

## Frequently Asked Questions

### 1. - What type of Franchise is El Fogoncito offering me?

It is a franchise business format because it includes beside the products distribution the marketing tactics. For this type of franchise it is very important to maintain an open line of good communication between the parties.

### 2. - How far is the contract term?

The period of time for this type of franchises is of ten years and could be renovated for another period of ten years.

### 3. - Do I have to buy all my products through their distribution center?

The commissary system provides the franchisees with the 200 products necessary to manage and develop the business successfully. From all these products he has the only obligation to buy 30: meats, cheeses and everything that guarantees the uniformity and high quality level to all the franchises. It is important to make notice that all those 30 products represent in real terms the 80% of your raw materials.

### 4. - Which are the strategically agreements to strengthen the El Fogoncito franchises system?

Among the most important are our relations with Coca Cola in Mexico and some beer companies and laboratories. This helps to promote our presence in massive Medium publicity at lower costs; reduction on our refrigeration systems and in certain products.

### 5. - How long will it take to recover my investment?

In a healthy economic situation, the recovery should be obtained in a period of 18 months.

### 6. - Can financing be obtained to buy a franchise?

There is no direct financing system for this purpose, however; we have our doors open to hear any type of recommendation from any Bank or Credit Institution interested in a project guaranteed by a well known brand and a clearly defined working tactics..

### 7. - How many partners can be part of this business?

Taking into consideration the efficiency and development of the business we consider that it should not be more than three partners per franchise, as it would work against the partnership at the moment of benefits distribution. Also; there is no place for pyramid distribution where the benefits come from new members instead of residing on the products and services sales.



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### **8. - Do I have to work full time in this business?**

With no doubt our system has been conceived for imaginative and entrepreneur people and of course this will be required. However, in the presence of an investor whose intention is only to put his money in the business; it will be a good idea to have a working partner to manage the business.

### **9. - How much does El Fogoncito franchise sell?**

Depending on the existing market variations at a specific period of time but we can figure out a provisional calculation of 120 clients per day or 3600 clients per month.

### **10. - What type of inspections does the Franchiser to the Franchisee company?**

The inspection work has the two levels. We count with the services of the company Mystery Shoppers in charge to verify hygiene, color, odor and texture of the food and products as well as the quality of service. This is done in an anonymous way. We also count with a group of advisors who perform inspections with the only purpose to have a smooth and successful operation

### **11. - What type of counseling does the franchisees receive from El Fogoncito?**

We have established a technology transfer system to develop your business through operation manuals; training instructions and projects. Once the contract has been signed on both sides we accompany the franchisee during the process of installation; opening and operation of the taqueria during 24 hours a day and through the 365 days of the year.

### **12. - What is the percentage of benefits when the business is in good operation?**

It is about of a 20%, out of taxes and it is quite a good margin in the food business.

### **13. - As Franchisee does the Franchisee has to participate in all the promotions done by the Franchiser company?**

If these promotions are done to increase benefits we do not consider that the franchisee will be opposed. If the Franchisee has any new ideas for promotions, these ideas will be submitted to the Franchiser to evaluate them and decide if they will be done at a local or corporate level.



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**14. - Can the Franchisee commercialize other products different from what it's already selling the Franchiser?**

The Franchiser will not be opposed to commercialize any products that will adds benefits to the company and improve their success.

We already have the experience of one of our franchisee who because he is established in an area where mushrooms grow and people are very accustomed to consume them, they decided to include them in their menus with great success and then shared their recipes with the group.

**15. - Who is in charge of the architectonic project or remodeling; etc:?**

Once the contract has been signed our engagement will be to give the franchisee a project accord to the specific conditions where the franchisee will be established.

The franchisee can take the decision to under take that project with our firm of architects or he can decide to do it with the architect or company that he likes.

**16. - Do I have to acquire the equipment through the franchiser suppliers?**

They can be bought to any other supplier, our only limitation is that they have to meet the same quality and specifications.



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