

## **PAPILLON BABY FRANCHISE**

Currently Papillon Baby has no competitors. Papillon stands alone in its' vision to offer customers baby and children items from around the world that are made in ethical work conditions. When customers walk into our stores they are transformed into a wondrous world reminiscent of French Moroccan bazaars. Papillon designs and produces their own line of clothing, toys, bedding and décor. Each of the stores carries these items and they are made exclusively for Papillon Baby inc.

### Papillon Baby has 2 successful retail boutiques in California

- Papillon Santa Monica on Main Street
- Papillon Pasadena on Fair Oaks Avenue and Colorado

Papillon Baby Inc is the Franchisor and the above are part of the corporate operations.

The Santa Monica store has achieved the highest sales to date and has the highest sales density in that particular shopping centre. We have been requested to open more Papillon outlets in other areas of California and the United States to provide our outstanding products and vision for other communities. Southern California and New York City we see as the priority locations. It is our intention over the next few years to go national with the franchise and to have Papillon stores in every viable region in the United States.

We have surveyed most of the major regional shopping centers and believe that it would be viable to open franchised boutiques in most of the major high-end shopping malls and high-end neighborhood shopping districts. In all cases, the Papillon boutique would provide a unique shopping experience and unique products that would compliment the overall mix of shops. In locations that already have a number of children's boutiques our research has found that Papillon stands out and our business is enhanced by the presence of other children's stores.

A new shop would ideally have the following parameters to ensure success:

- Be situated in an up market successful shopping region.
- Be able to attract high income families, upwardly mobile, creative individuals and tourists.
- Be situated in a reasonably high traffic area with good visual exposure.
- Be sized anywhere from 600 to 1500 square feet. with good window frontage.
- Be stocked with 75% Papillon Baby inc. selected goods. Papillon is a world themed, specialty children's retail boutique, and stocks goods associated with things from around the world for children (French-vintage inspired clothing, Indian inspired shoes and tunics, toys from Sri Lanka and Europe) we focus on a world theme in the broader sense. The selection of goods is part of the success of the organization and great care is taken to ensure that standards are maintained at all times.

A brief outline of the categories of goods is:

- A seasonal collection of Papillon apparel which includes beautiful dresses, pants and tops all with a European vintage flare. Plus Papillon's basic label of soft cotton t-shirts, pants and pajamas.
- A seasonal collection of Devi Baby apparel which includes exotic dresses, tops, pants and shoes all inspired by India and other ethnic cultures.
- A wide range of beautifully made wooden toys from Europe and Sri Lanka.
- Handmade soft toys including dolls and animals in bright, gorgeous colors from Sri Lanka.
- A wide range of Papillon infant layette and soft cuddly dolls.

- -Carefully selected skincare products for baby and mummies.
- -Papillon designed blankets and pillows for babies and children.
- -A carefully selected range of books for new moms, Dads, infants and children.
- -A variety of bibs, plates, bowls and eating accoutrements for children.
- A collection of beautiful wall hangings and décor for babies and children's rooms.
- Children's furniture such as tables, chairs, changing tables and armoires.
- A limited but excellent range of jewelry and barrettes for children.

The Papillon Baby stores are closely associated with Fair Trade co-operatives around the world and we donate a percentage of our sales to various groups every year. To date (July 2006) we donated over \$10,000 in money and goods to charitable organizations in both the US and abroad.

The public, shopping at our stores is aware that a portion of their purchases is channeled into the various co-operative projects that we support. Papillon Baby would be the only outlet within a particular complex to actively support these groups from around the world and would thus provide a unique addition both in physical merchandise and philosophical view to the mix of retail shops within an area.

Like all the Papillon Baby shops, a new franchised outlet would support the co-operatives that we are partnered with. In turn Papillon Baby Inc would support the outlet with regalia, advertising and activities. Papillon Baby and its franchisees have the sole right to advertise the fact that a percentage of sales are donated to these various Fair Trade groups.

## **What does Papillon Baby Inc do for a Franchisee?**

- Assist the franchisee to select the correct premises and location and set up preliminary capex and stock budgets; which the Franchisee would be responsible.
- Assist with lease arrangements with the landlord on behalf of the Franchisee.
- Determine and establish store layouts and décor designs and appoint contractors and supplies for store development on behalf of the Franchisee.
- Arrange for stock orders to be placed with Papillon Baby inc and our approved vendors;
- Wherever possible negotiate with specialized vendors for exclusivity of product within the region;
- Provide the franchisee with a complete list of preferred vendor information;
- Subject to individual credit worthiness ensure that the franchisee enjoys the same preferred terms and discounts as the franchisor and other franchisees;
- Provide a management information software system and detailed lists of certain product lines;
- Provide information on new product, advertising and ongoing business.
- Provide a computerized purchasing and stock management system POS

## **What is the Franchisee responsible for doing? :**

- Franchisee would pay for the initial set costs of purchasing a Papillon franchise (incl. stock, training, computer system)

- Franchisee would enter into a franchise agreement with Papillon Baby Inc.
- The franchisee would pay for all continuing costs of maintaining and running a Papillon Baby Boutique (stock, lease, taxes, utilities, employee wages and taxes, and any other costs incurred with running the Papillon Baby boutique).
- -Franchise would pay a monthly percentage fee – standard in franchising business of between 5% - 8% - of sales turnover not including sales tax, payable 10 days after the completion of a trading month.

**For more information on Papillon Baby franchise opportunities:**

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**Call: Chris Dileo 818-512-0968**