



FREQUENTLY ASKED QUESTIONS

How long has Discount Supplements Direct been in business?

Since 2001 and we've been growing steadily ever since.

I already know I want to be approved for my own Discount Supplements Direct franchise, so what should I do next?

Please fill out the "Request for Consideration" form on our website and return it to us. We'll contact you shortly after that.

How much is the total investment needed to secure a Discount Supplements Direct franchise?

The total investment to begin operation of a traditional Discount Supplements Direct store ranges from \$90,000 and \$135,000, depending on the region you build in and the size of your store. This covers all costs, including the \$25,000 franchise fee, store build out, even your initial inventory and working capital.

- Please understand that the "total investments" are estimates only and will vary with location.
- Additional development costs may be incurred if you are engaged in developing multiple locations at one time.
- The difference between low and high investment levels exist because of varying store sizes, the amount of necessary build out for your store, construction and real estate expenses, the amount of inventory you order and the amount of working capital.

Can a person own more than one Discount Supplements Direct franchise?

Definitely. We expect many of our best operators to open up a second, third, or more stores. Each store must have a separate franchise agreement.

Does Discount Supplements Direct offer direct financing?

Currently we do not.

What type of locations fit into Discount Supplements Direct site criteria?

Discount Supplements Direct stores are generally 1,200 square feet; however, smaller or larger stores are an option. They are usually located in strip centers. The optimal area is typically densely populated, has significant traffic count, is highly visible and is located near a gym or other traffic generators.

How much can I expect to earn from a Discount Supplements Direct investment?

There are strict regulations in the franchise industry that limit our ability to estimate how successful your business could be. You need to do this yourself, but we can give some guidance.

Your earnings capability will depend on a number of factors—such as location, the amount of time you spend in your store, your business, sales and retail acumen, your skill as the operator, as well as market conditions. Naturally, as in any business venture there is no guarantee of your success or profitability.

What is the franchise fee? The franchise fee is \$25,000 and it is fully earned and nonrefundable when you sign the franchise agreement.

What is the term of the franchise agreement?

The initial term of the agreement is 10 years. You have the right to extend the agreement by five years by paying a license renewal fee, which presently is \$5,000.

What's the charge for ongoing royalty fees? You are obligated to pay a royalty of 5% of your inventory purchases, from any vendors. This is less than if you paid a royalty based on your sales revenue, as is typical.

Am I given any territorial protection?

You will be awarded an approved location and for a period of three (3) years from your store opening, you will have an exclusive protected territory under the terms of your franchise agreement. The distance between Discount Supplements Direct stores (and the size of the protected territory) varies based on the density of customers around the store.

Who signs the lease agreement?

You sign your landlord's lease agreement.

How long will it take before my store opens?

That depends on when the landlord is able to turn over the building for construction. Assuming the space is ready immediately, it takes about a couple of months to obtain permits if necessary, complete construction, order inventory, go through the training program, etc.

What's the average number of employees working at my store?

You have between 1 and 2 employees working at any one time. You might have a total of four (4) employees on your payroll if you use part-time employees to work different shifts.

Where do I buy my inventory from? For certain unique proprietary brands, you will purchase your inventory from DSD Distribution, LLC. For all other products, we have arranged approved distributors for inventory in your store. We will provide you with an order guide. Note: All orders go through our order center.

Do you help me with site selection?

Definitely. We support our Discount Supplements Direct store owners with site selection approval. If you desire, we will even negotiate your lease for a fee.

Do I receive training from Discount Supplements Direct?

Yes. Franchise operators will receive comprehensive training covering the following topics:

- Merchandising and Inventory Control
- Marketing Your Business
- Creating the Optimal Shopping Experience for the Customer
- Product Knowledge and Education

Do I receive field assistance in opening my Discount Supplements Direct store?

Yes. In addition to our comprehensive training program, we will work with you in your store during the first week of operation.

What form of continued operational guidance will I receive?

You will receive the *Discount Supplements Direct Operations Manual* to help you with the day-to-day operations; field support from a field representative; ongoing purchasing services; inventory management, technical assistance; as well as guidance and resources for your promotional, operational and other business needs.

What about advertising?

Discount Supplements Direct invests in local advertising campaigns designed to help drive traffic into stores. Franchisees contribute 2% of gross revenues, and not less than \$400 each month in support of these campaigns. In addition, Discount Supplements Direct designs and provides franchisees a comprehensive line up of information and tools to help them execute local and in store marketing campaigns.

Can I sell my Discount Supplements Direct franchise?

Yes. Like any other business, you can sell your store to a buyer approved by the Company and your landlord. There is a transfer fee for administration, legal and training expenses to affect the transfer.

Is experience running a small business required?

While small business experience is helpful, it is not required. You will receive step-by-step training in the important aspects of operating your business, including operational, marketing, nutritional/product knowledge, and customer service.

Do I have to run the store?

You are not required to run your store; however, the most successful stores are those operated by the owner(s) or a seasoned retail manager.

This information is not intended as an offer to sell, or the solicitation of an offer to buy, a franchise. It is for information purposes only. The offer of a franchise can only be made through the delivery of a franchise disclosure document. Certain states require that we register the franchise disclosure document in those states. We are not directing the communications on this web site to the residents of those states. Moreover, we will not offer or sell franchises in those states until we have registered the franchise (or obtained an applicable exemption from registration) and delivered the franchise disclosure document to the prospective franchisee that complies with applicable law.