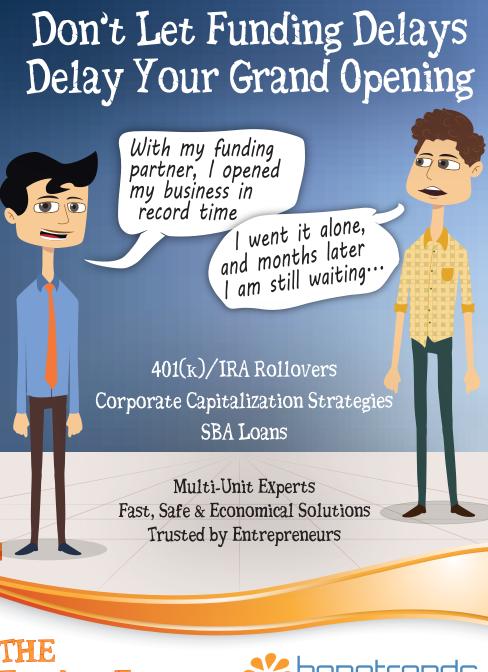


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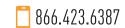
The IFA 2019 Financial Services Toolkit is your key to unlocking your brand's potential by combining it with proven financial services solutions. The toolkit is designed to help franchise professionals navigate the various facets of back office solutions and funding options available to them. In the following pages, you'll find five unique financial services solutions highlighted that, if fully utilized and implemented, will assist in improving your company's proficiencies, and positively impact your business' bottom line. Using these techniques will help grow your brand and ultimately increase efficiencies at the store level. This special advertising section is essential reading for your next financial strategy session.

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1 + 1 = 3 Accelerate Your Brand's Growth with a New Kind of Capital Markets Partner

BY RON FELDMAN, CFE, AND HELEN BOND

COMPANY BIO

ApplePie Capital provides a fresh new approach to franchise financing that is focused on your growth and success. Our ApplePie Core loans are specifically designed to accelerate your growth, and we have a diverse lender network that provides a full host of SBA, conventional, and equipment loan options. Optimize for speed to money, short-term cash flows, flexibility, or future growth — the choice is yours.

f you're a franchisor with aggressive growth targets over the next few years, finding capital solutions for your franchisees is critical. And the more lenders on your list for franchisees to choose from, the better, right? Well, it may be time to rethink that strategy.

In reality, applying for a loan with several lenders to find the best deal is enough to drive any franchisee crazy. Piles of applications, hours of phone calls and waiting for an answer make for a time-consuming and frustrating process. And for your brand, managing the lender list and continually educating them all on your brand is a real drag.

Alternatively, if you're serious about making financing simple for your franchisees (as well as your brand), consider consolidating your lender list with a dedicated capital markets partner. A capital markets partner can be a powerful ally at every stage of growth, especially when they understand franchising inside and out and can deliver growth-oriented financial products from a deep network of lenders, all via a single application. This makes it easier for franchisees to access the right capital when they need it most and avoid the headache of working separately across individual lenders.

Additionally, a trustworthy financing partner will take the time to define a brand story, create a transparent business case for continued company growth, and forge lasting relationships with lenders.

Franchise-focused ApplePie Capital has proven to be an indispensable strategic capital markets partner for brands and their growth-minded franchisees with a transformative online lending network dedicated to long-term sustainable success.

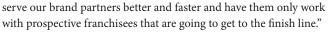
ApplePie Capital is redefining what franchisors should expect from a capital markets partner, namely:

- Deep understanding of your brand
- Management of your lender network and recession resistant capital
- Comprehensive financing programs for your franchisees

- · Continual education of lenders about your brand
- Efficient prequalification of your franchisee candidates
- Diverse capital solutions that provide choice and meet franchisee needs wherever they are in their lifecycle
- Focus on long-term goals, not just the transaction at hand
- Efficient online process powered by modern technology
- Real-time visibility into your development pipeline

Launched in 2015 to bring a fresh approach to franchise finance, ApplePie is now one of the nation's largest franchise lenders. ApplePie creates custom lending programs for each brand tailored to address the full spectrum of financing needs throughout their franchisees' life cycle.

"Franchising is the only thing that we do," says Ron Feldman, ApplePie's Chief Development Officer. "We are franchising experts who lend. By creating a process and a system — and in franchising processes and systems are very important — we can



When it comes to securing the best funding options possible, the name of the game is transparency. Establishing clear communication between you, your franchisees, and the lending community is crucial to develop meaningful financing programs. While your FDD is important, it doesn't explain the business within the context of a broader financial landscape.

"Telling your brand story does not mean giving someone your FDD," notes Feldman. "With our fully integrated partners, we get involved in the development stage and find the right capital options to accelerate their growth."

Hand & Stone Massage and Facial Spa, with over 400 locations in North America, has seen the benefit of partnering with ApplePie first hand. "They go beyond just your traditional lender," says Bob McQuillan, vice president of franchise development. "As we have evolved, so have our lending needs — and ApplePie has been there every step of the way. We actually have our own portal site built within ApplePie's website, so we can track all of our company's deals — not only when a franchisee opens a first location, but as they grow to their second and third, too."

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The Benefits of Working With A Funding Expert

"I can be patient — just tell me how long I have to wait."

BY STORM MILLER

COMPANY BIO

Benetrends Financial has helped entrepreneurs successfully launch their dreams for 35 years. As the authority in franchise funding, we have been at the forefront of 401(k)/IRA business funding (also known as Rollover for **Business Startups** or ROBS) with our Rainmaker Plan®. which has enabled more than 15.000 entrepreneurs to use their retirement plan savings to fund a business tax-deferred and penalty-free. Benetrends also has one of the highest SBA loan approval ratings in the industry. Visit benetrends.com or call 866-423-6387.

ound familiar? Even the most patient person can be tested from time to time. When it comes to opening a franchise, there are many different deadlines that must be met if the business is to open on time.

It's important to keep the project moving along, which is why it's important to make sure to first have funding in place. But what happens if you've planned ahead, and the bank is delaying your approval? You could lose the perfect location, you may pay more for the equipment — and of course, each day the business is closed is a day of income lost. How do you avoid delays?

Work with a Funding Expert

What are the benefits, you ask? Let's take a look at two scenarios. Ben and Bob are both opening a new fitness franchise. They both want an SBA loan, and both have savings that can be used for the business.

Time is money, and since Ben worked with a funding expert, he now has the money to launch his franchise, and he's using his time to grow the business. Plus, he understands that he has other options to grow and expand his franchise.

Bob decided to search for funding without help. Although he has good credit, his local bank has enough concentration of fitness concepts in their portfolio, so he is turned down — months after he began his work with them. Furthermore, the fees he paid for the processing of his application are never refunded. Bob is now without funds and without financing.

Ben enlisted the help of a funding partner. He learns that although he has savings, he would be better off financially using his retirement funds as the cash injection for his SBA loan, allowing him to hold onto his cash to continue covering his standard living expenses. Ben's consultant walked him through the SBA process, and he was able to obtain a commitment letter from a bank in under two months. Although Ben went with a traditional SBA loan, he was presented with other funding opportunities:

401(k)/IRA Funding

A popular program known as a ROBS Plan (Rollover as Business Startups) enables entrepreneurs to use their retirement funds to purchase a franchise without owing taxes or penalties associated with taking a distribution from the retirement account. Benetrends pioneered this type of funding, known as the Rainmaker Plan*. The advantages of this program are:

- No monthly loan payments
- The ability to draw income from the business immediately
- · Credit score is not a factor
- Can be used to provide cash injection on an SBA loan

Corporate Capitalization Strategy

For entrepreneurs who have the means to self-fund a business or are funding their business with an SBA loan, the Benetrends' Rainmaker Advantage Plan* may be a better fit. It is a capitalization structure, designed around an exit strategy, and provides the ability to maximize wealth while mitigating or eliminating taxes on the profit when the company is sold.

SBA Loans

Lenders have different credit boxes and different appetites for a particular franchisor's concept, so knowing which lender favors your 'flavor' is vital to ensuring time isn't wasted going to the wrong bank (or banks) only to be denied. That is why it's better to work with a funding partner. Borrowers with access to a national network of lenders have more leverage, a simplified application process. As a result, their application is put in front of multiple banks, often resulting in more favorable interest rates and terms and a higher loan approval success rate.

Additional Funding Options

There are many other options available as well (Security Backed Line of Credit, Equipment Leasing, etc.). Oftentimes the best solution to funding a business quickly, safely, and economically is to use a combination of the aforementioned funding programs.

The benefit of working with a funding expert is that you will have a reliable partner, *funding your business and fueling your growth*.

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Finding the Best Route to Funding

BY TIM SEIBER, CFE

COMPANY BIO

FranFund designs flexible, all-in-one funding plans that fit perfectly, no matter how much your franchise or small business grows. Our most popular funding programs are SBA loans and 401(k) business funding, which allows you to use qualified retirement savings tax-free and penalty-free. By utilizing our franchise-specific pre-qualification tool and cultivating an extensive network of lenders who are franchise and small business friendly, clients pre-approved by FranFund have a loan approval rate of 99 percent.

here's a lot that goes into the intelligence behind a navigation app. The accuracy of its recommended route and total trip duration relies on traffic patterns, road construction, input from users, and other numerous data points. And the more specific insights it has, the better it is at suggesting effective shortcuts and alternate paths.

As a franchise funding partner, FranFund's job is a lot like that of a navigation app:

- The client tells us where they are located and where they want to go.
- We give them a few options for routes to get there and highlight any obstacles they may come across along each one.
- Based on their tolerance level for potential roadblocks, the client chooses the path that best suits them.
- We guide them through each turn until they reach their final destination.

Our process starts with finding out where a client currently is with their financial situation and what their business goals are. Since it's easier to avoid known hazards ahead of time rather than having to swerve around them once you're already in motion, the best way a franchisee can help themselves is to be honest upfront. We rely on having an accurate starting location and the inputs provided at this stage are crucial for identifying any potential obstacles from that point to the desired destination. A client with a past bankruptcy is not going to be starting from the same location as someone who doesn't – they can still reach the same destination, but will likely need to follow different routes.

Once we get the required inputs and analyze all of the associated data, we provide the funding options available based on the client's starting location. The most popular routes are SBA loans and 401(k) business funding, which allows for the use of qualified retirement savings tax-free and penalty-free. Other options include unsecured



loans, securities-backed loans, equipment leasing, and refinancing programs. By utilizing our optimized franchise-specific pre-qualification algorithm and cultivating an extensive network of lenders who are franchise and small business friendly, clients pre-approved by FranFund have a loan approval rate of over 99 percent.

Next, we review the various paths with the client and make sure they understand what each one looks like along with the expected travel time. Similar to a driver paying a toll fee to access a route with a higher speed limit, if a client is willing to pledge outside collateral, they can increase their potential funding amount. Alternatively, if they would rather avoid a debt payment altogether, we consider that when suggesting the best route for them.

After the client selects the direction they wish to travel, we guide them through each specific turn until they complete the process and have their business funding in hand. We believe that delivering an exceptional customer experience is just as important as providing high-quality products and services, and are proud of our high-level of customer satisfaction.

There is typically a high level of anxiety and uncertainty when it comes to funding a business, and many of the people considering the trip have never been down the road before. Having a clear map and a trusted partner to help navigate the route makes prospects feel at ease and gives them the confidence to move forward.

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Top 5 Mistakes to Avoid When Choosing a Merchant Account Provider for Your Franchise

BY KEVIN KOBS

COMPANY BIO

TSYS works with franchises across the nation to offer payment processing options that are easy and affordable. Our full-service processing infrastructure allows us to deliver competitive, customized programs with the secure payment solutions your business needs to grow and succeed. Process Visa, MasterCard, Discover and American Express cards in person, by mail or phone, online and with your mobile device.

hoosing the right merchant account provider for your card processing needs should be a top priority for all franchise business owners. Unfortunately, merchants are often intimidated by the process and afraid of making a mistake.

An important decision like choosing a merchant account provider should involve doing research into available options, asking for recommendations from other merchants, identifying likely candidates, a careful comparison of products and services, and a final decision based on a number of important factors, including the provider's experience and reputation, the package they're offering and how well it meets your requirements and — of course — cost.

To ensure that the whole process goes smoothly from start to finish, consider the following Top 5 Mistakes to Avoid When Choosing a Merchant Account Provider:

Mistake #1: Go with the first provider you meet. Is that any way to create a business alliance? Because that's what a merchant account provider is — an ally in your business who will be heavily involved on the financial side of your operation. It is very important to choose a reputable provider with a proven track record. Also, there are many advantages for selecting a full service provider. This will eliminate the need to track multiple contracts, reduce the potential of higher costs due to multiple party involvement, and simplify your business model by having only one company to deal with.

Mistake #2: Believe that "free" actually means free. You will see a lot of merchant account providers advertising "free merchant accounts", "free terminals", "free processing" or "free Internet gateway." When it comes to the word "free," the devil is usually in the details (i.e. the fine print at the bottom of the page or contract.) Question any and all "free" claims with the provider.

Mistake #3: Assume all fees are valid and applicable to you.

As you talk to merchant account providers, you'll discover that there are many different fees and rates associated with credit card processing. Some, like interchange, transaction, batch processing, monthly statement and chargeback fees, are standard in the industry and all merchants pay them. Then there are the so-called "junk fees". Typically these include charges like file fee, security fee, audit fee, conversion fee, over-limit fee, excessive transactions fees and billback fees. If any of these appear in your contract, ask that they be removed or they'll show up on your monthly bill.

Mistake #4: Hold back information from the provider about your business and future plans. There's something to be said for playing your cards close to your vest, but in this case it could end up costing you money in the long run. In order to make you the best possible credit card processing deal, a provider must have an excellent understanding of all facets of your operation. If you're franchise is currently running a traditional retail business from a storefront but expect to expand onto the Internet or include mobile capability, let the provider know so they can include the necessary products and services in their proposal.

Mistake # 5: Not fully understanding the overall program for your franchise. As a franchise, you need to fully understand all the services, products and monthly/annual costs your franchise will receive. Work towards negotiating an overall packaged solution; what will my costs structure look like, what products and services will I receive — a program that is easy to understand. A provider touting a low rate does not necessarily mean you will be getting good service. This all starts with selecting the best provider to partner with to address the payment processing needs of your franchise. Ask yourself during your vetting process, "Is this a company and person I want to do business with?". A good partnership with excellent support and a rate structure that is easy to understand and explain, should be your objective.

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Guiding Franchises to Brand Excellence

Let TSYS® Payment Processing Work for You



TSYS works with franchises across the nation to offer payment processing options that are easy and affordable. Here are just a few reasons to partner with TSYS:

Franchisors: Expert sales and product training A full-service processing infrastructure, including customized pricing Rated A+ by the Better Business Bureau

| Franchisees: |
|-----------------------------------|
| |
| √ 24/7, U.Sbased customer support |
| |
| √ No early termination fee |

Put TSYS to work for you! Contact Kevin Kobs, CFE at 844.300.4344 or via email at Franchise@tsys.com

