

ANAT

make it **your** way

Everything you need, want and have to know
about **opening** an **Anat franchise**

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History and Story of ANAT

Whether you are looking for Shawarma, Shuvarma or Schwarma the best Shwarma can be found at ANAT in South Africa. The falafel and shwarma have a long and colorful story and tradition within the Middle Eastern history, culture and tradition and this is ever so true when it comes to ANAT Falafel or Shwarma.

So let's begin with the story, once upon a time, a long time ago, in a distant land lived a man.

This man was Anat's grandfather and it was early in the 19th century, he was a teenager travelling with his family from Yemen to Israel, the journey was long and tough, so they stopped over in Egypt. Whilst there, he worked in a falafel shop to help support his family and this is where he learnt how to make a very tasty dish from chick-peas and spices called falafel. After arriving in Israel and later getting married, he needed a way to make money to support his wife and children. He decided to take his knowledge in making falafel and start a business selling the prepared dish to his fellow citizens.

The year was 1945 when Anat's grandfather first started selling falafel from a trailer in Holon, and this is where the family business began. During this time Anat's father who was one of 12 children would help his father to prepare the falafel balls which were sold to customers. People soon realised that this was no ordinary falafel but the best and tastiest falafel around, the business was a success and people came from far and wide to enjoy this wonderful meal. As time went on, Anat's father took over the family business and continued with the tradition and success as his father did before him.

Anat moved to South Africa in 1981 and in the year of 1991 she and her husband Menachem started a small business from a mobile unit in Bruma Flea Market and aptly named it ANAT. At first things weren't that great as South Africans were a meat loving country and didn't take to this falafel thing to well. So they decided to bring on another Middle Eastern delicacy known as the shwarma, and this being a meat dish was sure to be a hit with the South African consumer.

These towers of layered meat slowly grilling in vertical spit machines were a very enticing site and once cut and mixed with fresh salads in hollow flat bread known as pita, was transformed into a deliciously satisfying meal that was loved by all.

This definitely improved sales and in 1994 when the Bruma flea market is moved to a permanent location ANAT acquires its first semi-formal outlet. The shwarma craze had hit SA and everyone knew where to get the best shwarma in town.

With the success of the Bruma flea markets semi-formal outlet, it was decided to expand and take the wonderful taste of ANAT Falafel and Shwarma to other areas around Gauteng and South Africa, so that people there too may enjoy this delicious food.

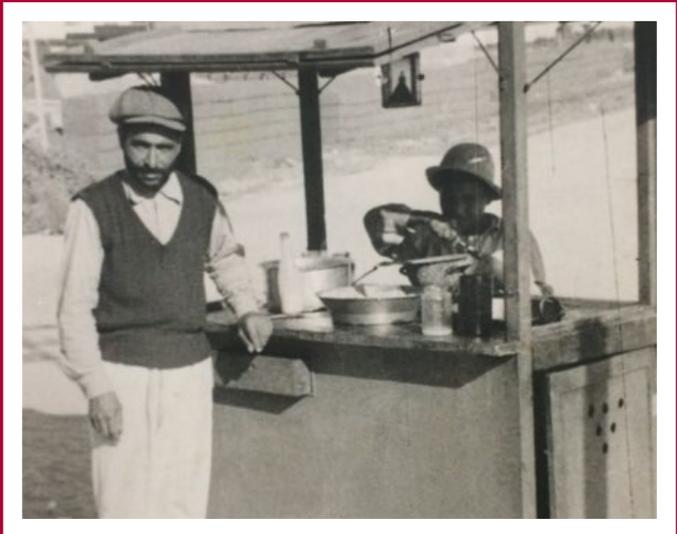
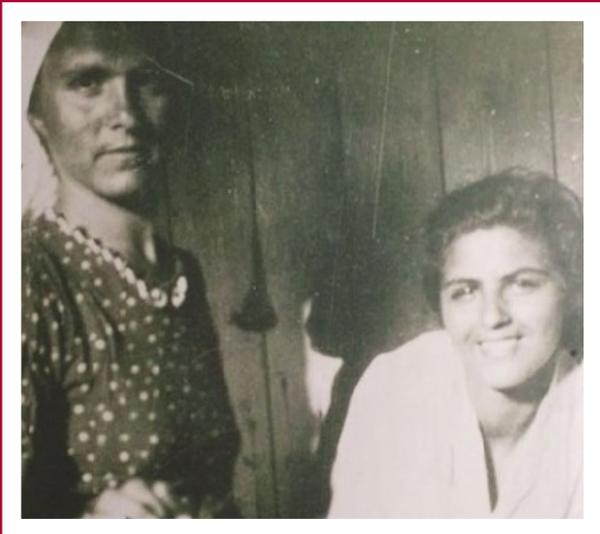
The first formal store was opened in Sandton City in 1996 and not long after another store was opened in Eastgate Shopping center (1997), both these stores were company owned and run (these stores are still part of the ANAT family today, 19 years later). Many more people were now enjoying the wonderful taste of falafel and shwarma and many more people were noticing the business potential of this product as a brand that they would like to be a part of. Wanting to grow but understanding that it would be impossible for them to do it on their own, Anat and Menachem decided to go the franchising route in a way of expanding the name and brand that is ANAT Foods today.

A fourth company owned outlet was opened at Cresta Shopping center and in 1999 was sold as the first ANAT Foods outlet, this would be the start to a steady growth phase in stores and for the ANAT brand as a whole.

ANAT has also made an impression in the retail market by opening an in house bakery in 1999 and then expanding this in 2002 to a fully independent bakery that supplies restaurants, shops and retailers such as Pick n Pay and Woolworths throughout the country. In 2007 a second bakery was opened in Cape Town to meet the growing demand for ANAT pitas, wraps, tramezzini's and other associated food products.

Now with over 20 stores throughout the country, and having developed a sturdy foundation in both the franchise and retail arenas -- ANAT Foods has certainly made its mark. It has become synonymous with good, fresh, wholesome and tasty food.

“ The shwarma craze had hit SA and everyone knew where to get the best shwarma in town”



Why Own an ANAT Franchise

Anat Foods is not just another burger or chicken joint, we offer something different, something unique, something exciting and tasty.

The ANAT Franchise group is one of South Africa's leading fast food franchise chains and has developed a sound foundation of business policies and procedures that will give your business the best chance of success in this vicious environment. With on-going support, guidance, training and development from ANAT head office, we endeavour to assist you in driving your sales and profits higher and higher.

We have also developed an extensive product line with a distinctly Middle Eastern flavour that includes shwarma, falafel and laffa, and we are continuously developing and testing new lines and products to entice more customers to visit our outlets.

These products attract customers because they are different to the norm, this places the brand in a niche market with very little competition, appealing to peoples need for different food that is both wholesome and tasty.

Adding to this, a wide variety of freshly produced salads that are colourful, attractive and healthy. These salads are all prepared in store on a daily basis so that they are always crisp, fresh and deliciously appetising.

Freshness is another key concept of the ANAT brand; we believe that the fresher the product the tastier it will be and the more the customers will enjoy the food. And as we all know, the more the customers enjoy the food the more they will come back for more and the more they will tell their friends. More customers, more friends, more sales, more profits. Word of mouth is and will always be the best and cheapest form of advertising. To maintain the freshness, products are either made in store or at our head office on a daily basis which are then either delivered or collected.

ANAT pioneered an industry first in the South African franchise industry with the concept of "Make It Your Way", which today has become synonymous with the brand as well as our brand slogan. This concept invites the customer to make their meal, exactly the way that they want it, and not just another product pushed off the kitchen production line.

No two products have to be the same if the customer doesn't want them to be, or they can be identical, this is the beauty of this concept, the customer is in control of the way their food is prepared.

Last but definitely not least, we come to those amazing towers of layered meat, and for the meat lover (which is the majority of South Africans) this is a sight that is as appealing as any in the fast food industry.

No equivalent exists to its naturally grand appeal, those layers and layers that just go on and on and on, juicy succulent tasty layers of pure heaven. I don't think that any meat lover in South Africa will argue to the appeal that this centre piece of an ANAT outlet has on them.

So to conclude, the question was "Why an ANAT Franchise", the answer is this:

- Sound policies and procedures
- A wealth of knowledge and experience
- Support and development
- Products that are different, unique, tasty and fresh
- Industry leading concepts
- And a love for food, people and business.

The ANAT Family – You and Us

About Franchising

Franchising is considered world-wide as one of the most successful business models. When you buy into a franchise, you join a brand with tried and tested business practices, established menus, products and people with knowledge and experience to help you grow and succeed in this new business venture.

Franchising is not a full proof system and as with any business venture there are risks, but with franchising, these risks are minimised and more easily controlled with the backing and support of an entire group.

At ANAT we are passionate about our food and dedicated to excellent customer service, so it stands to reason that we look for franchisees that share this same enthusiasm. The food industry is demanding and we require individuals that are prepared to put in the time and effort needed to succeed and prosper in this industry.

Franchising with ANAT requires a person that is a passionate go-getter that strives to achieve excellence; is customer and service orientated; has an inspired attitude to life and business; understands the business and markets they work in and surrounds themselves with dedicated, hard working people.

Franchising with ANAT is not unlike opening any other business, it is required from every franchisee to be dedicated to the quality of the products you sell. Continuous and consistent control over staff, products, policies and procedure is an absolute necessity to ensure that costs are always kept under control.

The advantage of franchising with ANAT is that we have many years of experience in the identification, training, rectifying and control of all these problematic areas. Together we will and are able to provide you with the necessary assistance, support and guidance to ensure that everything is kept in order, giving you the best possible chance to attain maximum turnover and profits.

At ANAT, we strive to provide our customers with the highest quality of wholesome food; with the friendliest and most efficient service whilst providing excellent profit making opportunities for our franchisees.

An ANAT Franchisee

Many people out there would like to start and run their own business, but do you have what it takes? Do you have what it takes to run a business and in this circumstance, a franchised business. Although starting a franchised business is much the same as starting a normal business, there are some differences that need to be carefully considered before you embark on this journey. Understanding what is required from you and how you should behave in this kind of business is of the utmost importance and can mean the difference between success and failure.

As mentioned in the previous chapter there are certain attributes that a person must exhibit in order to be considered a potentially worthy candidate to join the ANAT franchise family, and these can be listed as follows:

- **Do you have a burning desire to start your own business?**
- **A passion for food and people**
- **Friendly, patient and tolerant, yet firm**
- **A commitment to delivering excellent quality and service**
- **An inspired, energetic go-getter**
- **Willing to put in the hours, a hard worker**
- **The personality to manage and motivate others**
- **Mental strength to handle adversity and conflict**
- **The drive to promote and grow your store and the brand**
- **Hands on, proactive and self-motivated**
- **Loyal and consistent character**
- **Computer literate**
- **Mathematically astute**

As an ANAT franchisee you will be running your own business, but, your business will be a part of the ANAT franchise family and brand. This will mean that you will have to run the business according to the policies, procedures and guidelines as set out by ANAT Foods. This is often a stumbling block for certain entrepreneurs who wish to do things their way, but the most successful franchisees will always be the ones that stick to the proven recipe that the franchisor has perfected over many years of trial and error. You must be an inspiring entrepreneur and a committed team player.

Another key consideration for an ANAT franchisee is the financial aspect. It is important for potential applicants to be credit worthy, financially sound and have available financial resources and security.

Unfortunately funding is hard to come by and most institutions will require that you have some un-borrowed funds available to contribute to the setup of a franchise (exact requirements will be discussed later). Owning your own business is a long term investment and a successful franchisee must possess the mental and physical strength to persevere.

Although no formal education or prior food business experience is required, it will be advantages and may reduce certain training requirements. An external assessment will be conducted to determine your business skills, strengths and weaknesses. According to these results, additional training may be required.

Knowing where your strengths and weaknesses lie, and how to overcome them, we will give you the best chance of running a successful and profitable ANAT Foods franchised outlet.

Training and Learning

No formal knowledge of business or the food industry is required, but these will be advantages in the application process. An ideal applicant will have managerial experience and/or have been self-employed, but these are also not necessities. The willingness and ability to learn and understand the theory and to practice, practice, practice it until you perfect it are the most important attributes that you will require. Everything else, we can teach you!

Applicants must however be computer literate and possess basic mathematical skills.

The training programme is gruelling, demanding and not for the faint hearted. Potential franchisees must prepare themselves and their staff for intense mental and physical work. The training will incorporate all elements of the operations manual and everything required to properly run an efficient and profitable business.

Training will be divided up into two sections, these sections are: theory and practical. Applicants and staff will be monitored and tested on all categories in both sections, during and after the training period. The applicant and initial staff compliment must pass and be familiar with all categories before we can certify you and hand the store over for trading.

Theory training will be provided at our Head Office and practical training will be provided at one of our outlets. Training will last for a duration of two months and will be structured on a 6 day week cycle. Please note that training is covered in the setup costs, but that transport, accommodation and staff wages are not covered, and may be needed, depending on your proximity to our Head Office and training store.

The following aspects will be covered in training:

- **Food preparation practices and procedures**
- **Product assembly, presentation and delivery**
- **Customer care and service**
- **Staff management, appearance and attitudes**
- **Store and personal hygiene and cleaning**
- **General store management**
- **Control measures**
- **Financial and business management**
- **Safety and security**
- **Marketing**
- **And more**

An operations manual will be provided as an on-going reference should any uncertainty arise once your outlet is operational. The training phase is an extremely important phase and potential franchisees need to make their initial staff compliment fully aware of this. No outlet will be allowed to commence trading if the full staff compliment has not passed all aspects of training.

Training and Learning

Being fully trained and prepared is essential when trading begins, because you can only make one first impression. Mistakes early on can cause detrimental and disastrous effects to your business. Poorly trained owners and staff can ultimately cause the failure of a business, but well trained people can drive a business forward and upwards. Owners, managers and supervisors will undoubtedly receive the brunt of the training as we believe that an ANAT outlet should be led from the front and managerial staff must lead by example.

It must be ultimately understood that YOU, as the potential franchisee, are committing your hard earned money to this venture, and that failure is not an option. YOU are responsible and accountable for the success or failure of your own business. We at ANAT have provided you with a well-known brand and will provide you with the best possible training, knowledge, tutoring and support necessary to equip yourself for success.

When you buy into the ANAT Foods franchise, you buy into a brand, a brand that has taken years to nurture and develop from its infancy. A brand that seeks to expand and grow into the future. Training gives us the platform and opportunity to instill our vast amounts of knowledge and experience upon you, so that we may work together to achieve these goals.

Knowledge is power, and knowledge comes from learning.



Support

Support starts at the very beginning, even before an outlet is secured and built and is never ending.

We will endeavour to support you in any way possible to ensure the ultimate success and profitability of your outlet within the scope of the policies and procedures of the ANAT brand.

From the beginning, we will assist you with information required by land lords and financial institutions for the development of business plans and forecasts, in the pursuit of lease agreements and financial assistance.

We will assist you in finding, negotiating and securing a suitable site, based on cost, location and general feasibility.

Once an appropriate site has been selected and approved by us, we will commence with the building of the outlet, according to our specifications and requirements. During and before this building period, comprehensive training will be provided as detailed in the previous section.

Marketing is an important tool in ensuring the success of any business, and this is done through brand awareness, by ensuring that customers are aware of your outlet and the products that we sell. Initial marketing done before the outlet opens, will take the form of pamphlet drops, posters, external advertising and opening promotions. After the initial phase, continuous marketing in the form of group promotions, specials and advertising in various forms will continue to be organised by us at Head Office to ensure our customers continued support and loyalty.

Store visits will be conducted on a continual basis by Head Office and third parties, to liaise with you and your staff about current and future activities. These store visits and inspections are a vital part of ensuring that your outlet maintains a sufficient standard in food quality, customer service and hygiene.

Support from us, will come in many ways, means and forms. This will sometimes be direct and noticeable and sometimes indirect and in the background. Our support of your outlet is integral to the survival of your business and of the ANAT brand as a whole.

By this support of each other we ensure your prosperity within the ANAT Foods family.



Statistics and Financial Indicators

Setup costs are from R950 000 (excluding VAT).

This is for a turnkey project and will include:

- Training for initial staff compliment
- Support – before, during and after store setup
- Equipment and smalls
- Shop fitting and furniture
- Joining fee (R100 000 incl. Vat)
- Legal and administration fees
- Initial marketing
- Opening stock

Setup costs are dependent on:

- The size and shape of an outlet (from 40m²)
- State of the outlet (new or existing, ceilings and doors)
- Whether or not seating will be required

Setup costs do not include:

- Transport, meals and accommodation of you and your staff during training
- Deposits and fees required for lease agreements, utilities or other suppliers
- Store floats, cash flow, stationary and cleaning chemicals

An accurate cost breakdown will be provided once an outlet has been secured.

Setup costs are only valid for Gauteng as stores in other provinces will incur additional costs due to distance and possible extra equipment.

Minimum Requirements

- At least 30% or a minimum of R300 000 of the funds are to be unencumbered (un-borrowed).
Dependant on funding method
- Security for remaining funds
- Clean credit record
- A positive and proactive attitude

Profit Forecast Values

Sample Profit Projection

Sales projected income	150000	200000	250000	300000	350000	400000	450000	500000
Sales projected ex.	131579	175439	219298	263158	307018	350877	394737	438596
Cost of sale ex.	55263	73684	92105	110526	128947	147368	165789	184211
Gross profit ex.	76316	101754	127193	152632	178070	203509	228947	254386
Royalties & marketing	10526	14035	17544	21063	24561	28070	31579	35088
Bank charges	3025	3700	4625	5300	6225	6900	7825	8500
Cleaning	800	800	900	900	1000	1000	1100	1100
Gas	3000	3500	4000	4500	5000	5500	6000	6500
Pest control	400	400	400	400	400	400	400	400
Staff wages	24600	24600	28100	31600	31600	34600	37600	40600
	5 general	5 general	5 general	5 general	5 general	6 general	7 general	8 general
	1 supervisor	1 supervisor	1 cashier+ 1 supervisor	2 cashier+ 1 supervisor				
	1 manager	1 manager	1 manager	1 manager	1 manager	1 manager	1 manager	1 manager
Staff transport		1000	1250	1500	2000	2500	3000	3500
Phone & data	1000	1000	1200	1200	1300	1300	1400	1400
Petrol & deliveries	1000	1000	1250	1250	1500	1500	1750	1750
Rent plus ops 50m	300 + 50	20000	22500	25000	27500	33750	41250	50000
			400 + 50	450 + 50	500 + 50	600 + 75	750 + 75	900 + 100
Utilities & other	2500	2500	3500	4500	6000	7500	9000	10000
Insurance	6000	7000	7750	8500	9250	10000	10500	11000
Staff welfare	1000	1000	1000	1000	1250	1250	1250	1250
Misc, R&M, U/F + other	3000	500	750	1000	1500	2000	2500	2500
Total expenditure	74351	84035	98769	111703	123086	141270	160154	178588
Net profit	1964	17719	28424	40929	54984	62239	68793	75798
Annual profit	23574	212632	341089	491147	659805	746863	825521	909579
ROI (R1 000 000)	509.04	56.44	35.18	24.43	18.19	16.07	14.54	13.19
Net profit %	1.49%	10.10%	12.96%	15.55%	17.91%	17.74%	17.43%	17.28%

Average store turnover = R300 000

Staff

Bank Charges

Rental

Based on a 50m store

Expenses are excluding vat

C.O.S calculated at 42% of ex.Vat sales

GP calculated at 58% of ex.Vat sales

General - 14.84 - R3000

Cashier - 17.50 - R3500

Supervisor - 20.94 - R4200

Manager - 26.92 - R5400

Credit/Debit fees

Cash Deposit fees

plus Bank fees

45% of sales

45% of sales

at 2%

at 1%

Basic rental

Operations costs

Marketing

Parking

Rates and Taxes

Store Setup List

Special items	Equipment & furniture	Smalls		Opening stock	
Anat exterior sign	Chip dump table	1/3 Bain marie insert	Dustbin customer	Cold drinks	
Interior features	Chip fryer	1/3 Bain marie lid	Falafel piston	Bakery	
Light box menus	Crockery rack	1/2 Bain marie insert	Full Bain marie insert	Kitchen (food)	
Light box pictures	Cutting board stand	1/2 Bain marie lid	Full Bain marie lid	Dry goods & packaging	
Display fridge decals	Fire extinguisher	1/4 Bain marie insert	Full insert drain	Vegetables	
Anat glass tiles	Flat top grill	1/4 Bain marie lid	Grater 4 side	Uniforms	
Posters A1	Deep freeze (Chest freezer)	1/6 Bain marie insert	Grill scrapper	Managers shirts x 4	
Store design	Point-of-sale system	1/6 Bain marie insert	Hamburger turner	Managers caps x2	
Store plans	Knife holder	1/6 Bain marie lid	Mixing bowls 1lt	Name badges x8	
Building materials	Potato peeler	1/9 Bain marie insert	Mixing bowls 3lt	Jackets (optional)	
Bricks (1000's)	Potato chipper	1/9 Bain marie lid	Mixing bowls 5lt	Jerseys (optional)	
Cement	Portion scale	Measuring jug 5lt	Mixing bowls 8lt	Staff shirts x 12	
Shop fronts	S/S shelves	Measuring jug 1lt	Teaspoon	Staff aprons x 6	
Shop front shelving	S/S tables	S/S chip bagging scoop	Tablespoon	Staff beanies x 6	
Granite	Safes (Small wall mount)	Basting brush	Table forks	Cost summary	
Paint	Salad display stand	S/S chip sccop	Spoons soda	Marketing	as per quote
Rubble removal	Sneeze glass	Potato peeler hand	Pita knife	Operations	as per quote
S/S corners	9 slice sandwich press	Colander	Oil skimmer	Building & fitting	as per quote
Aluminium edging	Shwarma machine	Cooks knives	Oil filter frame	Equipment	as per quote
Building sand (cubes)	Sink double (as required)	Cutting board	Paddle mixer	TOTAL	R 950,000.00
Plaster sand (cubes)	Pot sink single (spec)	Mop handle	Slicer for brinjals		
Tiles floor complete	Hand basin S/S	Mop head	Kitchen knives		
Tiles wall shop front	Table top fryer (single)	Mop bucket	Chopping knife		
Tiles kitchen wall	Sauce pump	Wet floor sign	Utility tray		
Tiles marble counter	Sauce pump stand	Mop and broom holder	Shwarma knives		
Consumables	Utensil holder	Broom sweeping	Storage crates white		
Labour & other	Under counter fridge	Broom scrubbing	Sauce bottles		
Electrical	Upright fridge double	Dish washing brush	Plates		
Plumbing	Vegetable cutter	Scrubbing brush	Sharpening stone		
Building & fitting		Duster	Sharpening steel		
Transport		Dustpan set	SK2 dishes		
Extraction		Cutlery holder dryer	Spoons Soda		
		Dustbins kitchen	Spoons		
		Dustbin front	Spice shakers		
		Utility tongs	Spatula silicone		
		Whisk	Spray bottle		
		U Zags for chips			
		U Zags for shwarmas			
		Table knives			

The above prices are exclusive of VAT. Sample list only. More accurate list will be provided further into the application process. Prices are subject to change without notification.

Frequently Asked Questions

- **How long have you been in business?**
Since 1991
- **How long have you been franchising?**
Since 1999
- **How many outlets do you have?**
20 outlets
- **Are you a member of FASA?**
Yes – Full member
- **Do I have to run my own store?**
This is preferable, but manager run outlets will be considered under strict terms and conditions.
- **How much is a franchise?**
R950 000 excluding Vat
- **Do you assist in lease and funding negotiations?**
Yes, we also assist in finding a site
- **What does the cost include?**
All shop fitting, equipment, training and administration
- **How much are your royalties and advertising fees?**
5% royalty and 3% advertising
- **What size is an outlet?**
40m2 minimum, plus additional for seating
- **How many staff do I require?**
10 staff including you, initially. This will be re-evaluated once the store is operating for a few months
- **Where do I get my stock?**
Most stock comes from our central kitchen and a few authorised suppliers
- **What is the gross profit percentage?**
56% to 60%"
- **How long does it take to open a store?**
At least two months, depending on training, funding and site availability
- **How long is the franchise term?**
10 years, renewable, provided there are no breaches
- **Can I open a second outlet?**
Yes, but this will be dependent on the way you operate the initial outlet
- **Will I succeed?**
Any business venture is a risk, but through careful planning, commitment and hard work, these risks can be reduced drastically

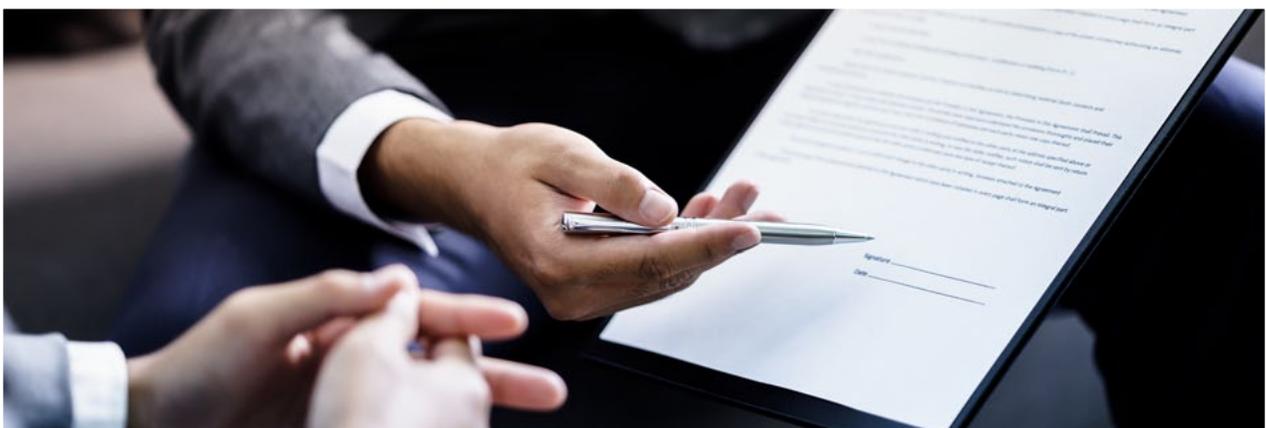
Franchising Procedure

The following is an indication of the procedure that will be followed when you decide to become part of the ANAT Foods family. This decision should only be taken once you are satisfied that we meet all your requirements and that you meet all of ours.

- Send us an email of your intention to start the process (info@anat.co.za)
- We will respond by sending you a complete application and a credit check request
- Please fill out these applications completely and send it back to us, if you are having difficulty with certain sections, please email us for clarity and help
- We will carry out an initial evaluation of your application and request any additional information necessary
- A deposit of R2000 incl. Vat will be requested, to cover any initial administrative checks, interviews and evaluations
- Should the site be outside Gauteng, then this deposit will be increased accordingly
- Deposits are partially refundable and will be deducted from store setup costs
- Should your application be declined at this point for any reason whatsoever, you will be informed of such and if required, the necessary portion of your deposit will be refunded
- Once the deposit is received, final application documentation will be processed
- If all documentation is in order, an interview will be arranged
- If the interview is successful, a letter of approval will be issued
- Selecting, approval and negotiating of a potential site for the outlet will begin
- Applications can be submitted to financial institutions for any additional funding requirements
- Signing and securing of a lease agreement and any additional funding
- Drawing up and signing of a Franchise agreement
- Setup costs and joining fee to be deposited into ANAT Food's trust account
- Training will begin
- Designing and ordering of store and equipment
- Building and setup of outlet
- Finalise training and store setup
- Store opening

This process is an indication and may vary depending on individual applicants and selected outlets circumstances. Site building and finalisation of training will not commence until full funding is secured.

Opening of the outlet will not proceed until all funding, deposit and training requirements have been fully and successfully met, to the satisfaction of ANAT Foods.



Please be aware that there is no particular time frame for this process, due to uncontrollable circumstances, but the utmost will be done to ensure optimal efficiency and speedily completion of all procedures.

Owner run outlets are preferable, but manager run outlets will be considered under strict terms and conditions as will be set out in the franchise agreement.

Thank you again for your interest in our franchise brand.

Remember: positive things only happen to those that go out with the will and positive attitude to make them happen.

We look forward to dealing with you soon.

ANAT