



# FRANCHISE INFORMATION REPORT





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**Gold Star**

CHILI

BURGERS

SHAKES

FRIES

CONEYS

SALADS



## WHAT IS A GOLD STAR FRANCHISE?

### LEGENDARY CINCINNATI COMFORT FOOD ENHANCES EXPERIENCE BUILT AROUND GREAT MEALS AND SERVICE

What makes Gold Star special? Here's a hint: it's in the name. Gold Star's marquee product is our take on Cincinnati chili, a unique blend of Mediterranean herbs and spices that should never be confused with "regular" chili — Cincinnati chili is not eaten by the bowl, but rather ladled over spaghetti and then topped with cheese (3-Way), beans or onions (4-Way) and everything (5-Way). We also serve it over coney sauce, burgers and salads — pretty much anything on the menu can be chili-ized!

There's a lot more to Gold Star than the amazing chili, though. For instance, look at our longevity. We've been around for more than 50 years, building a franchise family and becoming a dining destination in the Greater Cincinnati area. We've done this through great food, sure, but also through amazing customer service and some unique touches that you won't find in other QSR restaurants, like table service.

### SIT-DOWN SERVICE AND SIMPLICITY OF OPERATIONS SET GOLD STAR APART

*"We're a mix between fast-casual and full service, waitress-assisted dining, and we even offer a drive-through option,"* says David Mayerik, Vice President of Development. *"We're kind of a 'tween' model. We serve dining-room customers at their tables, with food on china plates. We are able to offer these different service models because we have products that are easy to prepare, and a business that is simple to operate."*

Since its founding in the mid-1960s, Gold Star has kept those two focuses front and center. By offering unique, craveable food and fast, friendly service, it has grown to more than 60 locations in the Greater Cincinnati area. The chili has always been the star, and in recent years it has been joined by culinary crafted burgers and salads, creating even more excitement with the brand's loyal clientele and building repeat business for franchise owners. Now, add to that an updated, streamlined new look for our restaurants and you can see why Gold Star is generating a lot of buzz.

Behind it all, Gold Star is still very much a family business. It was founded by four brothers and their extended family, all Jordanian immigrants who'd come to Cincinnati. They were united in their goal to capture that essential American dream — owning their own business. They and their descendants remain heavily involved in the company today.

*“My father and uncles were working all kinds of odd jobs, and somehow they found themselves in an industry that really does live and die based on the inherent qualities they all possessed: a strong capacity for hospitality and the need to take care of people,”* says Samir Daoud, Franchise Director. *“From then to now we still operate every facet of our business, whether that’s customer service or franchisee support, with those traditions. It’s our duty.”*

*“Our family is very tight-knit, and many of them have followed the founders into this business because they see the value in what we bring to the community, as well as the opportunity for them to achieve their financial dreams,”* adds Roger David, CEO and President, who began his Gold Star career as a dishwasher at one of his father’s locations. *“When we say we are a family business, we mean that we treat everyone — customers, franchise owners, vendors, suppliers — like family. It’s how we’ve always done things.”*



In the early 1900s, a tobacco farmer and his wife lived that generosity, even though their resources were scarce, teaching an unforgettable lesson to their 10 children.

That made an impact on their children, several of whom eventually emigrated to America to follow their uncle Toufig, who had settled in Cincinnati. By the late 1950s, Basheer, Charlie, Frank and Dave were working towards opening their business.

## THE GOLD STAR STORY

### HOW FOUR JORDANIAN BROTHERS CREATED A NEW CHILI RECIPE AND A THRIVING BUSINESS

The Jordanian people are known for a culture of an all-encompassing hospitality. No matter how little a family might have, their door was always open and there was a seat at the table for guests.

### A CINCINNATI CHILI DYNASTY IS BORN THANKS TO A FAMILY’S SHARED RESOURCES

The brothers and their families were very close-knit, and they spent many evenings talking about what kind of business venture they could partner in. They saw the rise of neighborhood chili parlors and were intrigued. In 1963, they put their combined savings of \$12,000 to buy a restaurant – Hamburger Heaven – because of its excellent location in the Mt. Washington neighborhood, its attached two-family home, and its reputation for great burgers and Cincinnati chili.



# HOW IS GOLD STAR DIFFERENT?

## STREAMLINED MENU, TABLE SERVICE AND STELLAR FRANCHISE SUPPORT SET US APART

“We don’t tell you how to do things; we show you.”

That simple explanation from Samir Daoud, Franchise Director, pretty much sums up how Gold Star supports franchise owners from their very first day.

“We are in it with you, and so we’re going to walk with you side by side,” Daoud continues. “We are not a corporate office that you only hear from when they want something or are making a change. We are always available to franchise owners — and not just for calls, but for site visits and sit-down conversations about how we can help them achieve more.”

Almost immediately Dave began tinkering in the kitchen. He had grown up watching his mother select spices in their local marketplace, and so he began his own journey of exploration, connecting with high-quality suppliers and then sampling, sniffing and blending his way to a new combination that would become Gold Star’s legendary chili. It was a hit, sales of chili skyrocketed and soon hamburgers were running a distant second. The name Gold Star was suggested by an older relative, who recalled a luxury Jordanian brand, and no one wished to argue with a respected elder — and so Gold Star was born.

In the years since, the Gold Star franchise family has grown, making this amazing brand a well-loved dining choice throughout the Greater Cincinnati area. Now with more than 60 locations, Gold Star is a recognizable and beloved part the Cincinnati chili tradition.

## OPERATIONAL SUPPORT AS AN ONGOING FEATURE

For Gold Star franchise owners, that support takes many different forms. In addition to initial in-store and classroom training, there’s also on-the-ground support during the exciting opening days and beyond,



including 30-, 60- and 90-day follow-up visits. What's more, Gold Star franchise owners also get the services of a calibration specialist.

“Our on-call calibration specialist has one job: make sure that everybody’s happy,” Daoud explains. “As a true partner dedicated to showing, not telling, she goes in once a quarter to meet with the franchise owner and if anything is out of sync, we take care of it. Inventory control, staffing issues ... whatever may be off-kilter, that gets reported back to us and whoever needs to step in and help does so. That way the franchise owner doesn’t feel alone.”

**Gold Star franchises also engage with customers in many ways, all of which build capacity for the restaurant:**



- Drive-Thru Service
- In-Store Dining With Table Service
- Carry-Out/To Go Service
- Online Delivery Apps Such as UberEats and DoorDash
- Online Ordering

“We want to make sure that we have Gold Star food ready for anyone who wants it, however they want it,” explains Roger David, CEO and President. “We want them to have an enjoyable, sit-down dining experience if they so desire, and also to be able to grab and go if they have somewhere else to be. By meeting our customers where they are, we enable franchise owners to achieve maximum service capacity while also building a reputation for being accessible, convenient, and delicious.”

## WHAT ARE MY STARTUP COSTS?

### A GOLD STAR FRANCHISE IS AN AFFORDABLE AND EXCITING BUSINESS OPPORTUNITY

Opening a Gold Star franchise is easy, with very low entry costs compared to other brands in the QSR restaurant sector. Our team will work with you to find the optimal real estate in your community, and then our build-out team will walk with you through every step of the process, from property lease or purchase to grand opening. Our royalties and marketing fees also are calibrated to be in line and or below market standards.

# ITEM 7

# STARTUP COSTS

TYPE OF EXPENDITURE	AMOUNT FOR FREE STANDING BUILDING	AMOUNT FOR INLINE SPACE	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS MADE
Initial Franchise Fee	\$10,000 to \$50,000	\$10,000 to \$50,000	Cashier's Check	At signing of Franchise Agreement	Gold Star
Real Property and Site Work Costs	(See NOTE 1)*	(See NOTE 1)*	As Arranged	Before Opening	Lessor or Property Owner; Other third Parties
Furniture, Fixtures and Equipment	\$250,000 to \$310,000	\$180,000 to \$220,000	As Arranged	Before Opening	Approved Suppliers
Building, Construction and Leasehold Improvements	\$600,000 to \$900,000	\$400,000 to \$550,000	(See NOTE 4)*	(See NOTE 4)*	(See NOTE 4)*
Utility Deposits	\$1,000 to \$3,000	\$1,000 to \$3,000	As Arranged	Before Opening	Suppliers and Utilities
Architectural and Engineering Fees	\$15,000 to \$50,000	\$15,000 to \$25,000	As Arranged	Before Opening	Approved Suppliers
Initial Inventory	\$8,000 to \$10,000	\$8,000 to \$10,000	As Arranged	Before Opening	Gold Star, Approved Suppliers
Insurance	\$1,000 to \$3,000	\$1,000 to \$3,000	As Arranged	Before Beginning Operations	Insurance Companies
Signs and Awnings	\$18,000 to \$28,000	\$6,000 to \$15,000	As Arranged	Before Opening	Approved Contractors
Training	\$5,500 to \$9,000	\$5,500 to \$9,000	As Arranged	Before Opening	Employees, Miscellaneous Vendors
Licenses & Permits	\$1,000 to \$5,000	\$1,000 to \$5,000	As Arranged	Before Beginning Operations	Licensing Authorities
Legal & Accounting	\$2,500	\$2,500	As Arranged	Before Beginning Operations	Attorney, Accountant
Office Equipment and Supplies	\$1,000	\$1,000	As Arranged	Before Opening	Suppliers
Grand Opening Advertising	\$10,000	\$10,000	As Arranged	Within 3 Months of Opening	Miscellaneous Vendors
Additional Funds (3 months)	\$15,000 to \$30,000	\$15,000 to \$30,000	As Arranged	As Incurred	Gold Star Employees, Suppliers, Utilities, Insurers, Professionals, Etc.
<b>TOTAL</b>	<b>\$938,000 to \$1,411,500</b>	<b>\$656,000 to \$933,500</b>			

\* Please visit website [www.goldstarfranchise.com](http://www.goldstarfranchise.com) for more information.



# GOLD STAR'S TRAINING & SUPPORT

## SHOWING, NOT TELLING, FRANCHISE OWNERS ENSURES A STRONG START AND SPEEDY GROWTH

Whenever a Gold Star franchise owner needs help, anyone and everyone on the corporate team is a phone call or email away. And with the 24-hour rule, help is never long in arriving.

*"Whether I or anyone else has the answer or not, that call is returned within 24 hours," says Samir Daoud, Franchise Director. "Even if the answer is 'I'm working on that for you,' that owner gets an update. Their issues and concerns are important to us, and we make sure they get handled as quickly as possible."*



## IN-DEPTH AND ONGOING FRANCHISE OWNER TRAINING

A combination of in-store and classroom training ensures that every Gold Star franchise owner is ready for the challenge of running his or her own business. That's because any and all situations are covered in a fast, fun and comprehensive process, says Tyler Kraemer, Director of Training.

*"We start with the fundamentals," Kraemer explains. "We take a new owner through the same journey a new employee would experience. We take them to a restaurant and teach them how to operate in every station, from food preparation and service to who we are as a brand. They go from what a new employee would do all the way through working as a shift leader and then a restaurant manager.*

*Our approach is a 'train the trainer' mentality, so that every owner has the tools to get their team up to speed when they are onboarding staff and preparing to open their own restaurant."*

*"If we need to pile into a van and go back to a new franchise location and do a boot camp-style training to make sure they are confident and able to provide great service, we will do that. We are committed to doing whatever it takes for our franchise teams to succeed." Kraemer added.*

*That is all followed by on-site support around the new Gold Star's grand opening, after which Kraemer and members of his team are still easily accessible to handle any issues that come up.*



“We go through a soft opening, and then the larger grand opening, and we can see how things are going,” he explains. “We’ll have at least three trainers in for that, and then we start backing them out as the local team gets confidence and takes over. Then we come back for routine visits to make sure it’s all going well, and to perform any remedial or new training that’s necessary to help that franchise owner and their team excel.”



corporate team. We post updates on the platform, so we are pushing out information to the franchises as well.”

PlayerLync tablets act as a field trainer as well, allowing new employees to watch videos and master skills quickly and easily. And if someone is having trouble, their manager can have them review specific content in order to improve their skills.

In either case, it offers training and education in a format that younger workers prefer, which helps with engagement and knowledge retention.



## PLAYERLYNC TRAINING PLATFORM OFFERS HIGH-TECH SOLUTION TO ONGOING EDUCATION & SUPPORT

Another way Gold Star adds value for franchise owners is through the PlayerLync operational support and training platform. Each restaurant has tablets that allow, in three clicks or less, employees and managers to get to a wide range of content, from training videos to operational support.

“It’s our operations manual on steroids,” says Roger David, CEO and President. “It has video links and searchable content and allows owners to communicate with each other, as well as our

## WHAT MAKES A GREAT GOLD STAR LOCATION

### THE IDEAL FOOTPRINT OFFERS MAXIMUM VISIBILITY

There are many things that need to come together for a Gold Star franchise to succeed — chief among them being its location. Finding the right spot takes experience and finesse, both of which Gold Star brings to the table.

“Construction can be terrifying,” says Samir Daoud, Franchise Director. “We have long-standing relationships with brokers who are familiar with our facility and site requirements. If a new owner says to us ‘I don’t know where to go,’ we have the team



with the answers. We also have architects who can execute on a site, and in-house project managers who will work just with the franchise owner throughout the entire process.”

Here are a few things our real estate site selection and development team will look for when they work with you to review a site you may have in mind, or evaluate others, for your franchise:

## A COMMERCIAL AND RESIDENTIAL MIX IS BEST

Gold Star locations thrive in areas where there is a good blend of residential and commercial properties. A location near high-traffic retail locations such as malls and shopping centers is optimal, as well as a site with a very easy entrance and exit setup, preferably with signalized traffic.

Our team will also conduct demographic research, which will help both identify the optimal location from a business standpoint, as well as inform future marketing efforts following opening. Our analytics focuses on six major areas: traffic patterns, competitors and co-tenants, customer data, points of interest, population/households and restaurant trends.

## SPECIFIC SITE & LEASE CRITERIA

We also have developed these outlines to help narrow down potential properties:

### Site:

- 2,100 – 2,600 square feet building
- Minimum of 30 feet frontage
- Free-standing or end-cap site with drive-through in place
- Allowable signage to include building and monument/pylon
- At least 35-50 dedicated parking spaces

### Lease Terms:

- 10 Year base term with three 5-year base options
- No percentage rent or radius restrictions

### Minimum Conditions & Tenant Improvements:

- 400 amp, three-phase power
- 1 ton per 200 square feet of HVAC
- 1-2/4" water line rated at a minimum of 45 psi and 4 inch sewer lines stubbed to rear of the premises
- Gas service, if available
- 2 ADA restrooms per Gold Star-approved blueprints
- Minimum 9 foot ceiling height
- Drywall finish to the roof deck, taped, sanded and ready to paint
- All service tap fees, impact fees, meter fees, and development fees paid by landlord



Activation. “Our team also engages with franchise owners when they are partnering with a school, hosting a fundraiser, want to run an ad in their local newspaper or create new online advertising or promotional content. We are here to fulfill any and all requests, and make sure they are getting the word out in the most effective manner for that particular event or audience.”

## MULTISTAGE MARKETING PROCESS FOR NEW FRANCHISES

When a new Gold Star is about to open, Pollard and her team approach marketing in defined stages:

### ✔ KICKOFF

The new owner and his or her franchise are built into Gold Star’s internal communication system, and a trade area research and competitive audit is performed. Traffic trends are studied, as well as the site’s target audience in order to generate a heat map. All that data feeds the direct mail plan as well as the placement of digital and social media ads. This stage also includes building a list of key local store marketing contacts, such as the top four schools and who to reach out to there (athletic director, PTA president, etc.), as well as churches, local businesses of all types, local government offices, Chambers of Commerce and local media contacts.

### ✔ PRE-OPENING

Here Pollard amps up her engagement with the franchise owner, sharing the insights gleaned so far as the two begin to collaborate on the marketing plan she has created. This is also when the location’s website and digital social presence begins to be built out, and its email list for loyalty club members is created. In the physical world, nearby billboards and other signage opportunities are assessed.

# HOW GOLD STAR’S MARKETING BUILDS BUSINESS

## TARGETED COMMUNITY OUTREACH, SOCIAL MEDIA STRATEGIES CREATE RAPID BRAND AWARENESS

Whether you are assuming ownership of an existing Gold Star franchise, opening a new location in a current market or bringing Gold Star to an area for the first time, there’s one thing you’ll need: a strong, multifaceted and ongoing marketing plan. And we’ve got that nailed down.

“I work with new and existing owners when they are opening a new store or reopening after remodeling,” says Jamie Pollard, Director of Brand

## ONLINE ENGAGEMENT

Around opening, Pollard creates a social media and email calendar so all online content is ready to go for the new Gold Star location's opening-day festivities. Our team also works with you to create brand awareness ads that are placed ahead of time alongside 'now hiring' posts.

## POST-OPENING

Once the new franchise location is up and running, Pollard visits within a few weeks to sit down with the owner and assess all the marketing efforts to date. Everything can be tweaked, from social media content and frequency to physical mailers and other in-community outreach. This process continues for several months and includes outreach to schools and other potential catering opportunities to begin building that side of the business, as well.

*"There are a lot of moving parts, and many new Gold Star franchise owners are terrified because they know nothing about marketing," Pollard says. "My job is to look them in the eye, explain everything, and ease that fear. This is something that I am experienced with; I have been through multiple openings and remodels with great success and so I have all of the tools in place for them. We're there for them through the whole process. They can always lean on us and if they ever need help, I am right there."*





## NEXT STEPS

### READY TO BRING A GOLD STAR FRANCHISE TO YOUR COMMUNITY?

Just a few simple steps and you'll be on your way to small-business ownership.

After you downloaded this report, a member of the Gold Star franchising staff will reach out to you by phone. The first call usually lasts just a few minutes and gives us a chance to introduce ourselves to one another and address initial questions.

Once we determine that you're financially qualified and that you're a good fit for a Gold Star franchise opportunity, you'll sign your franchise agreement and we hit the ground running! We will schedule your business operations training at our corporate headquarters in Cincinnati, where you'll also spend time in one of our certified training store locations.

Training will provide you with everything you need to know about running a Gold Star franchise: preparing and serving our products with expertise, hiring employees, managing inventory, even the process for advertising and marketing in your community.

We will be on hand to help guide you through the entire process of opening your Gold Star restaurant to help ensure that you have everything you need to start your new business.

Thank you for your interest in becoming a Gold Star franchise owner!

