



Marcellina
since 1967

Marcellina Information
Guide

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Franchising Today

Franchising today is vastly different to franchising of the past. It has grown throughout the world over the past 20 years to be a multi-billion dollar sector of small business.

Business system franchising is a method of doing business whereby a franchisee (i.e. you) is granted the right to offer sell or distribute goods or services under a business system developed and determined by the franchisor.

Further, the franchisor provides expert advice, guidance and assistance on an ongoing basis, for which they receive an ongoing fee.

In 2006 Australian franchise businesses employ approximately 550,000* people and have sales that total in excess of \$111 billion a year!* Growth of franchising in recent years has averaged around 14% per annum** and fewer than 3% of franchised units ceased to operate over the past 12 months**, this has in part been a reflection of the greater survival rate of franchised businesses compared to other independent small businesses in general (2.25 times better according to government statistics).

The buying power advantages of franchises not only in the purchase of products but also in advertising and a range of business services means that more and more stand alone business people are converting to or buying franchise businesses.

It has been well proven that owner operators generally provide a higher level of service to customers and maintain a better control over operating expenses. In fact the head of franchising for one of the major banking groups once stated that they had seen an average of a 20% increase in turnover from company operated outlets to franchised owner operator structures.

***Source: Franchise Council of Australia "Franchising Australia 2004" survey*

**Source: IBISWorld "Franchising in Australia" 2006*

The Company – Marcellina

The Background of Marcellina and its Founders

In 1966 there was a Fiat car show room on 273-275 Hindley Street owned by Mr Fred Pisanelli and at the rear was a large garage and service centre for the cars.

Recent immigrants from Sicily, Italy, Mr Giovanni Russo and Mr Nino Parisi were lovers of horse racing, trotting and anything gambling related. The Melbourne Cup was held on the first Tuesday in November each year and in 1966 they both decided to go to Melbourne to the Cup and spend a few days in the city visiting some friends from the old country. Whilst there they visited the newly established “Toto Pizza Bar”, which gave them both the idea of a life time.

Back in Adelaide discussions were held with Fred Pisanneli to lease the showrooms to open up a pizza bar, with the resultant dilemma of what to name it. Mr Russo's wife was expecting a baby soon and it was agreed that if a boy was born he would be named “Marcello” and if it was a girl then “Marcellina”. It was also agreed to call the pizza bar by the same name.

A certificate of registration was issued on the 14th November 1966 to the first pizza bar in Adelaide called Marcellina Pizza and Rotisserie which was to eventually become the famous “Marcellina Pizza Bar”.

In 1973 the two partners decided to lease the backroom and renovate the whole premises which required both additional funding and extra partner. Enter Brian Aoukar and the establishment of a very successful late night, 7 day a week entertainment restaurant with dinner dances but also famous for its pizza and pasta. There was now seating for a further 250 patrons and Marcellina became a most popular venue among the horse racing, trotting and sporting fraternity for good quality late night drinks and food.

By 1983 the two partners had sold their shares in the business to Brian and his family members.

There are now 9 Marcellina pizza bars in South Australia with plans to develop further interstate and to take the Marcellina name to the rest of the world!

The Background of Brian and Sonia Aoukar

Brian was born in the north of Lebanon on 4th June 1947 and raised as the eldest son in a family with two other brothers and two sisters.

The nearby catholic convent school St Benedictin entertained Brian as a student in his formative years where he mastered the languages of French, Arabic, English and even German.

The main hobby for Brian was to spend his free time after college and on weekends in a ladies' hairdressing salon which was the main source of his many friendships with the opposite sex.

In 1969 Brian migrated to Australia where after a three-month intensive English course at the Adelaide University he married Sonia. Their first enterprise was to own a hairdressing salon with Brian later joining a real estate company as a salesman.

In 1973 Brian became the third partner in the Marcellina's Pizza Bar which had recently been transformed from a 50 seat pizza bar to a 250 seat dinner dance, restaurant and pizza bar providing late night entertainment 7 days a week.

Brian was originally supposed to be a silent partner but inevitably became the only active partner after his partners became disinterested in the business and sold their share to Brian and his family members.

In 1994 Brian and by then his son, Fouad who was 23 years old started by opening up the Marcellina pizza bars in most Adelaide suburbs:

- 1995 Darnancourt Marcellina
- 1996 Bedford Park Marcellina
- 1997 Parafield Marcellina
- 1998 Seaton Marcellina – relocated to Grange
- 1998 Glenunga Marcellina
- 2000 Plympton Marcellina
- 2001 Morphett Vale Marcellina
- 2002 Aberfoyle Park Marcellina
- 2006 Elizabeth Marcellina

Sonia was born in 1948 in north Lebanon and migrated with her parents to Australia in 1949 when she was one year old.

As a teenager she was very interested in fashion design so she pursued her interest and graduated in fashion design.

Sonia married Brian in 1970 and helped him in her husband in their hairdressing business until it was sold in 1972.

Upon Brian joining Marcellina in March 1973 Sonia became the sounding board of ideas in their new found interest and business partnership and became more involved as the business became family owned and the other partners sold their interest.

The Business Concept

The Business

Marcellina is focused on establishing and maintaining a friendly and co-operative environment where the team is more important than the individual and the franchisor and franchisee act in partnership to achieve the organisation's goals and objectives. In other words; 'Partners in Profit' with the common goal of success and financial rewards for all concerned.

Statement of Strategic Intent and Vision

This is in line with our company vision statement:

“Marcellina has as its sole commercial purpose the objective of satisfying customers by providing them with high quality and tasty food that is lovingly prepared on our premises and that can be promptly delivered”

In order to achieve this we will:

- Continue our expansion through dedicated franchisees.
- Standardise image and operations through the use of comprehensive Operational and Technical Manuals.
- Increase and sustain customer service standards at the highest level through committed franchisees.

- Work in partnership with others who are committed to delivering exceptional products and service to our customers.
- Develop productive working relationships with our business partners including franchisees, employees, suppliers, and most importantly our customers.
- Create a corporate culture, which encourages the unique contribution of each person ensuring the constant and never-ending improvement of the franchise system.
- Perform to the highest ethical, professional and commercial standards.
- Provide the right products and services to meet our customers' requirements every time focusing on a customer service mindset.
- Ensure that each job is a complete success 100% of the time.
- Continue to be innovative in our advertising and marketing approach to help ensure revenue growth for all concerned.
- Provide initial and ongoing training for all franchisees and employees.
- Maintain our professional brand image at all times to ensure our corporate identity and integrity in the marketplace.

Working Mission Statement:

- This company has its sole commercial purpose the objective of satisfying customers by providing them with high quality and tasty food that is lovingly prepared on our premises and that can be promptly delivered.
- It will be acknowledged as the best in the industry.
- Team members will be proud to be part of the business and will share in the benefits from its success, in a professional and friendly work environment, with good opportunity for advancement and personal growth and involvement in the decision making process within the company.
- There will be an outstanding level of trust and respect amongst all team members, owners and customers.
- Each team member will understand and subscribe to the business mission and will be encouraged to assist in tis accomplishment.
- The owner of the business will always place the welfare of the company and that of its customers above their own self-interests. However it will always be understood that the owners can expect to receive fair compensation reflecting the valuer of their contribution and the significant capital they have invested.
- The business will be invariably innovative in its service delivery and will be guided by its principal purpose of customer satisfaction. The service it offers will be clearly

defined, highly structured and priced in accordance to the value it represents to its customers.

The Business Concept cont...

Product and Service Range

For people seeking success through self-employment, the Marcellina franchise will become an excellent vehicle.

Every member of our team (including franchisees and franchisor support team) is committed to making success through self-employment happen at Marcellina.

The value of a Marcellina franchise grows as you grow, utilising the collective market knowledge, experience, skills and purchasing power of the franchise system, taking advantage of every commercial opportunity and introducing new concepts to broaden the market base.

Success will come through all the personal factors that contribute to success in self-employment, combined with your ability to work in a franchise partnership. Attention to performance standards, to business planning and development, to effective implementation of our marketing programs, and to learning and sharing of ideas will enhance the franchise partnership and the scale of your success. The rewards are commensurate with your input.

The Marcellina philosophy for conducting business is to create an environment within which all stakeholders - including the franchisor, franchisee and the customer – can meet their objectives. This will ensure the ongoing success of the company, its individual franchisees and the continued growth in the marketplace through referral business. We as a franchisor can only be successful if we have successful franchisees and satisfied customers. All our business activities are aimed at such objectives.

Relax and Enjoy Yourself

One of Marcellina's biggest beliefs is that a blunt axe isn't useful to anyone. As such an important part of the Marcellina culture is to take time out to relax, have fun and 'sharpen your axe'.

You should enjoy the rMarcellina experience so that you can become a part of it and then you can share it with your customers. If you're unhappy in our network, it will affect your employees and customers and, consequently, the whole Marcellina network. If there is anything more important in business than making a profit, it would be enjoying what you are doing. During the time Marcellina has been in business we have had an abundance of great times and fun and will continue to do so. It's up to you to do the same!

The Culture

We subscribe to a Customer Service Mindset. The customer always comes first no matter what else needs to be considered. We can deal with system and people breakdowns at any time but only after the customer, whether it be our franchisees, their staff and our staff, have been attended to and to their entire satisfaction. Our referrals from present and past customers are a significant component of our future business and rightly so. At all times we are working to ensure that our customers are delighted - not just pleased - with our events, service and professionalism.

The Business Concept cont...

Summary

At Marcellina we have built an excellent reputation for our high quality offerings and professional service. Our success is a direct result of our commitment to servicing the needs of our customers. Through franchising we now have a way of passing on our expertise, knowledge and business system to people who share similar business and personal values.

Customer service is one of the most important factors in building any business and ours is no different. Maintaining a high level of customer satisfaction every time is our highest priority. Our commitment to customer service must be reflected in everything we say and do and our aim is to be a living product of our businesses by taking personal responsibility and pride in everything we do. We call this a customer service mindset. Part of the Marcellina culture is the commitment to develop and build a customer service mindset. This is something that every franchisee and employee makes a personal commitment to at the beginning of their time with Marcellina.

The customer is number one and our entire business system is aimed at meeting their needs better. The end result will be a very satisfied customer who recommends Marcellina to their friends and associates. There is no better advertisement than a satisfied customer.

Our level of customer service can make or break our business reputation. Therefore, it is imperative that all franchisees and team members understand the importance of such and deliver the level of professionalism and integrity that is required to ensure the ongoing development and success of the franchise network in the future.

If this sounds like you, we would welcome your further enquiry.

System Features

FEATURE	EFFECT
<ul style="list-style-type: none"> ▪ Successful business system 	<p><i>Lower risk of failure</i></p>
<ul style="list-style-type: none"> ▪ Growing market recognition and goodwill 	<p><i>Stature in community</i></p>
<ul style="list-style-type: none"> ▪ Intellectual Property <ul style="list-style-type: none"> ○ Name and logo Marcellina ○ Business format franchise system ○ Advertising formats ○ Business systems and market knowledge 	<p><i>Valuable business knowledge and identity</i></p>
<ul style="list-style-type: none"> ▪ System manuals <ul style="list-style-type: none"> ○ Franchise Operations Manual ○ Franchise Development Review 	<p><i>Consistency of standards by all franchisees</i></p>
<ul style="list-style-type: none"> ▪ Franchisee Support <ul style="list-style-type: none"> ○ Field visits ○ Annual reviews ○ Training and assessment 	<p><i>A stronger franchise network</i></p>
<ul style="list-style-type: none"> ▪ Group marketing activities 	<p><i>Brand awareness and customer and business growth</i></p>
<ul style="list-style-type: none"> ▪ Group Buying Power 	<p><i>Potential for greater profits</i></p>
<ul style="list-style-type: none"> • And More! 	

The Benefits

Marcellina offers potential franchisees a unique position based on a customer service mindset along with a strong reputation for top quality service in a market that continues to grow.

Some of the benefits our system can immediately supply you with are:

Business System

Our Operations and Procedures Manual and other support services allow you, the new franchisee, to quickly assimilate our operational procedures and business building strategies for your own business.

Industry Expertise

The blend of the founders' expertise speaks for itself and we are here to pass on as much as possible the industry experience Marcellina has gained since inception. Marcellina shareholders have developed a comprehensive array of knowledge on this market segment, mostly second nature to us; however it will be on tap for you from day one. We have the answers for you, in your own franchised Marcellina business.

The Benefits Cont...

Marketing and Awareness

The Support Office will conduct group marketing activities with the objective to increase the brand awareness and recognition of the Marcellina brand.

Our marketing activities will at all times uphold the integrity which is embedded in the brand. You will also have a need to undertake Local Area Marketing and the media tools for this will be provided to you.

Most small businesses do not have the expense budget that allows them to advertise enough to enable their business to grow as quickly as they would like. Not only is the cost considerable but the, who, what, when and how questions are all critical to the success of advertising. Through experience we know the answers! Taking the risk out of advertising and sharing in the investment is a major contribution to the success of a business.

Group Buying Power

Core products and equipment, corporate uniforms; insurance; and telecommunications; etc. - Virtually any product or service which we as a group can buy in bulk, we will strive to receive a price discount for you from suppliers, again helping franchisees to achieve an even better bottom line profit for their business. All rebates received from suppliers are passed on to our franchisees so that they may improve their bottom line.

Training and Support

Access to training, backup and support, are one of the major keys to success as is the value of the shared mind when it comes to solving challenges along the way. Our training is designed to ensure that all members of our group adopt the same standards and procedures in the ordinary course of business. There are many critical elements of running a successful Marcellina business and these are already in place as policies, procedures and solutions carefully designed to make it easier for you to reduce your risk and enhance your returns.

Summary

These are only a few of the many benefits of becoming a franchisee of Marcellina and we will do our very best to provide as much value to our franchisees as is possible. As mentioned earlier, the reason we do this is simple - for us to be successful as a franchisor, it is vital (not just ideal), that you as a franchisee with Marcellina must first be successful.

The Opportunity

As with all businesses, there are many variables that must blend efficiently to ensure success.

We have a great system, we have competitors and they will always be there. All that we can expect is our share of the market, which is increasing, and which we will work hard to grow each year.

Prospective franchisees should be certain that they have what it takes to become self-employed and become a member of a growing team of franchisees committed to working with Marcellina.

The franchise structure for Marcellina has been carefully designed to provide investing franchisees with at least the following:

- Leadership
- Training
- Guidance and support
- Business system
- Market acceptance
- Group buying power
- Group marketing power
- Innovation

So, if you are comparing our opportunity with others in the same industry, be sure to examine all aspects and you will find that our structure really is **better for you**.

The Investment

In summary terms, your investment estimates are broken down into distinct components as listed below:

Store Franchise

ITEM	COST
Initial Franchise Fee	\$35,000
Building	\$46,000
Equipment	\$86,100
Lease / Other	\$73,500
TOTAL	\$ 240,600

A complete breakdown of these and all other costs are detailed in our Disclosure Document.

There will also be additional start-up costs in establishing your business in the following areas:

Investigating Advisors	Bank Loan Application fees
Initial Marketing Fund Contributions	Variable Outgoings in Advance
Opening Promotion Costs	Legal Fees

These business start-up costs may total around \$9,250 but may vary from applicant to applicant. You will also require an amount of working capital which will vary from franchisee to franchisee. As a minimum we would recommend \$10,000

We suggest that at the appropriate time you discuss these additional costs with us as well as your financial advisor, should you take your Marcellina enquiry further.

The Rewards

It is not possible for us to plot your success or quantify your profit potential.

For a new franchisee, individual performances are impossible to plot, however there are some factors in this industry, which can provide comfort for hard working and committed individuals. There will always be different performance levels between franchisees and these levels vary for many reasons such as:

- Controlling your expenses all of the time can make a big difference.
- Perhaps the most important variable in the level of success you will achieve is in fact **you**. Franchisees are people and no two people are the same. We can provide you with our system, name and all the business tools and support necessary but the size of your reward in most cases is ultimately determined by you, your diligence, and your commitment to your business.
- The number of hours that you choose to work in your business too will have a direct impact on your profit line.
- Your role in your business will be to maximise your franchise's opportunities. Within the guidelines provided you should look for innovative ways to make your business bigger and better. Your diligence and focus in this area alone will have a huge influence on your gross revenue and profits.
- Time management is critical in service businesses. . You will need to carefully create your work schedules to make those hours efficient. We will help you to create your schedule based on our own experience of trialling methods.

The People We Seek

As already stated, **you** are the key ingredient to the success of a Marcellina franchise. It is difficult to typecast a 'model' franchisee for our system; however there are some important characteristics that you absolutely must have or are prepared to commit to developing.

Work Ethic

Nothing happens or is achieved without hard work. Be sure that you are prepared for it. Being in your own business is in no way similar to having a job. You must have a genuine desire to work for yourself and be able to run your own business with our help. Often it will mean working extra hours and missing out on the occasional social activity - however don't lose sight of your long-term objectives. Be prepared to work more than 50 hours a week to get your business established.

Give and Take

This is probably the best example of the philosophy in franchising. Everyone must be prepared to 'give to get'. The best system in the world will never optimise market opportunities unless everyone recognises the 'commonality' that exists in objectives and contributes to the well being of each other and the whole.

Ability to Listen, Learn and Do

Our system works. Yes, it will be continually developed further, however initially it is of paramount importance that you have the ability and willingness to be trained and then apply your training. There is no need to reinvent the wheel. One thing is certain if you don't apply the system; your chance of success will decrease dramatically and we do not want this to happen.

Enjoy Yourself

This is a people business. You cannot afford to be shy and timid, you will need to be bright and cheerful all of the time and learn to enjoy the customer relationships that will be a part of your business. Some of your customers will become 'special' to you and it is therefore important that you invest in those relationships to encourage referrals.

The People We Seek Cont...

Customer Focussed

We do not look for 'sales' people but it is vital to understand that we are a service business and need to network. Our customers deserve the best in customer service and this will involve your understanding of sales, and public relations techniques. Again what we refer to as a customer service mindset.

Ambition

This is an important characteristic for anyone wanting to become a Marcellina franchisee. Set yourself some realistic goals and then work with us to achieve them. Being complacent or too easily satisfied in business can be detrimental to your business value and your income. *Our system needs high achievers.* So be certain that you are capable of going the extra mile - all of the time.

The difference in business between ordinary people and those who are *extraordinary* is just the *EXTRA* bit. Without that little bit *EXTRA* your Marcellina franchise will not reach the level of success that it should.

Be sure you are EXTRAORDINARY in your commitment.

Being self-employed is hard work; but the rewards are there for the taking.

The Challenge

We have a unique business management system that has been acclaimed with over 40 years business services to the public.

However, your business will require one key ingredient from you to make it succeed - COMMITMENT. You need to be committed to your business and to your goals as well as ours and be prepared to look past the difficulties that come along in business life.

If you like what you see and hear, take some more time to look closer and seek more information. We have no doubts that if you are suited to our business and have the necessary financial strength and commitment, (there's that word again), you will ultimately make the decision to join us and commit to the challenge of owning your own business in a disciplined manner.

We are here to help you every step of the way - but you need to take the first step.

Further Information

This information guide is not intended to answer all of the detailed questions that will come later.

There are some formal channels of enquiry that are available for you to satisfy any queries which you or your advisors may have.

Should you wish to enquire further, you will need to sign a simple “Confidentiality Deed” and provide us with your details on our Application and Disclosure form. From our study of that information you may be invited to take your Marcellina enquiry further.

Thank you for your enquiry to this point.

Your further enquiry should be made by contacting us on:

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