

# Gong Cha CA Franchise Flow And Territory Availability

August 2016

# Franchise Flow-First Stage

## Step 1

- Fill out the franchise application form
- (Reply within 5 business days)

## Step 2

- If qualified, complete detailed application and provide business proposal
- (Reply within 12 business days)

## Step 3

- If approved, interview with franchisor

## Step 4

- Review contract

## Step 5

- Sign the contract

# Franchise Flow-Second Stage

Step 1

- Initial Consultation and Overview

Step 2

- Location Approval

Step 3

- Review Layout

Step 4

- Operation Training (minimum 10 days)

Step 5

- Equipment and Stocks in

Step 6

- Soft Opening and Employees Training

Step 7

- Grand Opening

# Territory Availability

## ***Northern California:***

- Multi and Single Unit franchisee—Various Locations
  - List of locations NOT available\*:  
Fremont, Newark, North/East/West San Jose, Palo Alto, San Mateo, Sunnyvale, Daly City, Sacramento County, Davis

## ***Southern California:***

- Area Developer (Multi Unit franchisee) only
  - List of locations NOT available\*: Orange County, North LA County\*\*

\*If you already have a leased space in the non available location ready to operate Gong Cha business, you can still apply. Upon evaluation, we can discuss accordingly.

\*\* North and South Los Angeles County are separated by Interstate 10

# Cost and Requirements

## MINIMUM FINANCIAL REQUIREMENT

### AREA DEVELOPER

TOTAL NET WORTH \$1,000,000 USD

LIQUID ASSETS \$400,000 USD

### SINGLE UNIT FRANCHISEE

TOTAL NET WORTH \$500,000 USD

LIQUID ASSETS \$200,000 USD

Business/management experience required, food service experience preferred

## BASIC COST

FRANCHISE FEE \*\$30,000 USD

DEVELOPMENT ESTIMATED COST \*\*\$220,000 – \$450,000 USD

ROYALTY FEE 6% sales

MARKETING FEE 2% sales

\* Per unit developed. Due upon joining the Gong Cha franchise; non-refundable, non-negotiable

\*\* Development fee is estimated; dependent on site size, location, and condition

# Southern California Territory List

- 1 North Los Angeles County\* (Not available)
- 2 South Los Angeles County\*
- 3 Orange County (Not available)
- 4 San Luis Obispo County, Santa Barbara County, Kern County, Ventura Counties
- 5 San Bernardino County, Riverside County, San Diego County, Imperial Counties

\* North and South Los Angeles County are separated by Interstate 10