

Kilwin's[®]

Chocolates - Fudge
Ice Cream



Kilwin's 2010 Transformation Roadmap



“The best confectionery and ice cream you will ever enjoy!”

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Project Management

- ✔ Objective
- ✔ What is a “build & sell”?
- ✔ Benefits of a Kilwin’s build & sell
- ✔ Target improvement areas
- ✔ Process development
- ✔ Non-build & sell assistance
- ✔ Where do we go from here?

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Project Management

Objective

To develop a construction process that can be offered to existing and future franchisees that is not only beneficial but cost effective

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What is a construction “build & sell” (turnkey)?

A construction process by which a complete project is turned over to a owner (franchisee) by a single entity (Kilwin's) that is responsible for designing and constructing the project

Note: in a traditional build & sell scenario, the owner has little to no input in the process until it is turned over – this is where Kilwin's differs from other turnkey franchises

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Benefits of a Kilwin's Build & Sell

- ✔ Improved overall project control (cost & schedule)
- ✔ Project plans geared towards success
- ✔ Due diligence to avoid unnecessary delays
- ✔ Improved contractor controls
- ✔ Improved scheduling coordination
- ✔ Improved equipment management
- ✔ Enhanced customer communications

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Project Management

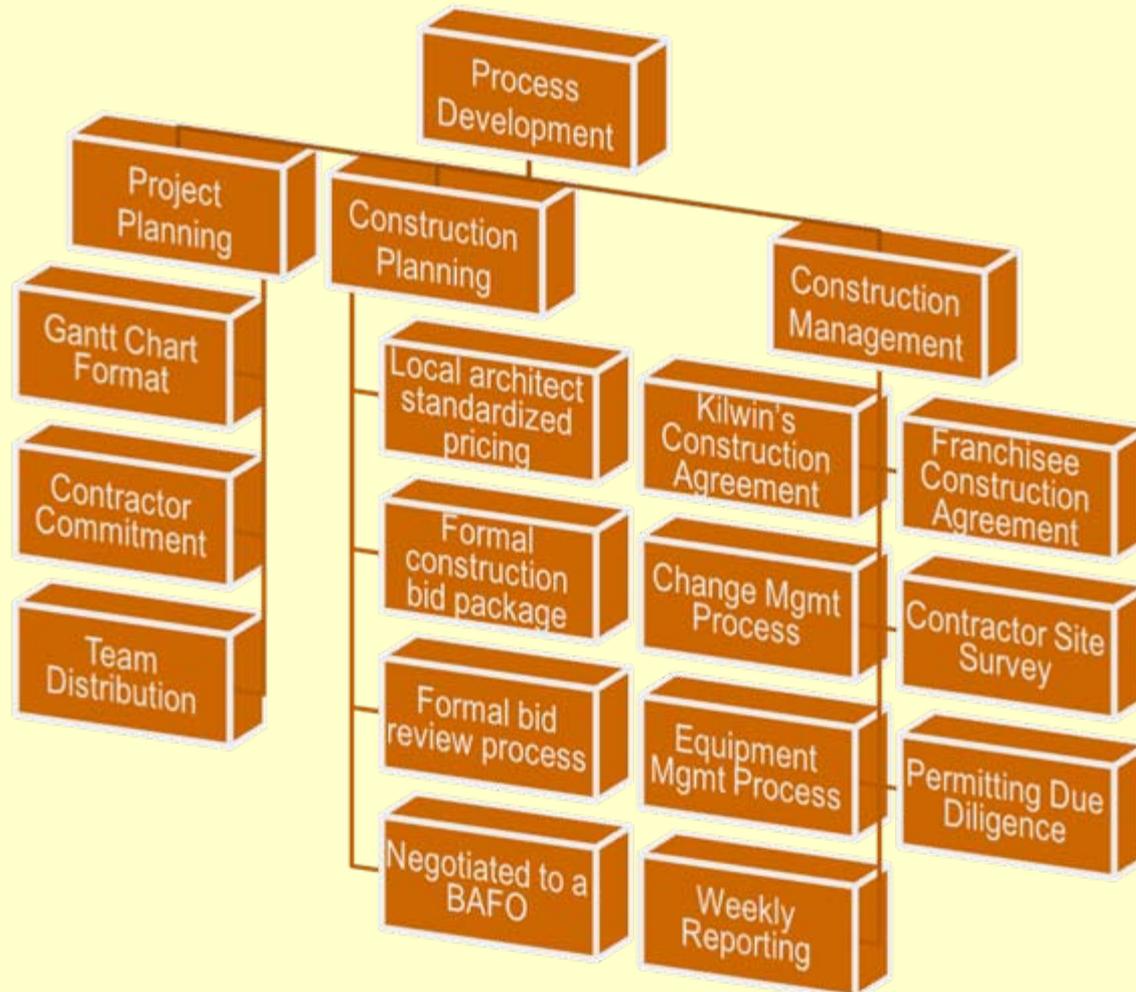
Target Improvement Areas

- ✔ Overall project plan
- ✔ Generation of a contractor bid list
- ✔ Formal construction bid package
- ✔ Formal bid review process
- ✔ Contractor negotiation process
- ✔ Contractor construction agreement
- ✔ Franchisee construction agreement
- ✔ Formal change management process
- ✔ Equipment management process
- ✔ Permit due diligence
- ✔ Signage & awnings standards manual

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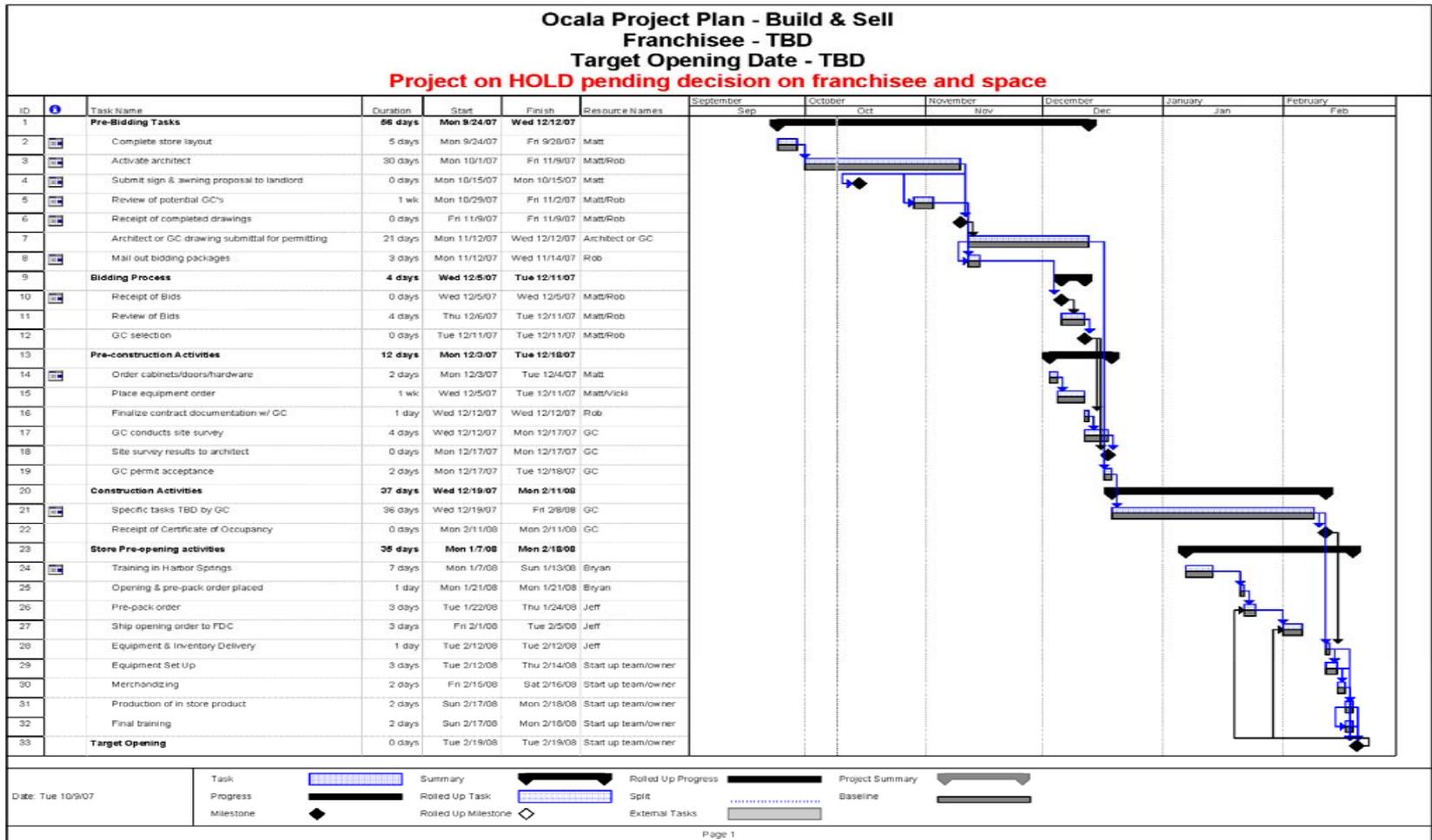
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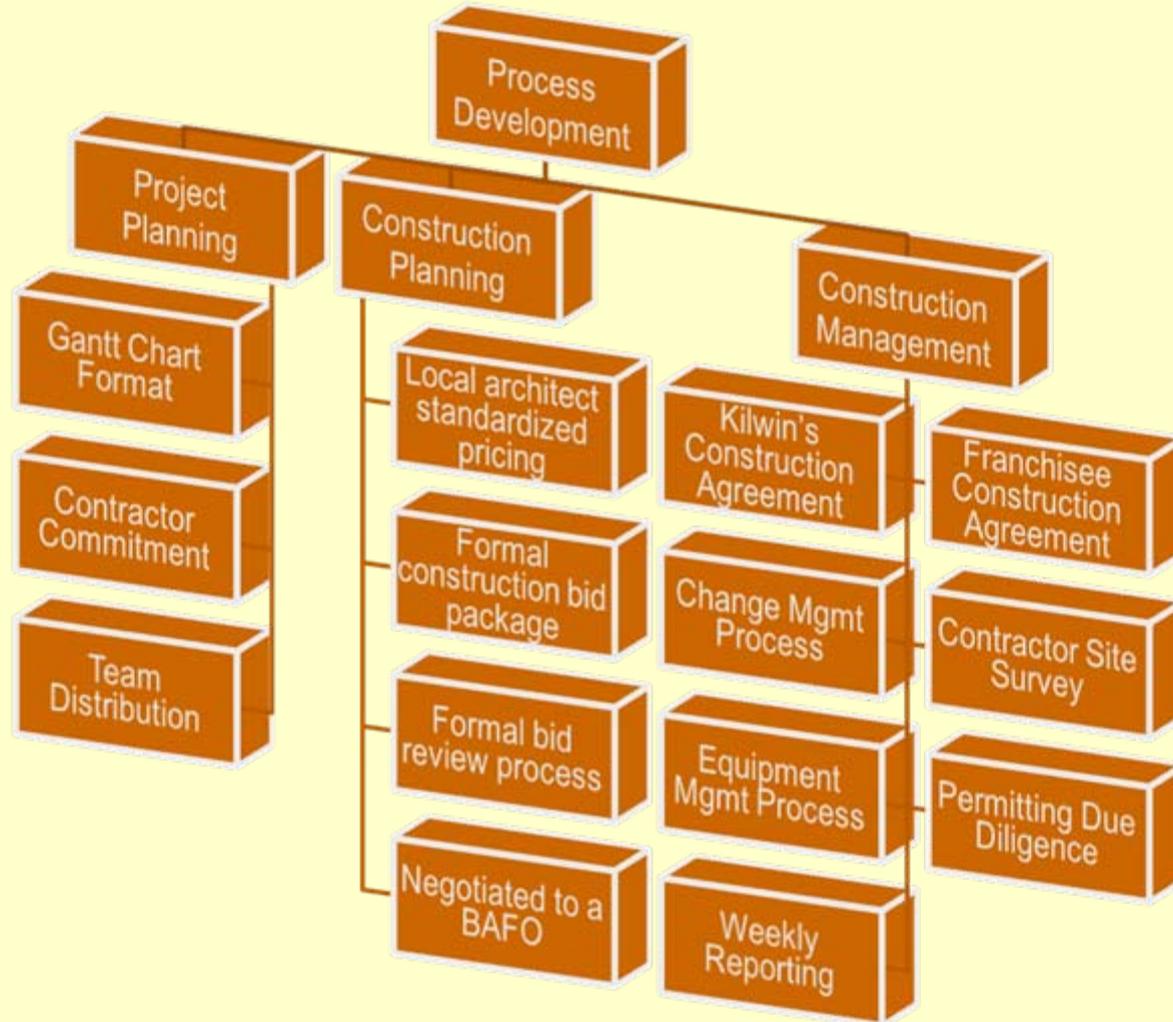
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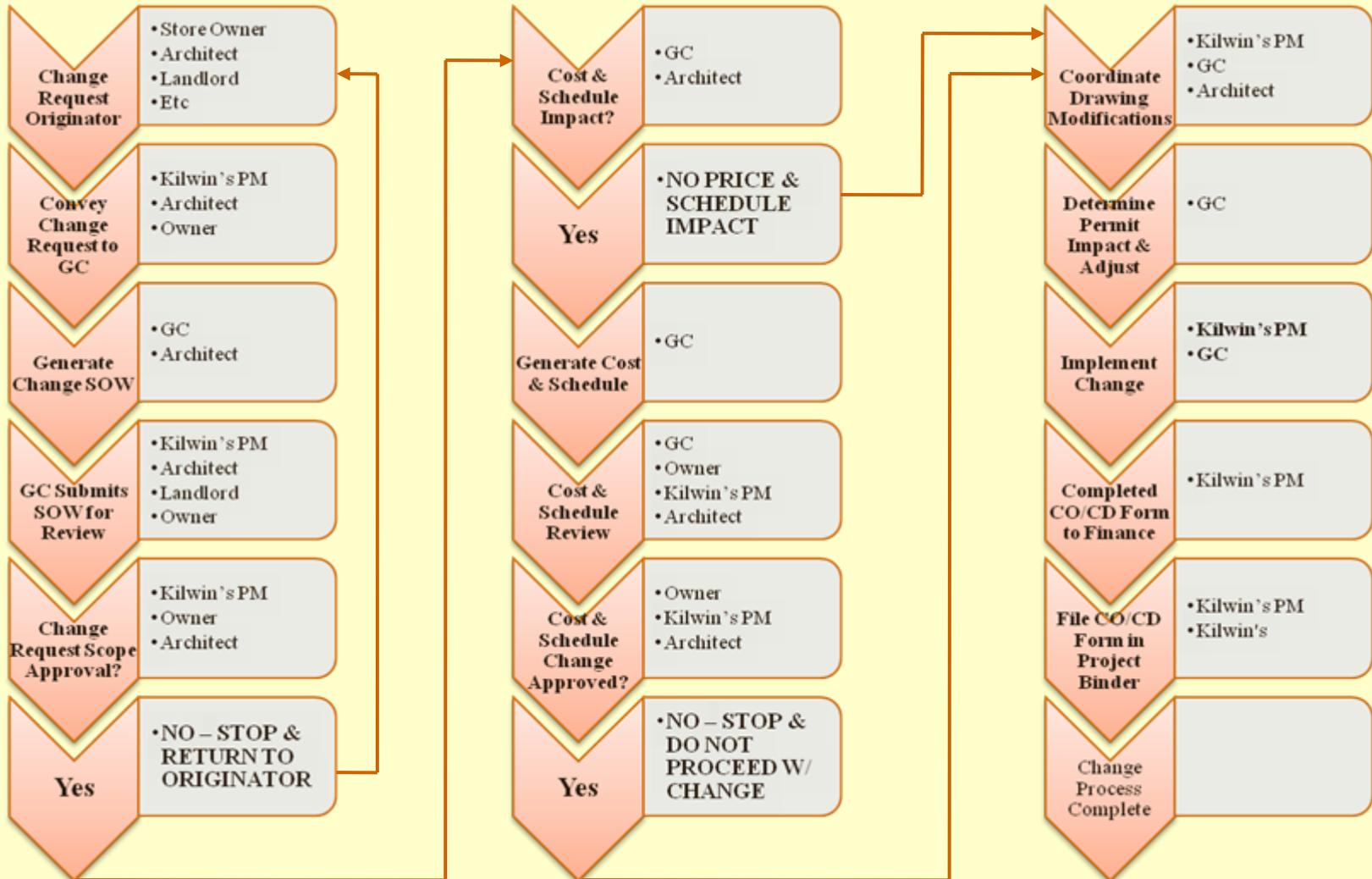
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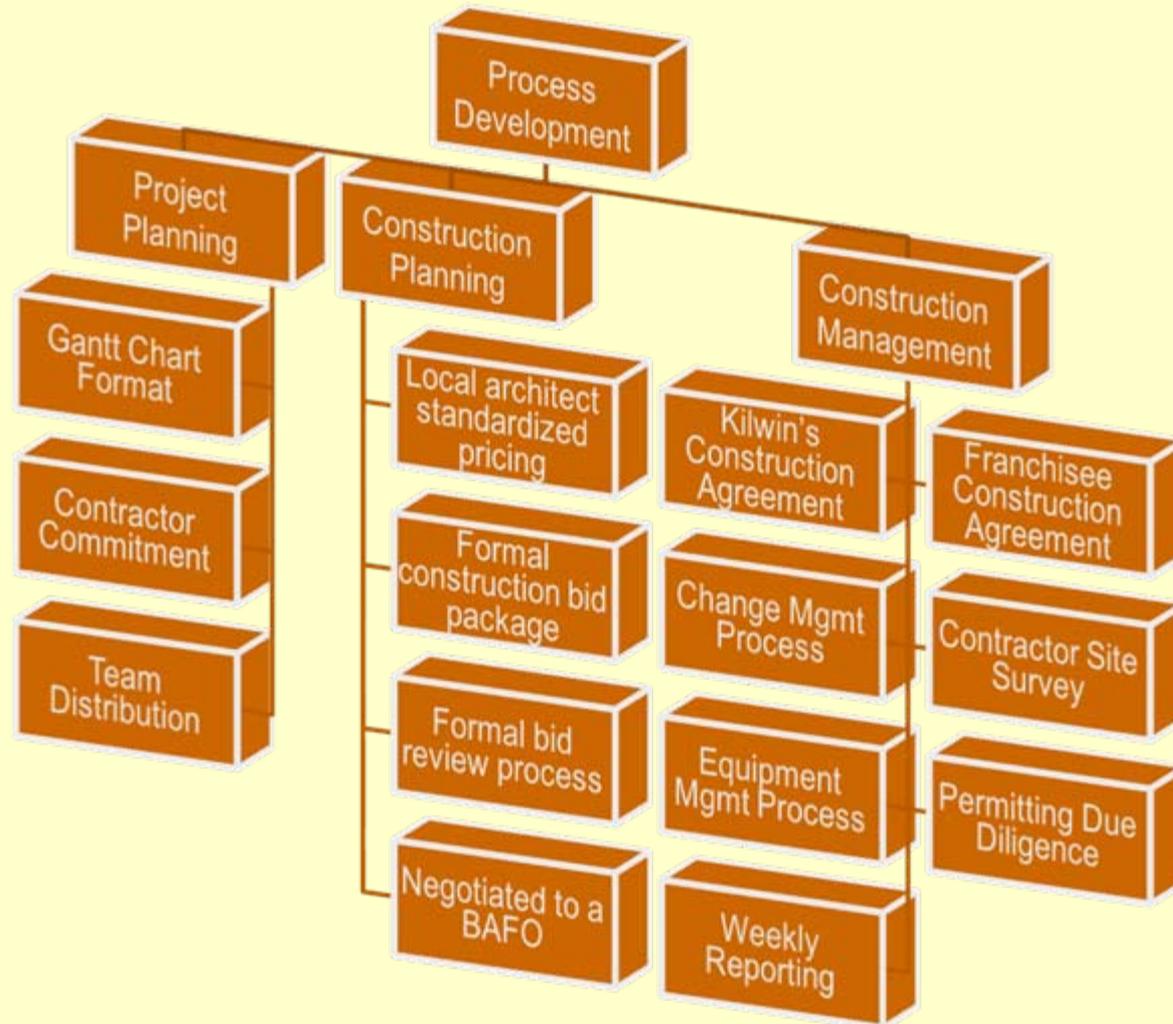
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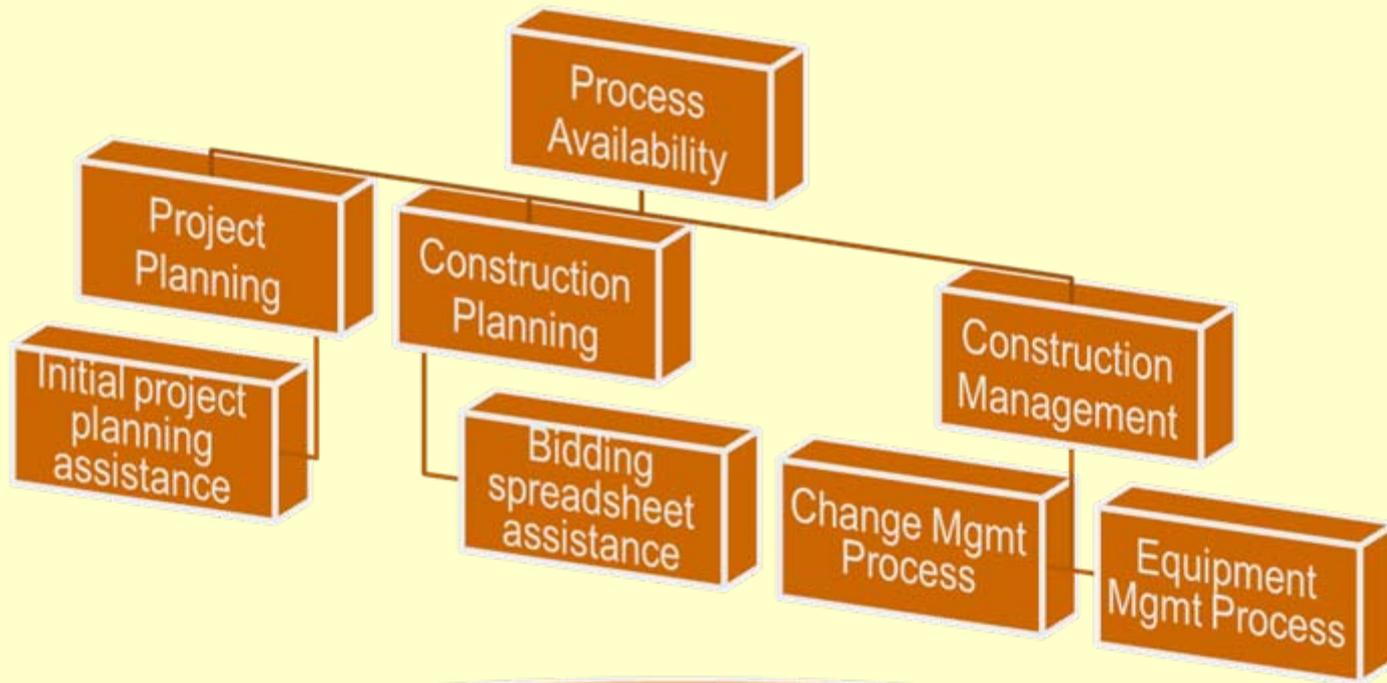
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Communication

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Where Do We Go From Here?

- ▼ Continue to refine current processes
- ▼ Identify potential contractors to work with us on a national level – target is two
- ▼ Develop store category criteria – in process
 - Dark Shell
 - Warm Dark Shell
 - Vanilla Box
 - Remodel

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Kilwin's Where Do We Go From Here?

Continued

- ✦ Work towards square footage pricing w/ cost differentials based on finish schedule options, not base construction – in process
- ✦ Identify estimated cost early in the process to support business development efforts
- ✦ Standardized architectural pricing – base price w/ cafeteria style reimbursables – in process
- ✦ Development of a sign & awning standards manual

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Summary

- ▼ Objective
- ▼ What is a “build & sell”?
- ▼ Benefits of a Kilwin's build & sell
- ▼ Target improvement areas
- ▼ Process development
- ▼ Non-build & sell assistance
- ▼ Where do we go from here?

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Bottom Line

- ✔ Lower overall cost
- ✔ Improved timeline management
- ✔ Open on time
- ✔ Less hassle

Positive Experience

“Every Customer, Every Time”

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