



# ***SMOOTHIE KING RECIPE BOOK***



For Multi-Unit Franchising



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# Ingredients

## **Ingredients for 2+ Successful Smoothie King Units:**

- **Sufficient Capital**
- **Reliable Team Members**
- **Model to Help Move Toward Growth**
- **Support from Franchisor**



Smoothie King franchisees are drawn to our 1,300+ store system because they can generate a strong return on investment, are proud to serve our products, enjoy a simplified business model and believe in our mission to inspire people to live a healthy and active lifestyle. While some are first-time owners, most have expanded their franchise portfolio by growing with us.

Multi-unit development has become an increasingly popular focus for both franchisees and franchisors in recent years. Multi-unit agreements account for more than half of all franchise units, according to the IFA Education Foundation. Experts expect this multi-unit trend to carry forward.

Franchisees often become multi-unit owners after gaining the confidence with a single store to open other locations. However, owning multiple units is much different from running a single store, and you need to be able to anticipate and account for these changes. Multi-unit franchisees typically work less in daily operations and instead manage their multiple locations with high-level oversight. This shift in responsibility appeals to many but can be overwhelming to someone accustomed to single-unit ownership if they aren't well-prepared.

When investing in multiple units, you need to make sure it's a smart, sustainable and scalable investment. Like blending the perfect smoothie, you need to have a few different vital ingredients to succeed. Making sure you have all the right ingredients to become a multi-unit owner, including an investment of time and effort on your part, can help put you on the path toward a strong, efficient and profitable network of businesses to add to your portfolio.



# *Sufficient Capital*



## *Measure Out Your Capital*

Each Smoothie King franchise owner has the right to initially develop one store for the franchise fee of \$30,000. Once your first franchise agreement is signed, we offer a discount on all following franchise fees to existing franchisees. Once your franchise agreement is signed and your fee is paid, the investment will vary due to labor, location, varying store sizes, build-out costs and expenses, and your experience and management of the store's development. Before opening multiple units, the first thing a franchisee should consider is whether they have the initial and working capital to open more than one location.

### *Initial Expenses*

Sufficient capital at the onset of purchasing multiple units is imperative. Multi-unit franchisees with Smoothie King can expect an initial franchise fee of at least \$25,000, up to \$40,000 for three months' rental and deposit, \$12,215 to get technology systems established, a flat fee of \$15,000 for grand opening marketing and more. Download our franchise disclosure document [here](#) for more details on the initial investment.

### *Working Capital*

Necessary working capital can be more difficult to pinpoint but is another essential factor to consider when determining if you have sufficient financing for multi-unit ownership. Financial planning for multiple units will be structured slightly differently than single units, so make sure you are prepared to work with a higher investment.

One of the biggest expenses that sometimes gets overlooked during the planning stage is the payroll for multiple locations. On top of that, you'll want to account for furniture, fixtures and everything else that goes into the interior decor, as well as architectural and engineering costs. Multi-unit owners need to expect the unexpected, as each business and franchise location is unique and comes with its own challenges.



## *Reliable Team Members*



Once business heats up, keep reliable, self-sufficient team members on hand. Delegation is key, and you need to count on your team members to pull their weight. Your time and attention will be required across stores, so many of the daily activities and operations will be your team's responsibility. As Dan Harmon, Smoothie King's COO, has pointed out, the best team members start with great recruitment and hiring practices.

### ***Best Practices for Recruitment and Hiring***

When you're looking to hire, keep an eye out for brand champions. No matter the business, it makes a huge difference when your team members understand the brand's goals from the very beginning. Brand champions are supportive, protective, innovative and can view the brand from the guest's point of view—all while coaching others.

Some owners prefer promoting from within. This can be helpful when owning multiple units to allow more room for individual team member growth. Doing so can allow you to reward strong team members while also giving them a set career path that will encourage them to continue with your business. Since they are already familiar with your business culture and model, the onboarding process should also be less time-consuming and labor-intensive than hiring from the outside.



### ***Creating a Positive Environment for Team Members***

This starts from the moment you begin training a new team member so that everyone starts their first day feeling confident and supported no matter their position. Training also helps your team get aligned so that you can accomplish your goals together successfully. During the training process, check in with your team and ask for honest feedback. If there's something you're missing in training, you can't find out unless you ask. The best franchisees are adaptable to suggestions.



Dan Harmon, Smoothie King's COO, advises that you'll find your team members stay when you provide them with growth opportunities, and you're transparent about the roadmap to promotion. Employers often assume people know what positions are available to them, so you'll stand apart from the rest when you instead make it clear what's possible. If there's one way to work toward a shared goal with your team over time, it's showing you care about more than just them completing their daily tasks. Take an interest in your team member's personal goals and aspirations and find ways to help them build on their skills.

Lastly, remember that while raises and promotions are essential, rewarding your team members also means saying "please" and "thank you" and doing what you can to celebrate all the little successes in between the big ones.



## *Model to Help Move Toward Growth*



Let business sit and allow it to expand.

Your concept needs to be scalable, and you need to manage different locations effectively. This can be daunting to those who are accustomed to single unit-level economics. Finding the right time and region for expansion is essential in multi-unit growth. At Smoothie King, you will work hand-in-hand with our Development Team to make sure you find a region that fits your needs and has availability for growth.

### ***Where Should I Look for Real Estate?***

Finding the right locations is one of the most important steps you'll take in the journey toward being a multi-unit franchisee. The process can be daunting for first-time franchisees, especially if they don't have experience in the restaurant or franchise industry. Site selection support is just one of the many benefits of becoming a multi-unit franchisee with Smoothie King.

The first step is thoroughly researching local markets for the perfect place to open each of your units. When you work with Smoothie King, they will create a segmented consumer profile with clearly defined demographic components—age, gender, medium income, etc.—based on their typical guest. This data will allow you and them to target areas where your ideal guests live and work so that you'll experience high demand wherever you open.

Many worry that opening multiple locations within the same territory will lead to unnecessary competition when moving into untapped markets. However, opening locations within the same geographic region can be beneficial for a few reasons. Expanding throughout the same area can give you better coverage over the entire region, build strong brand awareness, and serve as many guests as possible.



## *Support from Franchisor*



Spread training and operational support over the business.

When it comes to franchisor support, first and foremost, you need to be sure your concept is suitable for multi-unit growth. More and more concepts are becoming conducive to multi-unit ownership, especially as this becomes an increased focus for franchisors. However, scalability often remains a top concern for franchisees looking into multi-unit growth.

### ***Leverage Your Network***

When you choose to expand, you need to surround yourself with the right people. The most successful multi-unit franchisees don't take on the challenge all on their own—team up with a business partner and have a solid management team in place.

Check out other multi-unit owners at Smoothie King and ask them if Smoothie King has developed a proven, reproducible model for multi-unit ownership. Looking to others within your network is likely your best indicator to see it in practice. They can offer you tips and advice that would be helpful for multi-unit ownership.

### ***Look at Training and Support Programs***

Pay close attention to whether your franchisor offers training. It's industry standard for franchisors to have support systems in place, but if you can tell from the get-go that they don't have good training programs in place, it may be time to investigate another brand. On the other hand, some franchisors offer training explicitly tailored to the multi-unit franchisee and many other niche forms of franchise ownership.



## ***Smoothie King Offers their Training Program in Four Phases:***

**Orientation:** In this one-day introductory session at Smoothie King headquarters in Dallas, TX, we will introduce you to the Smoothie King system, sustainable culture, and pre-opening procedures. We will discuss budgets, business planning, financing, site selection, construction, and the equipment ordering process.

**Management Training:** Next is our mandatory, 11-day management training program. This takes place every month in our Training Center in Dallas and at one of our corporate-owned locations. This comprehensive, hands-on course will familiarize you with our core product knowledge and our operational systems.

**Store Opening:** We'll send one of our Field Trainers out to your location for up to five days to train you and your team members the week prior to opening your location. Together, we will walk through general store procedures learned at Management Training as we cover topics required for your store's opening and successful operation.

**Ongoing Support:** We are firm believers in providing franchise owners with access to all levels of the organization. Our field and corporate support teams are experienced, courteous, and driven toward results. You will work directly with a Franchise Operations Manager as well as a Field Marketing Manager to support your growth with Smoothie King. No matter the topic, we are available to help you face any challenges your business may encounter.





## Next Steps



If you're looking to expand, it's crucial you first make sure you have a solid understanding of the brand you choose, in addition to the other necessary ingredients for expansion. The brand you're building on needs to be a good investment – you can't just expand because you like the product. The concept must be scalable with a proven framework for growth and success, and the franchisor needs to offer you support.

At Smoothie King, we believe we are a great brand for multi-unit growth.

1. You can generate a strong return on investment. Our average EBITDA is 20% and the top 25% of our stores have an AUV of over \$800,000.
2. Our franchisees are proud to serve our products. Check out our testimonials page to hear directly from our franchisees.
3. You can enjoy a simplified business model. After all, we sell smoothies.
4. Our franchisees believe in our mission to inspire people to live a healthy and active lifestyle and giving back to the community is a top goal.

In the meantime, there are small steps you can make to prepare yourself for multi-unit growth better or simply determine if you're ready for expansion. Attend multi-unit conferences and read franchise magazines. Talk to multi-unit operators within your system and learn from their obstacles and successes. The network of other owners is one of a franchise system's most significant competitive advantages, so make sure you're utilizing them.



# *Growing with a Purpose*

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One smoothie at a time, our mission has propelled us to 48 years in business and more than 1,300 locations across 34 states, three countries and counting.

As we've powered through each growth phase, our tactics have evolved, our approach has matured, and our guests have become more sophisticated.

But our purpose has never wavered.

We were, are and always will be here to inspire people to live a healthy and active lifestyle. Our future depends on our ability to stay true to our purpose, deliver our promise and continue to positively impact the lives of each guest we connect with around the globe, one smoothie at a time. And, with every smoothie served, we also fulfill our promise to help our franchisees pursue a purposeful – and profitable – business.



For more information  
Contact our Franchise Development Team  
at

**985.635.6984**

or visit

**[SmoothieKingFranchise.com](http://SmoothieKingFranchise.com)**

**[Download Our Free Franchise Kit Here](#)**

