking, thanks! Laura will clean your home per your request. Her ETA is 12 noon.”
- “Hi Nathan, we got your booking, thanks! We no longer do same day service”

No service follow ups

- “Hi Kacy, this is Celia with Our Maids Franchise. Got your booking, thanks! No teams available for today. Can we do it tomorrow?”

Reminder

- “Hi Clara, this is Antonio. Just a friendly reminder: Laura will clean your home tomorrow. Her ETA is 1:00pm.”

CHAPTER 13: SALES AND PRICING

Pricing Policies and Fees Structure

Researching your competition will provide valuable insight into determining how to price your services. Your company will not need to lowball competition in order to win customers. Our Maids, Inc. has worked hard to create a cutting-edge professional image that will allow for competitive pricing. The service you provide will often be a cut above the competition, given your education, training, and strict adherence to the principles of Our Maids, Inc.

Franchisees can set their own prices, but never lower than what we offer at the moment they acquire the franchise. Current prices are on our website. <https://www.ourmaids.com/fees> . Since it is a cleaning service, the prices are based on the market supply and demand and compared to other businesses same as ours. The profitability can be as high as 40%.

CHAPTER 13: SALES AND PRICING

Chapter 14: Insurance Requirements and Risk Management

General Insurance Coverage

A Our Maids, Inc. franchise must be insured in accordance with coverage types, amounts and the specifications of the franchise agreement, the operations manual, or otherwise in writing; however, it may vary from state to state.

Adequate insurance coverage is a prerequisite to opening the franchise business to the public. Our Maids, Inc. reserves the right to modify insurance requirements periodically and the franchisee is required to meet these new requirements.

Such policy or policies shall be written by an insurance company rated A-minus or better, in Class 10 or higher, by Best Insurance Ratings Service and satisfactory to Our Maids, Inc. in accordance with standards and specifications set forth in the manuals or otherwise in writing.

Franchisee insurance policies must name the franchisor and Our Maids, Inc. as additional insured parties. You must provide proof of insurance to Our Maids, Inc. before opening for business. Franchisee shall deliver to Our Maids, Inc. certificates of insurance evidencing the proper coverage with limits not less than those required hereunder, prior to providing the services licensed under this agreement, and thereafter at least thirty (30) days prior to the expiration of any such policy or policies, and of continued coverage during the term of this agreement. All insurance policies procured and maintained by the franchisee will name the franchisor, its officers, directors, employees, agents and partners, as additional insured (except the workers' compensation policy), will contain endorsements by the insurance companies waiving all rights of subrogation, and will stipulate that the franchisor receive copies of all notices of material alteration, termination, cancellation, non-renewal or coverage reduction or elimination.

You must have the following insurance coverage:

- **Comprehensive General Liability Insurance:** Purchase this covering the operation of the franchise, including Pollution and Professional Liability with a limit of at least \$1,000,000 for each occurrence.
- **Worker's Compensation Insurance:** Worker's Compensation insurance as required by statute or rule of the state in which the franchisee operates the franchised business staffed by more than the owner, as required by state law.

Additional Requirements and Obligations

1. Franchisee Must Provide Evidence of Coverage to Franchisor

Upon obtaining the insurance required by this agreement and on each policy renewal date thereafter, franchisee shall promptly submit evidence of satisfactory insurance and proof of payment to franchisor, together with, upon request, copies of all policies and policy amendments and endorsements. The evidence of insurance shall include a statement by the insurer that the policy or policies will not be cancelled or materially altered without giving at least thirty (30) days' prior written notice to franchisor.

CHAPTER 14: INSURANCE REQUIREMENTS AND RISK MANAGEMENT

2. No Limitations on Coverage

Franchisee's obligation to obtain and maintain, or cause to be obtained and maintained, the foregoing policy or policies in the amounts specified shall not be limited in any way by reason of any insurance which may be maintained by Our Maids, Inc., nor shall franchisee's performance of that obligation relieve it of liability under the indemnity provisions set forth in this agreement. Franchisee may maintain such additional insurance as it may consider advisable. Such additional coverage and higher policy limits as may reasonably be specified for all franchisees from time to time by the franchisor on the website, the manual, in Exhibit A hereto or otherwise in writing. Franchisee must maintain any and all other insurance required by applicable state or federal law.

3. Obligation to Obtain

The franchisee's obligation to obtain and maintain insurance policy or policies as specified by the franchisor, shall neither be limited in any way by reason of any insurance which may be maintained by the franchisor, nor shall the franchisee's performance of this obligation relieve it of liability under the indemnity provisions set forth in the franchise agreement.

Should franchisee, for any reason, fail to procure or maintain the insurance required by this agreement, as described from time to time by the manual or otherwise in writing, franchisor shall have the right and authority (but no obligation) to procure such insurance and to charge same to franchisee, which charges, together with a reasonable fee for franchisor's expenses in so acting, shall be payable by franchisee immediately upon notice from franchisor.

4. Failure to Maintain

Should the franchisee, for any reason, fail to procure or maintain the insurance required by the franchise agreement, as revised from time to time for all franchisees on the website, the manual, or otherwise in writing, the franchisor shall have the right, at its option, to procure such insurance and to charge the cost to the franchisee, which charges, together with a reasonable fee for the franchisor's expenses in so acting, shall be payable by the franchisee immediately upon the franchisee's receipt of written notice.

Risk Management

Operating a business in today's litigious society creates many unique challenges to you as a franchisee. Properly managing the level of risk with your business will yield both increased profits and stability. Managing risk covers many categories including employment, job site safety and product safety.

- Follow your franchisor's SOPs. Lawsuits typically arise where there is a difference between expectations of service. Handle concerns or complaints of the service agreement in an expeditious manner. While clear and truthful communication may create friction, it may help keep your business transactions from involving claims or litigation.
- Utilize your contracts. Doing business on a handshake in this day and age is strongly not recommended. We strongly advise that you have a business or contract attorney review each of your contracts to insure they are binding per the legal rules and regulations in your state. At a

CHAPTER 14: INSURANCE REQUIREMENTS AND RISK MANAGEMENT

minimum your contract should identify the client to whom the duty is owed, define the scope of the work, define the responsibilities of the client, clearly explain the financial remuneration, and explain what constitutes the termination of the contract.

- Develop a corporate structure that protects against anticipated risks or legal exposure. Understand all assets that need to be protected. Seek the assistance of an experienced corporate attorney who will help set up your corporation. This includes proper insurance products that have been previously discussed.
- Determine the business-worthiness of all clients. Some clients are simply not worth the risk. It is recommended that you develop a simple screening process or a few questions to determine key items like credit risk, safety concerns and clients that may pose a liability risk for your employees.

Managing Risk at Job Site

The following information is presented to Our Maids, Inc. franchisees solely as an educational tool to facilitate the importance of safety and identify key safety at your location. Many states regulate health standards and related safety issues. The federal government also regulates employee safety through the Occupational Safety and Health Administration (OSHA). Some aspects of your work will fall under OSHA guidelines. Our Maids, Inc. will inform you of any changes from the federal government, but it is the responsibility of the franchisee to stay informed of the rules and regulations that affect your business at the local level.

Site Security

Most security issues will involve burglary or petty theft of company property during off-hours. The potential also exists for more serious crime through robbery during business hours or even at job sites. Security issues are directly related to safety, so the highest effort should be made to adhere to franchise policies on security and prevention. Determining smart policies that become part of the SOPs is the best way to ensure your franchisees are aware of the importance of such policies.

Reporting Incidents

In addition to informing local police and authorities about crime or suspicious activity, Our Maids, Inc. requires any incident involving company employees, property, or customers and job sites be reported immediately after the incident. This may require you to place an emergency phone call to the franchise hotline and submit the required forms.

Establishing an emergency hotline is also recommended to advise your franchisees during an event that may have adverse effects or long-term consequences for the business. You want to give your franchisees every opportunity to maintain business continuity.

CHAPTER 14: INSURANCE REQUIREMENTS AND RISK MANAGEMENT

Chapter 15: Corporate Structure and Financing

Setting Up Your Entity

Before you begin operating your Our Maids, Inc. franchise, you will need to form an entity to serve as the operator. An entity is a legal fiction that allows a business to take on a separate existence, apart from its owners, even though the owners still control the business.

Whatever the business type, you must make sure the name you select is not currently used by another business. There are several organizations that can help you search. The State Department of Revenue or the Secretary of State Offices are good places to start. Some states will also have a business license database that is searchable. The database can help you determine if the name you selected for your business is already taken. Registered names at the federal level can be searched via the US Patent and Trademark Commission.

Legal Business Structure

After successfully naming your business entity you need to determine how to organize the business legally so you can register it and apply for the required licenses. What are legal structures and what type(s) should you consider? C-corporations, S-corporations, limited liability companies, sole proprietorships, and partnerships are some of the more common options for business legal structures. There are differences and similarities in each that can dramatically affect the future of your company. Failing to structure your business in the most appropriate way (given your goals) can lead to negative outcomes, including higher than expected tax payments, excessive administrative work and costs, and unexpected loss of your personal assets.

There are three key issues that differentiate the various types of business structures. By understanding these core issues first, you will be able to understand the advantages and disadvantages of each type of structure.

1. Taxes: How many times will I pay tax?

1. It is not a matter of if you will pay tax, but rather how many times you will pay tax. Certain structures are called pass-through entities, and income and losses are literally passed through from the business to the individual for tax purposes. Other structures form a separate tax entity that is taxed by itself. Then, when earnings are distributed, the owner is taxed again on that income.

2. What about liability?

If you drive your car into another car, then you are liable for damages. Who is liable for the possible damages and debts incurred by your business? It depends on the type of structure. Some structures will limit your liability to your investment, others will make you and your personal possessions liable for the damages and debts of the business.

You could lose everything you own in your business and in your personal possessions. This means your car, your house, your personal bank account and more. Your business can incur damages in any number of ways. For example, if you end up going bankrupt and still have outstanding bills, the creditors will come after your personal assets. Also, if a driver for your

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company accidentally kills a pedestrian, your business can become liable. Depending on the business structure, your personal possessions may also be at risk.

3. What about the time and cost to set up?

How much time, effort, and money will it cost you to set up and run the company? Some structures are very costly in this sense while others are relatively low maintenance. While the first two issues (taxes and liability) are more important overall, administrative costs should not be overlooked. The costs of both money and time can be cumbersome, especially for a startup with fewer resources. These expenses include tax filing requirements, complexity of startup documentation with appropriate agencies (i.e. articles of incorporation), and both federal and state laws dictating necessary behaviors of the business.

Types of Structures

Sole Proprietorship

A sole proprietorship is a legal form of business that makes no legal distinction between the individual owner and the business itself. The owner of a sole proprietorship reports all business transactions of the proprietorship on Schedule C of form 1040. Income and expenses of the proprietorship retain their character when reported by the proprietor. For example, ordinary income of the proprietorship is treated as ordinary income when reported by the proprietor, and capital gains are treated as capital gain.

Advantages:

- Administrative setup and maintenance costs are low
- Relatively few regulatory requirements
- **Owner is only taxed once on their personal income tax return**

Disadvantages:

- Owner is personally liable for the actions of the company
- Can be difficult to raise capital for the business

Partnership

A partnership is an association of two or more persons to carry on a trade or business, with each contributing money, property, labor, or skill and with all expecting to share in profits and losses. For federal income tax purposes, a partnership includes a syndicate, group, pool, joint venture, or other unincorporated organization through which any business, financial operation, or venture is carried on. The entity must not be otherwise classified as corporation, trust, or estate.

Partnerships are not subject to income tax. A partnership is required to file Form 1065, which reports results of the partnership's business activities. Most income and expense items are aggregated in computing the net profit of the partnership on Form 1065. Any income and expense items that are not aggregated in computing the partnership's net income are reported separately to the partners. The partnership net profits, and separately reported items are allocated to each partner according to the partnership's profit-sharing agreement and the partners receive separate K-1 schedules from the partnership. Schedule K-1 reports each partner's share of the partnership net

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profit and separately reported income and expenses items. Each partner reports these items on their own tax return.

Advantages:

- Administrative setup and maintenance costs are low
- Relatively few regulatory requirements
- Owner is only taxed once on their personal income tax return

Disadvantages:

- Owner is personally liable for the actions of the company
- Each partner is responsible for the business dealings of other partners. This is very important to understand. If Partner A enters into a very bad deal under the name of the partnership, then all other partners are responsible for making good under that contract. Consequently, selecting your partners is of crucial importance.

Other comments: The partnership agreement is the rule book of the partners. This can be drafted with the help of a qualified lawyer to help the partnership deal with such issues as:

- Initial investment of partners
- Distribution of profits and losses
- Each partner's responsibilities
- New partner entrance into partnership
- Old partner exit from partnership

Limited Liability Partnership

Similar to a general partnership, but with a separate classification of partners. A limited partnership is comprised of a general partner and multiple limited partners. Unless special rules apply, only the general partners are liable to creditors; each limited partner's risk of loss is restricted to their equity investment in the entity. Limited partnerships will likely be used for real estate development activities, so investors are protected against losses in excess of their investment.

C-Corporation

A C-corporation is a legal form of doing business that creates a separate legal entity from the individual owners. This legal entity can act and do business on its own just as a person would (i.e. borrow money, enter into lawsuits and contracts, etc.)

Advantages:

- Shareholders are not personally liable
- Ownership is easily exchanged between individuals
- Company does not cease to exist with the death of owners
- Easy structure for which to raise capital

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Disadvantages:

- Owners are taxed twice
- High administrative costs to set up and run
- More regulatory requirements than other structures

S-Corporation

An S-corporation is a type of corporate legal form that is taxed like a sole proprietorship. Its formation is subject to certain legal criteria such as a maximum number of shareholders.

Advantages:

- Owners are only taxed one time
- Shareholders are not personally liable

Disadvantages:

- Higher administrative costs to set up and run than partnerships and sole proprietorships. More regulations than partnerships and sole proprietorships. Certain limitations on who can be an owner (U.S. citizens, etc.)

Limited Liability Company (LLC)

An LLC is a hybrid legal form of business that is taxed like a sole proprietorship with the same liability protection of the corporate structure.

Advantages:

- Owners are only taxed one time
- Shareholders are not personally liable

Disadvantages:

- Higher administrative costs to set up and run than partnerships and sole proprietorships
- More regulations than partnerships and sole proprietorships
- Limited life of entity (usually limited to 30 years)
- LLC laws are not uniform and therefore doing business in multiple states as an LLC can be complex

Other comments:

- No restrictions on the number of owners (S-corps limited to 75 owners)
- Can have non-U.S. citizens as members (S-corps cannot)
- More flexibility in distributing income (S-corps' percentage of ownership determines the amount of pass-through income)

LLC Relative Disadvantages Over S-corporations:

- Need at least two people to form an LLC (S-corps only need one person)
- Limited life (S-corps are perpetual)

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- LLC members need other members' approval to sell their interest (S-corps owners need no such approval)
- LLC may have to pay more self-employment taxes than S-corps due to IRS regulations forcing active LLC members to pay self-employment taxes on both salary and distributions from the company, as opposed to S-corps members who do not have to pay taxes on distributions.

Setting Up a New Corporation

Reserve your corporate name with your state's Secretary of State; file Articles of Incorporation; file for Federal and State Tax Identification Numbers; file for trade name.

Procedures for filing Articles of Incorporation vary from state-to-state and the fees range from approximately \$85 to \$500. The online site TheCompanyCorporation.com lists fees for filing Articles of Incorporation by state. Most states now have online information available in addition to a toll-free number. Additionally, if time is of the essence in filing your incorporation papers, or if you prefer someone walk the papers through the process, there are businesses in your state capitol city that specialize in these matters. You will receive a federal tax number after filing the federal Employer Identification Number (EIN) form. You will need to purchase a 'corporate kit' that will include your corporate seal and original shares.

You will have both a corporate name and a trade name. Your corporate name is personal and unique to your particular business, while your trade name (also called fictitious name) is specific to the company. Your corporate name should not reflect any part of the wording of the trade name of the franchise. In most states, you may now search an online database to be certain you are not duplicating the fictitious name of another business, which may be trademarked. Contact your state corporation office by telephone if you cannot access an online site. You will fill out a sworn statement listing the name to be registered, mailing address of the business, name, and address of each owner or, if a corporation, the FEIN and state incorporation or registration number. Many areas require publication of an ad under the fictitious names column in the legal notices area, classified advertising section, of your official county newspaper. This is your official announcement that you, acting under your corporate name, intend to operate a business 'also known as' (aka) your trade name.

The types of federal taxes you will pay may include income, federal income tax withholding, Social Security, Medicare, FUTA, excise, etc. The Internal Revenue Service can be contacted for information on tax matters at 800-829-1040 or online at www.irs.gov. The IRS issues a variety of publications and other aids to assist you in complying with tax laws, including forms.

The procedure for acquiring a state tax number is also specific to your state. The types of state taxes you will pay may include tax on income, sales, capital gains, unemployment, etc. Contact your state revenue office either online or by calling its toll-free number. Request any publications available on state tax matters, as well as forms.

Most counties and local governments also levy taxes that you are responsible for paying. Contact your county and local governments for information on these matters and forms.

It is highly recommended that you engage the services of an attorney for the above procedures, preferably one experienced in corporate matters with a specialty in franchising. You should also engage the services of an accountant to assist you in setting up your corporation for operational and

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tax efficiency. Your choice of an accountant should be based in part on computer software compatibility. The costs incurred by engaging these two professionals will be more than offset by the advantages gained in using their expertise.

Assumed Name Certificate/DBA

Regardless of whether you will operate the franchised business as a sole proprietorship, a general partnership, or an LLC, you must file an assumed name certificate with the appropriate governmental office. The assumed name certificate is sometimes called a trade name certificate, a fictitious business name certificate, or a DBA registration. The appropriate governmental office is usually the county clerk, but you may be required to file at the state level and/or the city level. The purpose of this filing is so that the general public will be informed of the registered agent for a business and where official contact with the business can be made.

Generally, the required information includes the name of the business, the street address of the business, the name of the business owner(s), the type of business to be conducted and the expected period of operation. The expected period of operation should correspond to the initial term of the Franchise Agreement. Usually, each owner must sign the certificate and all signatures must be notarized. Fees generally range from \$10 to \$100. In some jurisdictions, you will need to place a fictitious name notice in a local newspaper for a certain amount of time.

Legal Status of Franchisee

It is important to understand and further define the relationship between Our Maids, Inc. (franchisor) and you (franchisee). While we share common goals, abide by common principles, and ultimately exist on some level for each other's benefit, we are not acting in the capacity or role of employer and employee, principal and agent, or general and limited partner.

We are a licensor, and you a licensee, of intellectual property. We have knowingly and voluntarily entered into an interdependent relationship, each depending on the other for success. We believe that the financial output of working together will far exceed that of going it alone. We must stay loyal to each other and respect each other, always searching for ways to strengthen the bond that exists. Complete transparency and open communication are the keys to our success.

Financing Arrangements

Financing is your responsibility. Our Maids, Inc. does not finance or guarantee the obligations of the franchisee. In the future, we may elect to offer limited financing to the franchisee. Please contact Our Maids, Inc. for more information.

The initial franchise fee is refundable only by the terms and conditions outlined in the Franchise Agreement.

Financing Alternatives

For most, the initial startup cost of a Our Maids, Inc. franchise is a lot of money. Do not panic – here are all the steps on the way to getting your Our Maids, Inc. franchise financed:

Your Personal Resources: Conduct an assessment of your own resources before you launch into your search for capital from banks or other lending institutions. First, prepare a personal financial statement (on a generic form from your bank or an office supply store, or by using your personal

CHAPTER 15: CORPORATE STRUCTURE AND FINANCING

accounting software). You will use it over and over again as you line up your financing. Also, make copies of your tax returns for the past two years – both a lender and a franchisor providing financing will want to see them. If your Uncle Doug once offered to back you in business, give him a call and take him to lunch. Be sure of what you can count on – you cannot afford to go into the business with flimsy promises.

Your Accountant: If you do not have an accountant, it is time to get one. Ask for references from friends and family and find an experienced one who has handled small businesses (Tip: ask existing franchisees in your area for references). Arrange a preliminary interview, discuss your plans, and show the accountant your personal financial statement, the investment estimates from Item 7 of the FDD and any Item 19 earnings claim information in the FDD. Talk about how you can calculate a cash-flow picture of the business you are planning and how much financing you need. Ask the accountant to recommend a banker they have dealt with; usually accountants have great leads for their clients.

The Franchisor: One thing can be said for franchising as a method of expanding business: It has developed a tried-and-true path for the individual investor. Financing is an important part of that path. In about 30 percent of all systems, the franchisor itself will provide financing directly or through a third-party lender. If this is available from your franchisor, it is laid out fully in Item 10 of the FDD. Even if the company does provide financing, it is likely to be for only a portion of your total needs.

The Bank and Specialty Franchise Lenders: It is fair to say every small business needs a solid banking relationship. Even if you do not find financing at your local bank, you will need to build a day-to-day service relationship. The place to start is the bank where you do your personal banking. Talk to a banker about your plans and explore their programs.

CHAPTER 15: CORPORATE STRUCTURE AND FINANCING

CHAPTER 16: TRADEMARKS AND TRADE SECRETS – PROTECTION POLICIES

Chapter 16: Trademarks and Trade Secrets – Protection Policies

Though service-based businesses often depend less on patents than other types of companies, protecting your trademarks and trade secrets still requires diligence.

Patents, Copyrights and Proprietary Information

Intellectual Property (IP) is a general term for patents, trademarks, and ideas that are unique and proprietary to an individual or business. Protection for IP is granted through the issues of patents, licenses, trademarks, etc. For the most part there are no issues for franchisees to manage with regard to patents, trademarks, or Intellectual Property.

Our Maids, Inc. does claim copyright protection of our company name, manuals, franchise-related advertising and promotional materials, recipes, cleaning agreements, forms, and related materials that we produce. These materials may not have been registered with the Copyright Office of the Library of Congress, but the materials are proprietary and confidential. You may use them only as long as you are a franchisee, and only as provided in the franchise agreement.

There are currently no effective determinations of the Copyright office of the Library of Congress or any court regarding any of our copyrighted materials. There are no agreements in effect that significantly limit our right to license the copyrighted materials. We are not aware of any infringing uses of these materials that could materially affect your use of these materials. We are not required by any agreement to protect or defend our copyrights.

We will be disclosing to you certain information we believe to be confidential or proprietary information and trade secrets. This will be information contained in our manuals and in material separately provided to you. You may use these materials, in the manner we approve, in the operation of your business during the term of the Franchise Agreement. However, you may not use these materials in any other way for your own benefit or communicate or disclose them to or use them for the benefit of any other person or entity. These materials include any trade secrets, knowledge, know-how, confidential information, advertising, marketing, design, plans, or methods of operation. This includes information about our sources of supply, and our recommendations on pricing. You may disclose this information to your employees, but only to the extent necessary to operate your business, and then only while the franchise agreement is in effect.

Trademark Usage and Guidelines

The franchise agreement gives you the right to operate a business under Our Maids, Inc. Names and Marks. You must follow our rules when you use our Marks. You may not use any of our Names or Marks (or the names and marks of any Our Maids, Inc. company) or derivative thereof as part of your corporate name or with modifying words, designs or symbols, except those we license to you. You may not use any of our Names or Marks for the sale of any unauthorized products or service or in a way we have not authorized in writing.

You may not directly or indirectly contest our right to our trademark, trade secrets, or business techniques that are part of our business.

CHAPTER 16: TRADEMARKS AND TRADE SECRETS – PROTECTION POLICIES

On March 21, 2022, we filed an application to register the service mark “Our Maids, Inc. ®” on the principal register of the United States Patent and Trademark Office (USPTO). On _____, we received registration of the service Mark in the United States Trademark Office. All affidavits required to preserve and renew this Mark have been filed. There are no agreements limiting our right to use or license the use of our Names and Marks. If you learn of an infringement or challenge to your use of our Names and Marks, or unfair competition with your use of our trademark, you must notify us immediately. We will take the action we think is appropriate. We are not obligated, by the franchise agreement or otherwise, to protect your right to use any Names and Marks. However, we will protect you against claims of infringement or unfair competition that might be made against you from your use of our Names and Marks as long as you are using them properly. We may, in this situation, take any action we deem appropriate to handle the claim.

There are currently no effective determinations of the U.S. Trademark Office, Trademark Trial and Appeal Board, the Trademark Administrator of any state, or any court, or any pending infringement, opposition or cancellation proceedings, or any material litigation, involving our principal Names and Marks.

We may adopt new Marks at any time or change our existing Names and Marks. If we adopt new Marks, or change our existing Names and Marks, you must use the new or modified Names and Marks and discontinue the use of any Marks we decide to change or discontinue. We will give you sufficient notice to allow you to use any trademark stationery and marketing materials you bought in the last 90 days that will become obsolete or, at our option, we will purchase those materials from you at cost.

As a Our Maids, Inc. franchise, the Names, Marks, and Trade Secrets associated with the business are critical to the success of your business. It is important to carefully protect these, following the guidelines outlined in the Franchise Agreement. Remember that you should not use the Names or Marks associated with Our Maids, Inc. as any part of your legal name.

Your key employees who will have access to any of Our Maids, Inc.’s trade secrets are required to sign an employment agreement containing non-disclosure and non-compete covenants for a reasonable period of time before, during and after employment.

Examples of Trademark Misuse

- Failure to comply with Our Maids, Inc.’s instructions on filing and maintaining a trade name or fictitious business name in your state and local jurisdiction
- Use of the mark in your corporate or other legal name
- Using the license or trademark to incur or fulfill an obligation or indebtedness
- Use of the trademark in any manner that is inconsistent with the provisions of the franchise agreement without the express written consent of Our Maids, Inc.
- Identifying yourself, business, or legal fiction as the owner of the trademark
- Failure to identify yourself as a “licensee of the trademark” on any invoices, order forms, business stationery, receipts, or other printed material used in the operation of the franchised business

CHAPTER 16: TRADEMARKS AND TRADE SECRETS – PROTECTION POLICIES

CHAPTER 16: TRADEMARKS AND TRADE SECRETS – PROTECTION POLICIES

CHAPTER 17: RENEWAL, TRANSFER, AND CLOSING

Chapter 17: Renewal, Transfer, and Closing

Conditions of Renewal

After expiration of the term of the Franchise Agreement, if franchisor has made a business decision, in franchisor's sole discretion, to continue the Our Maids, Inc. franchise system in franchisee's area, franchisee will be permitted to renew franchisee's Franchise Agreement, but only upon the following terms and conditions:

- Franchisee must be current in payment of all fees and charges to franchisor and any of its related companies and must not have made more than two late payments within the last three years for which franchisor gave written notice(s) of breach, which notice(s) were not withdrawn by franchisor.
- Franchisee must not be in material breach of the Franchise Agreement or of any other agreement between franchisor and franchisee and must have substantially complied with the operating standards and other criteria contained in the Manual or otherwise communicated in writing by franchisor.
- Franchisee shall pay a renewal fee of \$2,500, payable in full at the time of execution of the Franchise Agreement referred to in sub-paragraph 9.01.04;
- Franchisee shall execute the then-current form of Franchise Agreement, which may differ in material ways that are not reasonably foreseeable at this time, but may include material differences in territorial boundaries and economic terms, including the amount of royalties and national marketing fees or entirely new categories of fees or mandatory expense;
- Franchisee must maintain possession of the premises identified in Exhibit A for the renewal term or obtain substitute premises approved by franchisor.
- Franchisee, at franchisee's sole cost and expense, shall remodel or refurbish the premises and otherwise modernize and renovate the premises, signs, and equipment to be consistent with the then current image of the system and to meet franchisor's then-current specifications.
- Franchisee shall give written Notice to franchisor at least thirteen months, but not more than eighteen months, prior to the end of the term of the Franchise Agreement of franchisee's desire to renew; and
- Franchisee must not, during the preceding term, have engaged in any business dealings in relation with the licensed business or the franchisee which are unethical, dishonest or otherwise could cause harm to the Marks, franchisor, any other franchisee, the goodwill associated with the Marks, or to any client, client or vendor of franchisee, franchisor or of another franchisee.

Continuation

If, following the termination or expiration of this agreement for any reason, whether voluntary or involuntary, franchisee continues to operate the licensed business or occupy the premises with the express or implied consent of franchisor, but without a renewal franchise agreement, such continuation shall constitute a month-to-month extension of this agreement and shall be terminable by either party upon the lesser of (a) thirty (30) days written notice or (b) such shorter notice by franchisor as would otherwise be applicable in a termination for cause. Franchisee acknowledges and

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agrees that such continuation shall be good cause for termination of the Franchise Agreement. Both parties shall continue to be subject to all terms of this agreement during any such continuation period.

Assignment or Transfer

Prior Consent

Franchisee shall not assign, transfer, sell, sublease, sublicense or encumber (hereinafter collectively referred to as "Assign" or "Assignment"), in whole or in part this agreement, the franchisee, the licensed business, any option or first right of refusal relating to this agreement, the franchisee or the licensed business, the assets of the licensed business or the leasehold of the licensed business or represent to any person that such an Assignment has been made without franchisor's prior written approval. For purposes of this Paragraph 12.01, the terms "Assign" or "Assignment" shall include any assignment, transfer, sale or encumbrance of any shares of stock of a franchisee that is a corporation, any partnership interest of a franchisee that is a partnership, any membership interest of a franchisee that is a limited liability company, and any equity or ownership interest or rights in any other form of entity. Any attempted Assignment without franchisor's prior written consent shall be void and a breach of this agreement.

Conditions of Assignment

As preconditions for obtaining franchisor's consent to an Assignment, at least the following terms and conditions must be met:

- Franchisee must be current in payment of all fees and charges to franchisor and any of its related companies.
- Franchisee must not be in material breach of the Franchise Agreement or of any other agreement between franchisor and franchisee.
- Franchisee must have paid in full all debts in connection with the licensed business.
- The assignee must have agreed to assume all of the obligations of the licensed business.
- The assignee must execute a disclosure form containing a waiver and release of any claim against franchisor for any amount(s) paid to, or representation(s) made by franchisee or any omission by franchisee to disclose facts, material or otherwise.
- Franchisee must execute, at franchisor's option, a mutual termination of the Franchise Agreement and a general release, or an assignment of the Franchise Agreement and a general release, and an agreement to defend, hold harmless and indemnify franchisor from any claim by the assignee in form specified by franchisor, the current version(s) of which are attached as Exhibit J;
- The assignee must pay to franchisor a transfer fee in an amount that's the greater of 25% of then-current franchise fee or of the sale price and execute, at franchisor's option, the then current form of Franchise Agreement or an assumption of the Franchise Agreement (in any event providing for the same royalty and national marketing fees as contained herein, for the balance of the term hereof);
- The assignee must, in the sole opinion of franchisor, successfully complete the then current initial training program at the assignee's sole cost and expense.

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- The assignee must have met the then current standards of franchisor for experience, financial strength, reputation, and character required of new or renewal franchisees.
- The assignee must obtain such approvals as may be required to assume occupancy and possession and the continuing obligations relating to the lease or possession of the premises, unless a new location has been approved in writing by franchisor; and
- Franchisor must have been given at least thirty (30) business days written first right of refusal by franchisee, upon the same terms as those agreed upon by franchisee with any proposed assignee; provided, however, franchisor may substitute cash of equivalent value for any non-cash term. In the event franchisor waives or fails to exercise its right of first refusal, if franchisee thereafter agrees to accept a revised offer, regardless of the nature of the revision, franchisor shall have a new right of first refusal hereunder on the new terms.

Assignment to an Entity

Notwithstanding the foregoing, if franchisee is an individual, franchisee may assign the Franchise Agreement to an entity, as defined in Article 11, formed under the laws of the state where the licensed business is located, which is wholly owned by franchisee; provided that the individual franchisee shall first provide written notice of the assignment to franchisor and shall personally guarantee the performance of the Franchise Agreement. If franchisee is an entity, franchisee may assign the Franchise Agreement to another entity, formed under the laws of the state where the licensed business is located, of the same or different form, which has exactly the same ownership, including percentages of ownership as franchisee, provided that each of the individual equity or other owners of the new entity shall personally guarantee the performance of the agreement. The personal guarantee shall be in the form of Exhibit G hereto. No assignment under this paragraph shall change or limit the liability of any person or entity under the Franchise Agreement. Franchisee shall pay to franchisor a processing fee of five hundred dollars (\$500.00) for an assignment pursuant to this paragraph 12.03.

Approval Process

Franchisor may use its own discretion in approving or rejecting prospective transferees in the same manner as if it was approving or rejecting any other new prospective franchisee, taking into consideration such factors as their financial ability, character, business reputation, experience and capability to conduct the type of business involved. The approval of one Assignment does not obligate franchisor to approve any other or subsequent Assignment. If franchisee is an entity, notwithstanding any statute or agreement to the contrary, the addition, withdrawal or expulsion of any equity or other owner or the transfer, encumbrance or assignment of any equity or ownership or control interest of any equity or other owner or the dissolution or reorganization of the entity for any reason is subject to the same considerations as any other Assignment.

Transfer by Franchisor

There shall be no restriction upon franchisor's right to encumber, transfer or assign the Franchise Agreement or the system. Following such a transfer or assignment, franchisor shall have no further obligation or liability to franchisee hereunder or otherwise so long as the assignee or transferee agrees to assume all of franchisor's liabilities and obligations to franchisee. Upon franchisor's request, franchisee shall execute and deliver a certificate to franchisor, as described in Paragraph 21.05, in connection with an anticipated transfer or financing procedure by franchisor. Franchisee agrees to accept any transferee of franchisor, including any sub franchisor and perform for such transferee the same as for franchisor.

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No Sublicensing

Franchisee shall not, directly, or indirectly, sublicense or attempt to sublicense the Marks or the system or any part thereof to any person or entity for any purpose. Any attempted or purported sublicense shall be void.

Termination

Franchisor may terminate the Franchise Agreement per section 17 of your franchise disclosure document.

CHAPTER 17: RENEWAL, TRANSFER, AND CLOSING

Chapter 18: Expansion and Relocation Requirements

Franchise Expansion, New Territory, Resale Purchase or Territory Expansion

This section reviews the procedures related to expanding your business through acquisition of a new territory or resale purchase or through geographic expansion of your existing territory. Any expansion to a current Our Maids, Inc. requires approval by Our Maids, Inc. Once the process is completed and all necessary information, is submitted, Our Maids, Inc. we will review and contact you with a decision within 30 to 60 days of submission of all materials. Operations and Franchise Development will be happy to answer any questions you may have. The process and procedures to obtain expansion approval as follows:

1. Contact Our Maids, Inc. Operations and Franchise Development Department to discuss your interest in expanding
2. Speak with whoever is in charge of Franchise Development on the availability of new territory and/or geographic expansion areas
3. Develop a business plan for this addition and indicate the impact it will have on your current business. The business plan should include the following:
 1. Demographic analysis of the decision
 2. Staffing plan
 3. Marketing strategies
 4. Service specifics: Hours of operation, services offered etc.
 5. Projections for revenue and costs for new venture

CHAPTER 18: EXPANSION AND RELOCATION REQUIREMENTS

THANK YOU FOR FRANCHISING WITH OUR MAIDS, INC.!

Thank You for Franchising with Our Maids, Inc.!

To conclude your operations manual, we would like to thank you once again for believing in the Our Maids, Inc. franchise opportunity! We are very optimistic that your commitment and dedication to help Our Maids, Inc. thrive will result in fruitful, long-term success as a franchisee and an entrepreneur! Remember, if you have any questions after reading this manual, please reach out to the franchise support team – we are always here to help.