

EXPAND YOUR BOUNDARIES

Franchisee Brochure





FRANCHISING OVERVIEW

7-Eleven is a leading international chain of convenience stores, headquartered in Irving, Texas, that operates, franchises, and licenses some 56,600 stores in 18 countries. In 1988, 7-Eleven Singapore introduced its first franchised store and offered entrepreneurs the unique opportunity to start their business based on a proven framework and methodology developed by 7-Eleven.

Successful applicants are given a complimentary three-month training programme together with their employees. Throughout their retail journey, franchisees also enjoy the constant support of the company's Field Consultants.

With its proven business model and popular quality products, 7-Eleven is an award-winning franchisor with over 50% of our stores managed by individual franchisees. 7-Eleven adopts an open culture in the operations of its business, and embraces new business ideas and innovation to support the franchise.



THE PROVEN FRANCHISE MODEL

The 7-Eleven Franchise System is a successful retail operation with a globally renowned brand. The initial cash investment is reasonable, and franchisees receive assistance and support throughout the franchise period.

7-Eleven franchisees are independent entrepreneurs who operate a 7-Eleven store through a 5-year contractual agreement.

7-Eleven Franchisee Business Model

Gross Profit	-	Gross Profit Share for 7-Eleven	-	Franchisee Operating Expenses	=	Franchisee's Net Profit
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TURNKEY STORE OPERATIONS

7-Eleven bears the initial site development cost, which includes renovations, fixtures and store equipment. The store is then managed by 7-Eleven for at least a year, producing an actual Profit & Loss (P&L) indication. Potential franchisees will evaluate the P&L statements before investing. The franchisee then takes over a fully equipped 7-Eleven store with an existing track record.

7-Eleven will also finance the franchisee's continuing operating expenses up-front and provide all franchisees with bookkeeping services.

AWARDS

FRANCHISEE
OF THE YEAR

(2008, 2013, 2014,
2015 & 2016) by
FLA Singapore

FRANCHISOR
OF THE YEAR

(2005 & 2016) by
FLA Singapore

WHY
CHOOSE US**We offer a comprehensive Franchisee Training Programme (FTP)**

A 12-week training program has been established to ensure franchisees learn how to operate and manage a 7-Eleven store independently with confidence. The complete training package includes the 'know-how' of in-house administration, operations, management and team member training.

We are a proven global brand with leading quality products

7-Eleven is a recognised brand supported by loyal customers, innovative new products and marketing initiatives. We regularly conduct market research in consumer trends, product quality and future market demand to meet the ever-changing challenges of the retail landscape. We also invest in new product development and ongoing store innovation to ensure the continued success of our franchisees.

You're in the Business "For Yourself" and not "By Yourself."

The 7-Eleven system offers group support, buying power, and continued open and honest communication. It also provides robust merchandising, marketing and advertising support to all franchisees to ensure 7-Eleven is always top of our customers' minds.

We offer a unique self-calibrating and structured Gross Profit Sharing Model

Most franchisors take royalties on sales but 7-Eleven has a different business model. The unique 7-Eleven profit sharing model offers downside protection and also maximises profits in any sales environment.

We help franchisees to save

7-Eleven franchise model assists franchisees with Net Worth accumulation for up to a maximum of SGD\$50,000, through the accumulation of the monthly net profits. Franchisees may wish to retain beyond the maximum amount at their option.

We offer cash flow drawings

Franchisees can receive monthly cash flow drawings of any excess amount the maximum accumulated Net Worth.

We offer consultancy services

A dedicated Field Consultant will visit your store on a weekly basis. The Field Consultant will coach the franchisee on how to improve sales, business profitability, general management methodology and assist with communications and upholding standards. These regular consultations will help the franchisee and ensure that the Support Office is always made aware of any developments in the business.

We offer training for your team

7-Eleven stores employ a minimum of 4 to 6 team members. Selecting and employing the right people to run a successful business is a big task. That is why we provide you with team member recruitment criteria and guidelines, along with complimentary training.

We provide payroll services

7-Eleven already has a system in place to handle staff payroll. This relieves the franchisee of the heavy burden required by this administrative work.

We provide effective marketing programmes

7-Eleven designs effective marketing programmes to attract consumers and offers the right strategies to boost sales.

We provide financial management services

7-Eleven offers bookkeeping services and provides financial statements for the franchisee's convenience to analyse the store's sales performance.

We provide equipment repair and maintenance

7-Eleven provides all equipment including air-conditioners, freezers, shelves, cash registers, etc. Franchisees will be responsible for the reporting of any breakdowns in the equipment and to request for the proper maintenance and repair works.

We offer cost-effective entry price for the franchise

7-Eleven has one of the lowest initial Franchise Fee (depending on the store's performance) and Capital compared to other franchise businesses in Singapore.



WHAT IS THE INVESTMENT

The payments to be made include:

- 1) A one-time initial Franchise Fee to 7-Eleven starting from SGD\$30,000, depending on each store's performance.
- 2) An initial capital of SGD\$40,000 to 7-Eleven for the cost of the store's initial inventory, supplies, business licences, permits and cash register fund.

7-Eleven offers no financing of any kind, and full payments must be made after signing the Franchise Agreement.



DAILY OPERATIONS

The franchisee is responsible for ordering, inventory management, control of cash variations, hiring and training, and other controllable in-store expenses (as can be seen in the table below).

7-Eleven maintains an 'open-account' for each franchisee. This revolving account is credited with each day's receipts and debited with the store's purchases, operating expenses and other activities.

7-Eleven's use of the Gross Profit Share

- Property & building rent
- Cost of all Assets / Equipments
- Marketing
- 50% of utilities

Franchisee's Operating Expenses

- Staff payroll
- Inventory & cash variation
- Bad merchandise
- 50% of utilities
- Licences & permits
- Miscellaneous expenses



BECOME A FRANCHISEE

1 BASIC REQUIREMENTS

- Singaporean or Permanent Residents above 25 years old
- GCE 'O' level qualifications or equivalent and above
- Good interpersonal skills
- Keen business sense
- Excellent credit and able to fulfil financial requirements
- Able to recruit, manage and motivate own team members
- Able to manage the business full-time and not operate another competing business
- Apply as a Sole-Proprietor and be a GST registered business
- At ease using e-technology and equipment
- Preferably with managerial or supervisory experience
- No retail background necessary as training is provided
- Effectively embrace change in a fast-paced retail business environment
- Willing to put in hard work with the franchisor's guidance

2 YOUR QUERIES

Should you have any query regarding our franchise business or require more information, please do not hesitate to contact us at 6891 8230 / 6891 8231 / 6891 8220 or email us at franchise@7-eleven.com.sg.

3 FRANCHISE APPLICATION SUBMISSION

Once you have fully understood all the necessary conditions, please download the application form from our website at **www.7-eleven.com.sg/franchise** for our evaluation. Within two weeks we will inform you if you have been successfully shortlisted to attend our exclusive Franchise Presentation for more information on our franchise business.

4 ASSESSMENT

Once you are selected to attend the Franchise Presentation, we will continue to assess your suitability to become a 7-Eleven franchisee. This will be conducted through our Feedback Form and Personal Interviews.

5 REVIEW

Once you have been selected as a 7-Eleven franchisee, we will provide you with a list of 7-Eleven stores that are available for franchise together with their respective Profit & Loss statements for your review.

6 TRAINING

Once you have selected the 7-Eleven store to franchise, we will provide you with a disclosure document to attend the Franchisee Training Program and collect a one-time SGD\$5,000 Training Deposit.

7 TAKING OVER A 7-ELEVEN STORE

Two weeks before the completion of your training program, you will be required to present a Business Plan to the CEO of 7-Eleven Singapore. Upon approval of your Business Plan, you will need to furnish the full payments for the Franchise Fee and Initial Capital. Together with the payments, you will enter into an agreement with 7-Eleven by signing the Standard Franchise Agreement document.

Upon completion of all payments and execution of the Agreement, you will take over the selected franchise store on the 1st day of the month.



A WORD FROM OUR FRANCHISEES

Some of 7-Eleven's most experienced and successful franchisees share their thoughts and experiences below.

RICHARD LIM

(Franchisee of the Year 2015)

7-Eleven has a clear direction that I believe in — the need to be different from our competitors, especially regarding product differentiation. They were the first to bring in products from Japan. Simple steps like these show that there is a commitment to progress. They also have a way of getting people together. There is a lot of social interaction, a lot of meetups and drinks. Anytime I have an issue, we can get together and talk about it.

MS VERON TEO MEI LING

(Franchisee of the Year 2016)

I was part of the first batch of 7-Eleven franchisees in 1993. After completing secondary school, I worked part-time in a 7-Eleven store, and I knew I wanted to be my boss. The company gives its franchisees a good platform for setting up our own business. More importantly, I have received great support from 7-Eleven as a franchisee. When business is down, the company's Field Consultants will come to the store to analyse the problem and then provide options.

MS KELLY CHEE

(Franchisee of the Year 2013)

As a franchisee, you have stores that are profitable and some that maybe not be performing up to expectations. When my Toa Payoh neighbourhood store suffered labour constraints and faced competition from other mini-marts and provision shops, it really affected my business. 7-Eleven stepped in to help to help rationalise the situation and with staff shortage during festive seasons.

MR NALLAKARUPPAN

(Franchisee of the Year 2008)

7-Eleven has a very comprehensive franchise model. The company looks after most aspects of the business, including HR and marketing. We, the franchisees, just make sure we run the store well, that we don't run out of stock, and that we order the right goods. They update their equipment regularly, too, so we always remain relevant. This is not an easy business, but it can be lucrative and sustainable.

MR BOBBY CHIAM

(Franchisee of the Year 2014)

My fellow franchisees and I support each other by sharing best practises and ideas. Thus, through these years we had developed strong friendships and comradeship. For instance, Nalla will often share what's selling well in his stores during different times and seasons of the year. And Kelly will share her recruitment experiences. Having this community of support is invaluable and nurtured a culture of belonging.

Interested in growing
together with us?
Join our family now!



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