



## **Your New Day is Dawning At The Sign Of Opportunity – 7-Eleven® Franchise Opportunities**

### **Not Just Bigger...Better**

With nearly 30,000 stores in 17 countries, including 5,800+ in the US and Canada, it's easy to say we're the world's largest convenience retailer. Our global scale gives us capabilities that directly impact and improve store operations...and make 7-Eleven® a very different franchise opportunity.

The 7-Eleven brand is a global icon—instantly recognized, understood and trusted internationally. To customers world-wide, we're known for our products, quality, service, cleanliness and value. In the convenience industry, we are the benchmark for innovation, technology and profitability.

### **Technology That Puts The Customer First**

Our business model uses technology to put the customer at the center of all decisions. 7-Eleven's investment in information technology and ordering systems leads the industry. We've constructed innovative processes to understand and respond to the immediate needs of convenience customers, and have invested millions in the development of a proprietary Retail Information POS scanning system.

This revolutionary retail technology

- enables the Franchisee to have the right product assortment in store to meet customers' needs,
- helps ensure adequate staffing,
- helps simplify store operations and facilitate delegation,
- tracks daily transactions to generate sales and inventory reports,
- tracks employee payroll information and prepares daily cash reports, and
- enables the Franchisee to spend less time in the backroom and more time on the sales floor, analyzing product assortment, training store employees and interacting with customers.

### **Key Advantages In The 7-Eleven System**

- 7-Eleven obtains and bears the on going cost of the land, building and store equipment. When we build a new site, we invest between one and two million dollars.
- 7-Eleven and the Franchisee share in the store's gross profit.
- 7-Eleven pays water, sewer, gas and electric utilities.
- 7-Eleven pays for any building rent and property taxes.
- 7-Eleven provides financing for all store operating expenses.
- 7-Eleven provides bookkeeping, bill paying and payroll services for store operations.
- 7-Eleven provides a support structure and a business consultant who meets with the Franchisee weekly to help maximize store performance.

**Most franchisors either do not provide these services or require additional fees if these services are available.**

### **In The Community...**

7-Eleven is a good neighbor and a responsible corporate citizen. We take pride in several long-standing programs through which we have served people in need, supported our communities and become an example of Responsible Retailing in the convenience industry.

We developed our nationally acclaimed Come of Age® awareness and personnel-training program to help ensure that age-restricted products such as alcohol, tobacco and lottery tickets are sold in a legal and responsible manner.

Now in its 10th year, Operation Chill® provides Slurpee® coupons to law enforcement agencies nationwide, which police officers use to “ticket” kids for good behavior. Since the program’s inception, some eight million coupons have been distributed. Slurpee® coupons also are a popular reward for academic effort and school attendance in our communities.

7-Eleven’s corporate contributions and employee and customer donations have combined to provide more than \$100 million over the past 30 years for disaster relief, humanitarian aid, education and health services.

### **Convenience For All Means Business For You**

7-Eleven sells the most USA Today newspapers, Sports Illustrated magazines, pre-paid phone cards, hot dogs, cold beer and Gatorade, bottled water and money orders. Our “first, best or only” strategy has led to the development of proprietary products that differentiate and define us, such as fresh foods, 7-Eleven coffee®, Classic Selection® water and America’s favorite treat, Slurpee®.

In a four-week period, customers visit a 7-Eleven store an average of 17 times, 80 percent of their total trips to any convenience store.

Nearly one-third of the six million people who stop by a US 7-Eleven store each day purchase immediately consumable food.

7-Eleven is America’s favorite beverage destination. More than half the customers each day purchase a beverage. A typical 7-Eleven store in the United States has between 2,400 and 3,000 square feet, and carries about 2,500 different items.

7-Eleven was the first to...operate 24 hours a day...sell fresh-brewed coffee in to-go cups...have a self-serve soda fountain...and offer super-size drinks.

7-Eleven customers sip and slurp more than 13 million Slurpee® beverages each month. Since its introduction in 1966, some six billion Slurpee® drinks have been sold, just about enough for every person on the planet to have slurped. 7-Eleven coined the term “brain freeze” in 1994 to communicate the painful joy of drinking a frozen Slurpee® beverage.

7-Eleven has the largest ATM network of any retailer in the United States.

## **Live The Dream**

A 7-Eleven franchise is the chance to operate your own business, be your own boss and build something you can be proud of. With a moderate investment, you can enjoy the longevity, stability and proven results of a global company, and the satisfaction of serving your customers. We take an active role in your business because we are successful when you are. No wonder thousands of families have decided to go into business with 7-Eleven.

## **Fresh Ideas**

7-Eleven has gourmet...to go! Today's time-pressed consumers are health and taste conscious, and we're here for them with a great assortment of convenient, flavorful fresh foods. New sandwich selections feature artisan breads with specialty meats, gourmet cheeses and spicy sauces. Open-air display cases are brimming with fresh fruits and ready-to-eat vegetables, and customers will be tempted by the smell of freshly baked cookies, doughnuts, muffins and brownies.

Our commitment to offering the very freshest foods is made possible by agreements with local commissaries and bakeries, which every day produce quality food menu items to our rigorous standards. Our proprietary product tracking and ordering technology, combined with our daily distribution program, ensures that stores have the fresh foods customers want, just hours from the kitchen.

The result: customers can count on 7-Eleven for an assortment of fresh food items that are appealing, appetizing and easy to purchase.

7-Eleven® is the Sign of Opportunity because a simple truth drives our business: **people need convenience...people need us.** The pace of today's society demands an accessible, clean location that is always open and offers a wide assortment of the foods, products and services consumers want most. Or, in the timeless words of 7-Eleven's founder, "what the customers want, when and where they want it."

Much has changed since we invented the convenience industry 80 years ago. The milk, bread and eggs we sold when other retailers were closed on Sunday, at that first store in Dallas, Texas, have become the 2,500-strong product assortment that is monitored and replenished daily, and changes constantly. A simple cash register has been replaced by a sophisticated POS system. And a neighborhood store has evolved into a proven business model that empowers the Franchisee.

## **Your New Day is Dawning... At The Sign Of Opportunity**

This is not an offer to sell, or solicitation of an offer to buy, a franchise. An offer is made by prospectus only. 7-Eleven, Inc. is an equal opportunity organization.

New York – This advertisement is not an offering. An offering can only be made by a prospectus filed first with the Department of Law of the State of New York. Such filing does not constitute approval by the Department of Law.

[www.7-eleven.com](http://www.7-eleven.com)  
800-255-0711



## ***A Financial Preview of the 7-Eleven® Franchise System***

These materials are intended to answer your general questions about a 7-Eleven Store Franchise to enable you to determine if you wish to continue learning more about our franchise opportunities. You will be given specific details when you meet with your Area Franchise Sales Manager in one of our operating areas.

*This information is not an offer or solicitation of an offer of a franchise. Our Uniform Franchise Offering Circular (UFOC) will disclose all the material facts about a 7-Eleven franchise. We recommend that you review all documents relating to a franchise with a certified financial advisor and/or your legal advisor.*

### ***Ownership***

To make this business opportunity possible, 7-Eleven obtains and bears the ongoing cost of the land, building and store equipment. The company then leases (or subleases) a fully equipped, ready-to-operate 7-Eleven Store complete with inventory to a Franchisee. A 7-Eleven Store Franchisee does not obtain any ownership interest or equity in the store or equipment.

### ***Franchise Fee***

The initial franchise fee for a 7-Eleven Store Franchise will vary by store due to the sales and gross profit merchandise trends (excluding gasoline profits) of the individual stores. The current national average franchise fee for a 7-Eleven Store is \$128,000, but the actual fee may vary significantly depending on the store. The fee for a new store or a store with less than 24 full months of sales history is based on a designated group of stores within its demographic area.

***Each 7-Eleven operating area can provide a current list of all stores available for franchise in that division and the specific franchise fees for each store.***

### ***Initial Down Payment Toward the Inventory***

One of the benefits of a 7-Eleven store franchise is that 7-Eleven purchases the initial inventory for the store on behalf of the Franchisee and stocks the store of an incoming Franchisee. The Franchisee buys the inventory from 7-Eleven; the cost of the purchase is not included in the franchise fee. A fully stocked store generally needs inventory costing about \$54,000, but the actual amount may vary significantly depending on the store. At the time the Franchisee enters into a franchise agreement, the Franchisee is required to either pay the inventory in full or provide a \$20,000 down payment on the initial inventory purchased by 7-Eleven for the store, and the remaining cost of the inventory will be financed. For a store that sells gasoline, there is a gasoline franchise fee that averages about \$20,000, but could be as much as \$40,000.

### ***Business Licenses, Permits, Bonds, and Cash Register Fund***

In addition to the franchise fee, gasoline fee (if applicable), and initial down payment, the Franchisee pays the cost of all business licenses, permits and bonds required by governmental agencies or by 7-Eleven for the franchise business. The average cost of licenses is \$9,000 but the actual amount may vary by store. The Franchisee must also initially invest in the cash register fund for the store to provide the change fund necessary to operate the programs offered in that store. This amount will vary but generally begins at about \$1,000.

### ***So What is the Franchisee Investment?***

The individual 7-Eleven Store Franchise provides a business person an opportunity to franchise a nationally known convenience store for a moderate investment. An average up-front cost for a 7-Eleven franchise is approximately \$191,000 and includes the franchise fee, gasoline fee if a gasoline store, the store's down payment on the opening inventory, supplies, business licenses, permits, bonds, and cash register fund. It is paid in full to 7-Eleven upon the signing of a franchise agreement. The actual investment may vary significantly depending on the store.

### **Premium Sale**

The list of stores available for franchise that will be provided at your first meeting will include stores that are currently operated by 7-Eleven and stores that are currently operated by a 7-Eleven Store Franchisee. In addition to the payments to 7-Eleven of the franchise fee, gasoline fee, initial down payment, cash register fund and licenses, permits and bonds, the purchase from a current 7-Eleven Store Franchisee may require a payment to the selling Franchisee. The amount of the payment is determined through an agreement between the current Franchisee and prospective Franchisee. The prospective Franchisee who offers to buy a 7-Eleven Store Franchise from an existing Franchisee must be approved by 7-Eleven.

### **Contract**

The term of the 7-Eleven Franchise Agreement is 15 years. Renewal and termination provisions are outlined in detail in the UFOC.

### **Ongoing Financing**

The Franchisee may obtain necessary financing for the operation of the business from any source the Franchisee chooses. 7-Eleven can provide an "Open Account", or financing, to qualified Franchisees for the inventory and operating expenses of the store. The amount financed generally fluctuates from month to month based on sales, inventory, purchases, operating expenses and withdrawals from a store's "Open Account." The annual interest rate is generally two points over the prime rate as noted in the Uniform Franchise Offering Circular.

### **Ongoing Fees**

In a 7-Eleven Store Franchise, 7-Eleven and the Franchisee both have a stake in the store's profitability. Rather than taking a percent of total sales receipts, the 7-Eleven Franchisee pays an ongoing royalty amount (7-Eleven Charge) based upon the store's gross profit. Each month the Franchisee pays this ongoing fee to 7-Eleven as compensation for the license of the service mark and system, the lease of the facilities and continuing services. Details on the gross profit split are outlined in the Uniform Franchise Offering Circular.

### **Sales Receipts minus the Cost of Goods Sold equals Gross Profit**

<b>7-Eleven pays for:</b>	<b>Franchisee pays for:</b>
<ul style="list-style-type: none"><li>▪ Property &amp; building rent or acquisition cost</li><li>▪ Equipment purchase or rent</li><li>▪ Property taxes</li><li>▪ Some utilities (electric/gas/water/sewer)</li><li>▪ Building maintenance and equipment replacement expenses</li><li>▪ 7-Eleven advertising</li><li>▪ Indemnification</li><li>▪ Initial and on-going training programs and written or on-line material on store operations</li><li>▪ Bookkeeping and back office support</li><li>▪ Financial summary reports</li><li>▪ Inventory audits</li><li>▪ Product development and merchandising assistance</li><li>▪ Ongoing business advisory assistance</li><li>▪ Local and national Franchisee advisory councils</li></ul>	<ul style="list-style-type: none"><li>▪ Payroll and payroll taxes</li><li>▪ Worker's compensation and employee group insurance</li><li>▪ Business taxes and licenses</li><li>▪ Cash and inventory shortage</li><li>▪ Store supplies and miscellaneous store expenses</li><li>▪ Equipment maintenance and general repairs</li><li>▪ Outside property maintenance and landscaping</li><li>▪ Telephone (store line only)</li><li>▪ Janitorial and laundry services</li><li>▪ Security expenses</li><li>▪ National advertising fee and local store advertising expenses</li><li>▪ Interest expenses</li></ul>

Begin our franchise process by filling out the attached application and forwarding it to us.

**7-Eleven, Inc.**  
**The world's #1 convenience store franchise.**  
Copyright© 2005



## **FRANCHISEE PROFILE**



### **Basic Requirements**

Is at least 21 years old.  
U.S. citizen or permanent resident alien  
Can obtain / maintain all licenses necessary for the operation of a 7-Eleven.  
Reads, writes and speaks English proficiently.  
College degree or work equivalent.  
Retail and management experience required.  
Able to complete all steps in the qualification process and 7-Eleven's then current store training program.  
Has no prior record of misdemeanor or felony conviction that would, in 7-Eleven's opinion, negatively affect the business or enable the ability to acquire licenses.  
Applicant, or spouse, cannot operate nor have any interest in a competing business. In addition, they cannot have any other business interest that, in the opinion of 7-Eleven, might jeopardize their opportunity to successfully implement the 7-Eleven Business Concept.  
The franchise is only between 7-Eleven, Inc. and the applicant and/or their spouse. All incorporations must be approved by 7-Eleven in advance.

### **Financial Considerations**

All assets necessary to meet the qualification requirements of 7-Eleven must be physically located in the U.S. and verifiable by 7-Eleven. If the assets include a letter of approval for a loan, it must be available when the business plan is completed. If the applicant will be selling a business, real estate, etc., the sale must be completed, and funds available, prior to signing an agreement.  
The required down payment, franchise fee, any goodwill amounts, and 5 months of living expenses must be available at the time of agreement signing and prior to attending training. 30% of these required funds must be unencumbered.  
Demonstrate financial stability and excellent credit rating. 7-Eleven will require copies of the most recent 3-years tax returns.  
Living expenses must be in line with store income potential so that the applicant can be comfortable living within the expected income.

### **Personal Characteristics**

Demonstrates the resiliency and flexibility to work in a "business system" that constantly changes while maintaining business focus with a positive outlook.  
Solves problems using a systematic thought process rather than making impulsive decisions.  
Integrity and honesty are unquestionable.  
Demonstrates the desire and ability to successfully manage a multiple store operation.  
Is well groomed and has good personal hygiene.

### **Basic Competencies**

Is physically able to perform duties.  
Demonstrates a stable employment history; is able to provide good work and/or business references.  
Basic ability to work with computers.  
Exhibits good organizational skills  
Has a proven record of success in business and personal accomplishments.

### **Understanding of General Business Principles**

Demonstrates good business judgment by making logical, fact-based, result-oriented decisions.  
Has realistic financial expectations and understands and accepts the business risks.  
Places a high value on customer service, image including fresh-food clean, and communicates clearly with customers to determine and fulfill their needs  
Demonstrates an understanding that to become actively involved in the community is important to the operation of the store.  
Demonstrates an understanding that controlling expenses must be done without sacrificing service or quality.  
Exhibits an understanding of the product assortment concept.

### **People Management/Human Resources**

Delegates ordering responsibility and decision making; overall delegation of job assignments.  
Exhibits an ability to work within a diverse population.  
Exhibits an ability to manage a diverse work force.  
Demonstrates ability to coach, train, and develop others so they can perform their duties at increasingly higher levels; provide feedback on a regular basis.  
Demonstrates ability to communicate openly and effectively with others (customers, 7-Eleven management, vendors, etc.).  
Exhibits ability to recruit and select employees that will learn all aspects of their jobs, including providing excellent customer service.

### **Understanding and Accepting the 7-Eleven Franchise System**

Understands and accepts 7-Eleven's contractual involvement in the business.  
Understands and supports the 24-hour operation concept.  
Accepts the responsibility for the merchandising process to include ordering, new item introduction, product deletion, etc.  
Understands the requirement to be actively involved in the day to day operation of the store.  
Demonstrates the willingness to work within the 7-Eleven franchise system.

**IMPORTANT NOTE:** The above list sets forth the general considerations regarding the qualities 7-Eleven seeks in a prospective franchisee, and is not intended to be all inclusive. The decision whether to qualify a candidate for a 7-Eleven franchise remains a subjective decision which includes many factors, some of which may not appear on the above summary. The decision to qualify or disqualify is made within 7-Eleven's sole discretion, based on 7-Eleven's opinion as to whether a candidate will be successful as a 7-Eleven franchisee. In some states, state laws may govern 7-Eleven's decision whether to qualify the goodwill candidate of an existing franchisee. This advertisement is not an offering.