Gold has always been a great investment.

McDonald’s Franchise Overview
To be successful, we need common sense, dedication to principles and a love of hard work. The harder you work and the more pride of accomplishment you feel, the luckier you get. Luck is a dividend of sweat.

Ray Kroc, Founder of McDonalds
Thank you - for your interest in McDonald’s and the franchising opportunities we offer.

The successful future of our business lies in our people – our employees and our Franchisees. McDonald’s has always been a franchising operation and has relied on its Franchisees to play a major role in our success. We have exceptional Franchisees who work the front line everyday and having that personal entrepreneurship in direct contact with our customers and communities is a big competitive advantage of McDonald’s.

We believe that a Franchisee can deliver better operations and results than the company can by operating the restaurant. Approximately 80% of our restaurant businesses in New Zealand are owned and operated by Franchisees.

In New Zealand, McDonald’s has more than 160 restaurants, together employing over 9,000 people. It’s all due to Quality, Service, Cleanliness and Value and the McDonald’s System of Franchising which, we believe, operates better than any other. What makes our System unique is our business model of the three legged stool. This concept of a partnership between the three legs of the stool - Franchisees, suppliers and our employees - is one that ensures our strength.

As the Franchisor it is our role to provide clear and positive leadership with vision, competence and integrity. This leadership will ultimately protect the strategic vision of the brand. We will always put the “system first” in our entire decision making process. Listening and responding to our customers’ wants and needs through constant innovation have been key drivers to our success.

This success places pressure on all parties who have a responsibility to consistently rise to the occasion each time and deliver an exceptional customer experience.

As we must deliver this leadership, we need our Franchisees to do the same in the restaurants and their communities. Having dynamic individuals who are able to create high performance environments within their organisation is crucial. They must also be great brand ambassadors and run outstanding restaurants to deliver on our brand promise.

Our Franchisees are also the Mr and Mrs McDonald’s in their communities. McDonald’s has always wanted uncomplicated people who share our simple beliefs and are willing to get their hands dirty to ensure our restaurants provide customers with a quality experience, every day.

A key factor in both our growth and the growth of our Franchisees, is the care we take in recruiting, screening, training, developing and retaining qualified Franchisees - together with our unique relationship with them.

In this brochure we have included some insights from Franchisees. Each one has worked within the framework, to build their business and generate success in their local community. Their stories are truly inspirational and make us proud to be a part of the system.

Patrick Wilson, Managing Director
Talk to any successful McDonald’s Franchisee and it is clear there is a lot for you to gain by joining our system. Here’s a preview of some of what is involved. Have you got what it takes?

• You are able to make a significant financial investment.
• You are able to commit to our Registered Applicant Training Programme for a minimum of 9-12 months, depending on your capability. This programme is unpaid.
• You are looking to make a 20 year commitment.
• You are open to the challenge of relocating to anywhere within New Zealand.
• You aspire to become an integral part of your community as an employer, service provider and local business leader.
• You are energetic and take a hands-on approach.
• You have had a successful business or career, demonstrated significant team leadership and know how to attract and develop talented people.
• McDonald’s will be your only business, and you’re prepared to put in hard work and long hours to make it a success.
• You will commit yourself full time to the business rather than being an absentee investor.

“The full story
“Spend time on the floor, know how everything operates.”
Nick Garner

“It’s given me the opportunity to work for myself, not by myself.” Nick Garner
Whilst most McDonald’s restaurants are successful, the start of any new business is a risk and success is not guaranteed. The success of any McDonald’s restaurant will depend on many factors, not the least of which will be the Franchisee’s commitment and ability in key areas.

One of the key reasons behind our success is that we maintain the highest standards of operational excellence, while still creating individual opportunities. It is essential that our Franchisees agree to the philosophy of working within the framework of the McDonald’s system.

You will receive extensive training and ongoing support, not to mention the power of one of the world’s best known brands pulling customers in. But in the end, success is up to you. That’s why we’re looking for a certain type of business partner: one prepared to follow a proven system – the product of 55 years of food service experience. If you’re not good at taking advice, then don’t become a McDonald’s Franchisee. We don’t expect you to reinvent the wheel, just to make it turn faster.

You must personally devote your full time and best efforts to the day to day operation of the business. You must also divest yourself of all other competing business interests. Our restaurants generally operate 24 hours, 7 days a week. This means that you will be required to work a number of different times of the day and days a week to ensure the highest standards are met across all of your trading hours.

Our restaurants are a busy place and require an extremely hands on approach. Managing a restaurant does include an extensive list of administration duties however, most important to keeping your customers happy, are those tasks that happen day to day in the restaurant. Some examples of what is required include cooking, serving customers, cleaning, talking to customers, accepting deliveries, coaching and training staff. Your ability to lead by example will help ensure your team is well trained and most effective. There is the opportunity in the application process to experience three days in a restaurant, to help you understand the scope of what is involved.

Only individuals can apply to become a Franchisee. However, the majority of McDonald’s Franchisees have opted to incorporate a company to act as the Franchisee. If you are offered a franchise, you should obtain specialist advice on the most appropriate vehicle in which to purchase and operate the franchise.

“You’ll need determination and persistence... everything else you can learn in the business.” Marcus Pohio
Money matters - financial investment and reward.

Here is a guide to the financial investment of a McDonald’s Franchise.

- The following indicative costs and estimates are subject to change without notice. Actual costs will only be determined when a specific restaurant is offered to a Registered Applicant. Size of the restaurant facility, location and style of décor and landscaping will affect costs.

- Equity requirements: the current minimum equity requirement for a new restaurant is 40% of the total equipment/décor package (i.e. 60% maximum borrowings). This minimum equity percentage can be reduced to 30% if you are able to demonstrate that the extra 10% equity is held outside the business and would be available to inject into the restaurant if required. (A signed acknowledgement that these funds will be injected if necessary, will be required).

- The current minimum equity requirement for an existing restaurant is 33% of McDonald’s assessment of fair value (i.e. 67% maximum borrowings).

- This minimum equity percentage can be reduced to 25% if you are able to demonstrate that the extra 8% equity is held outside the business and would be available to inject into the restaurant if required. (A signed acknowledgement that these funds will be injected if necessary, will be required).

- The following is subject to change.
**Start up expenses**

**OUT GOING FEES**

- A monthly service/royalty fee based on a percentage of the restaurant’s gross sales (currently 5%).

- A monthly rental, being a fixed base rent and a percentage of gross sales.

- Monthly advertising contribution of not less than 4.25% of gross sales.

- All outgoings, including rates and utilities.

**INITIAL COSTS (NEW RESTAURANT)**

- Franchise fee paid to McDonald’s on or prior to the commencement of the franchise.*
  - NZ $75,000

- Security deposit for the performance of the franchise.
  - NZ $25,000

- Application fee (non-refundable).
  - NZ $1,357

- Approximate cost of living expenses whilst training, staff training, salaries, purchase of trading stock and other normal start up expenses.
  - NZ $150,000
  - (Indicative costs)

- Approximate cost of kitchen equipment, signage, seating, décor, air conditioning and landscaping (paid to suppliers).
  - NZ $1.5 Million
  - (Indicative costs)

**TERM OF FRANCHISE**

- 20 years (except where restricted by the term of the head lease).

*If the restaurant is purchased from another Franchisee then no Franchise fee is payable for the current term of the restaurant.*
"I work for myself, not by myself."
Rob Duncan

Why McDonald’s?
McDonald’s is the most iconic brand in the world. It’s successful, it’s recognised and it’s number one - who wouldn’t want to be a part of that?

What skills have you brought to McDonald’s, given your previous experience?
I like to think I can bring in a different perspective and some big picture thinking and experience from where I started out in my career, outside the Golden Arches. Traditionally we can tend to do certain things in certain ways and it’s nice to bring some different ideas to the table. I think it’s also been of benefit understanding how the corporate side works, as well as learning about life at the frontline in my restaurants. McDonald’s Restaurants NZ Ltd (MRL) works really hard for the benefit of the brand and the Franchisees.

How have you personally grown through your time at McDonald’s?
I think I’ve grown not just as a person, but as a business person too. At McDonald’s, you’re involved in every facet of the business, whether it’s administration, HR, accounts, finance or front line sales. Before McDonald’s I had never really had that front line involvement with customers - they were just a faceless crowd. With McDonald’s, you very quickly learn what it’s actually like at “The Coalface”. The end user interaction has taught me a lot about people.

How does McDonald’s develop people?
McDonald’s creates such amazing opportunities - one day you can be sweeping the floors and then in a few years time you can be running the company - take Mark Hawthorne as an example, or the number of our Franchisees who started work part time as a crew person. This type of opportunity is fantastic.

“I put in the hard work then for a great lifestyle now... thats the way it works.” Rob Duncan
The selection process

McDonald’s purchases or leases the land, develops and constructs the restaurant at its own discretion and McDonald’s retains ownership of the building. As a Franchisee you equip the restaurant at your expense with kitchen equipment, lighting, signage, seating, landscaping, airconditioning and décor. While none of this equipment is purchased from McDonald’s, it must meet McDonald’s specifications. To maintain quality and uniformity, Franchisees must use McDonald’s:

- Formulas and specifications for menu items
- Methods of operation, inventory control, bookkeeping, accounting and marketing
- Trademarks
- Concepts for restaurant design, signage and equipment layout
- Information systems.

As a Franchisee, you will operate the franchise according to McDonald’s Quality, Service, Cleanliness and Value standards. To become a successful Franchisee, you need to take on board everything we’ve learned in over 55 years of successfully running restaurants. That is why our Registered Applicant Training Programme goes for 6-12 months full-time and is unpaid.

**What does the programme cover?**

The lot. You’ll learn about all our systems and we’ll train you to do every role in a McDonald’s restaurant. And we mean every role. If the idea of cleaning turns you off, you might want to stop reading now. At the end of the Registered Applicant Training Programme you will have all of the skills you need to take over a restaurant and start to apply your own talents to making it a success. The training period is unpaid and full-time. This is one of the reasons we require potential Franchisees to have accumulated some capital. You will need some financial reserves to call on during the time you are training.

McDonald’s devotes significant time and resources to its highly regarded training and evaluation programme. This comprehensive programme is designed to train you in all aspects of operating a McDonald’s restaurant and to assist McDonald’s in evaluating your potential as a Franchisee.

Most of your training will take place in a McDonald’s restaurant. In addition, there are four formal classroom sessions which are spread throughout the Registered Applicant Training programme. The first three are held in our Auckland training centre. The fourth, Restaurant Leadership Practices, is a five day course which is held at the Charlie Bell School of Management in Sydney. Your complete training programme will include seminars, conferences and one on one sessions with corporate staff.

After the satisfactory completion of your training and if McDonald’s, in its sole and absolute discretion, continues to regard you as a suitable person in all respects to be granted a McDonald’s franchise, you may be offered a McDonald’s franchise. There may be a time delay between completion of training and the offer of a franchise depending on availability of a suitable restaurant and you will not have a choice of location.
The select few

Our selection process has five stages:

Stage 1
a. We ask that you complete our application form and post it to us with a cheque for $1,357 to activate the recruitment process.
b. Phone interview. This is an opportunity for us to find out some more information about you, that supports your application and it’s also an opportunity for you to ask any questions you have about the application process.

Checkpoint: This is an opportunity for both McDonald’s and you as the applicant to assess your application so far and decide whether or not to proceed to the next stage.

Stage 2
a. Personality and Ability Testing. You will need to complete a personality questionnaire and some ability tests. These tests give us more information about your suitability to become a Franchisee. You will receive a report summarising the results.
b. We will invite you to McDonald’s headquarters in Greenlane, Auckland, for a 2.5 hour face to face interview. During this interview we will ask more competency based questions and give you feedback on your personality and ability tests.

Checkpoint: This is an opportunity for both McDonald’s and you as the applicant to assess your application so far and decide whether or not to proceed to the next stage.

Stage 3
a. On the Job Evaluation. We ask you to spend three days in one of our restaurants (usually on the busiest days of the week: Friday, Saturday, Sunday) learning about life in a restaurant. You will be making burgers, serving customers, doing everything that a McDonald’s team member would. Your performance on the job will be assessed by the host Franchisee and you will be
STAGE 4

In Depth Interview:
Meet the McDonald’s Senior Management Team. This is a 1.5 hour interview at McDonald’s Head Quarters.

b. Meeting with existing Franchisees. You probably have lots of questions about what it’s really like to be a Franchisee, so this is your opportunity to make contact with some of them and get the low down.

Checkpoint: This is an opportunity for both McDonald’s and you as the applicant to assess your application so far and decide whether or not to proceed to the next stage.

STAGE 5

Registered Application Training programme:
This is where we train you to be a Franchisee. Learn our systems and processes over 9-12 months in one of our restaurants.

Checkpoint: This is an opportunity for both McDonald’s and you as the applicant to assess your application so far and decide whether or not to proceed to the next stage.

Stage 5

Registered Applicant Training Programme. The programme is when we train you to be a Franchisee. It is full time and takes place over a 9-12 month period in one of our restaurants, where you will learn in depth all of the systems and processes involved in running a McDonald’s restaurant.

Final steps:
To find out if you qualify to enter Stage 1, go to the Franchising section of our website: goldenopportunity.co.nz where you will find our contact details.

Once you have submitted your completed application form you will then be notified whether you qualify to enter Stage 1.

During the course of our selection process and the Registered Applicant Training Programme, McDonald’s has the right to terminate your participation in its sole discretion and without being required to provide you with any reasons. Of course, you are also able to terminate your participation at any time. If you participate in the above selection process you will incur costs for:

• An application fee payable before commencement of Stage 1.
• Travel to our Auckland office, perhaps more than once.
• Travel to the regional evaluation restaurant and perhaps accommodation for four nights.
• Travel to Auckland for the Senior Management Team interview.

There is also the cost of your time as you will need to bear in mind that McDonald’s will not pay you for the time you spend participating in the selection and training process.

We wish you all the best with your application.

To find out more visit goldenopportunity.co.nz
Playing an active role in your community

At McDonald’s, we believe we have a responsibility to add value to the communities in which we operate and we are proud to play an active role in communities all over New Zealand. One of the ways we do this is by supporting community groups and charities that are important to our customers, or that make a difference to the lives of New Zealanders.

For our Franchisees and Restaurant Managers, selling burgers is only part of their job as they are all committed to giving back to their local communities. The flexibility of the McDonald’s system means that each Franchisee can contribute locally in a way that is most relevant and appropriate for themselves and their community. Giving back to the community is a fundamental part of our business philosophy dating back to McDonald’s founder, Ray Kroc and is carried on today by the company and our Franchisees. At the heart of McDonald’s commitment to giving back is Ronald McDonald House Charities (RMHC). RMHC is one of New Zealand’s major children’s charities and helps thousands of seriously ill children and their families across New Zealand every year. McDonald’s is absolutely committed to the ongoing growth of RMHC and provides significant financial support every year. More importantly however, it is the sustained interest and involvement of McDonald’s company staff and Franchisees that makes the relationship a success.

Beyond RMHC, our current focus on encouraging active lifestyles means that we have an added interest in supporting programmes that encourage physical activity. In addition to the thousands of contributions made by McDonald’s restaurants to their local community, the company and Franchisees join together to support other national sponsorships.
Visit goldenopportunity.co.nz for more information.