"Private Franchising" Review Instruction Sheet



All of the writing on the "Private Franchising" Review (PFR) should be done by the prospect with a red pen provided by you.

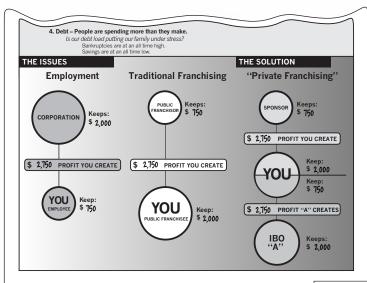
Page 1: Define "Private Franchising" with several of its benefits.

- Explain the traditional distribution process, in which 65-70% of the retail price is consumed, versus the simplicity of "short-cutting" distribution.
- The current marketing trend is to create a shortcut between manufacturers and consumers, thereby increasing profits. Warehouse Clubs and Online Services are capitalizing on this trend, but are missing some important ingredients that put the high-touch into high-tech. Our "Private Franchising" group uses two sister corporations with 600+ manufacturer relationships, merchant partners, and billions of dollars of in place, paid-for warehousing and support infrastructure. Most importantly, "Private Franchising" offers personalized service to clients via motivated independent business owners.

Page 2a: Explain the 40/40 plan and make corporation vs. franchising comparisons

The 40/40 plan limits our ability to create financial independence. Our pay is dependent upon the actual hours we put in, and consequently our personal free time is severely diminished. The 40/40 plan offers inadequate solutions to "today's financial challenges" and may cause negative lifetime consequences.

- Before we waste a lifetime blindly following the advice of others, there are some questions that deserve our attention.
- There are some profitable reasons why franchising motivates entrepreneurs more than traditional employment and why "Private Franchising" capitalizes on that motivation even further.



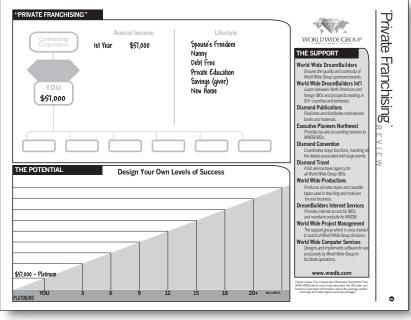
Page 2b: Corporation vs. franchising comparisons (cont.)

Three examples point out these motivations:

- When you create \$2,750 profit for a corporation, the corporation may keep as much as \$2,000, leaving you \$750 or less (this can be frustrating and disheartening).
- When you create \$2,750 profit in a traditional franchise, the franchisor keeps a substantially smaller portion such as \$750. You keep the greater amount of \$2,000 although this amount will be less the traditional overhead and expenses such as salaries, taxes, rent and utilities.
- With your own Private Franchise, certainly none of your friends would be upset with you if you kept only \$750 for every \$2,750 their business generated. A business generating \$2,000 monthly through "Private Franchising" is called a Platinum. This \$2,000 does not have traditional overhead expenses. There can also be additional tax benefits because it is customarily operated from a home. Including onetime cash incentives plus year-end bonuses, the total annual income is in excess of \$50,000.

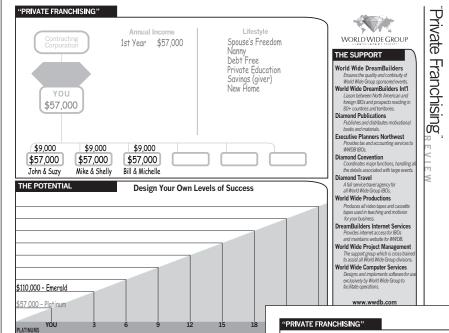
Page 3a: Explain Duplication

- Prospect uses red pen to write in "\$57,000" in the "YOU" box.
- Prospect writes "1st Year" under "Annual Income" with Platinum income of \$57,000 next to it (an expected result after one year of 1/4 to 1/3 the time normally exerted in a regular job or business). "Spend" that money with the prospect in the "Lifestyle" column. Suggestions might be: Spouse's Freedom, Nanny, Debt Free, Private Education, Savings (become a giver), and a new home.
- Start to Design Your Own Levels of Success by writing "\$57,000" and "Platinum" on the first horizontal line.



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Page 3b: Duplication (cont.)

- The prospect writes down the first name of a friend that would like to make an additional \$57,000.

 Remember that "YOU" would make \$750 each month, which adds up to \$9,000 per year. Name 2 additional friends that would want that amount of income with the corresponding \$9,000 written above each box. Those 3 successful Platinums make "YOU" an Emerald and entitle "YOU" to additional bonuses.
- An average 12 month Emerald makes \$110,000, which you write on the second horizontal line in the "Design Your Own Levels of Success."

Page 3c: Duplication (cont.)

- Help 3 additional friends make \$57,000 per year.
- Prospect writes "+ \$54,000" under the "Annual Income" column. (This is the total of 6 x \$9,000). The sum of \$111,000 only represents 3 bonuses.
- Diamonds get "+ ongoing" additional 5-6 profits that bring the grand total to \$250,000.
- Now "Lifestyle" may include: Financial Independence, Family Legacy & Personal Freedom.
- Prospect writes the \$250,000 average income of a 12 month Diamond on the third horizontal line in the "Design Your Own Levels of Success."
- Prospect writes World Wide Group on the blue diamond and explain the benefits.

Private Annual Income WORLD WIDE GROUP \$57,000 Spouse's Freedom 1st Year THE SUPPORT Nanny Debt Free 2-5 Yrs. + \$54,000 (\$9,000x6) Franchisii World Wide DreamBuilders Private Education \$111,000 (3) Savings (giver) World Wide DreamBuilders Int'l + ongoing (5+) YOU New Hor Financial Independance \$57,000 Family Legacy Personal Freedom \$250,000 nd Publication 8 ecutive Planners Northy \$9,000 \$9,000 \$9,000 \$9,000 \$9,000 \$9,000 ond Convention \$57,000 \$57,000 \$57,000 \$57,000 \$57,000 \$57,000 Terry & Anna nd Trave THE POTENTIAL **Design Your Own Levels of Success** World Wide Productions eamBuilders Internet Services World Wide Project Managemen World Wide Computer Services \$250.000 - Diamond \$110.000 - Emerald \$57,000 - Platinum

Page 4: Discuss the Contracting Corporation, Anchor Corporation and the methods of fulfillment.

- The prospect writes in Quixtar after "Contracting Corporation:" Explain that in the first year of business ending August 31, 2000, sales were \$448 million. The National Retail Federation Store Magazine ranked Quixtar 7th among e-tailers based on revenues and a study by Deloitte & Touche for the RETAIL COUNCIL of CANADA ranked Quixtar 2nd among e-tailers in Canada. Explain the advantages of shopping and the resulting volume that is credited back to IBOs. The prospect writes in Amway after the "Anchor Store:". Explain Amway's history and the advantages of consumable products with the highest profitability.
- Explain product flow arrows and the savings advantage of "Offline Fulfillment".
- Right arrow explains that a computer is not "required" to operate this business. Anyone can participate by ordering the most profitable products from the "Anchor Store". They may also sponsor others who may or may not have computers.
- Explain the help provided by the line of sponsorship and the support provided by World Wide Group.
- · Explain the choice where their family can receive the most benefits: Independent Business Owner, Member, Client.
- · Place your personal information in the space provided before the prospect takes the completed form.