Chocolates - Fudge Ice Cream

Kilwin's 2010 Transformation Roadmap



Kilwin's Project Management

- **∀**Objective
- What is a "build & sell"?
- Benefits of a Kilwin's build & sell
- ✓ Target improvement areas
- Process development
- VNon-build & sell assistance
- Where do we go from here?

Kilwin's

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

Kilwin's Project Management

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

Kilwin's Project Management

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

Kilwin's

Project Management

Target Improvement Areas

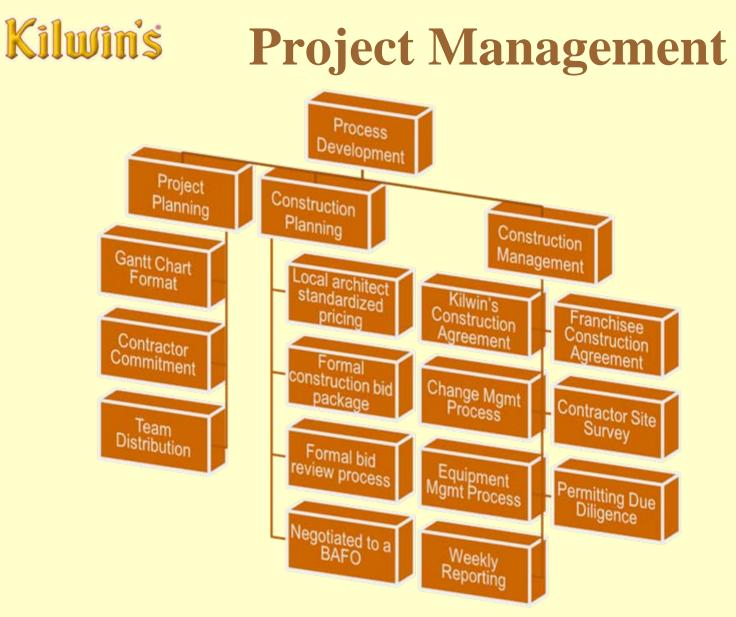
- ✓ Overall project plan
- ✓ Generation of a contractor bid list
- ✓ Formal construction bid package
- ✓ Formal bid review process
- Contractor negotiation process
- ✓ Contractor construction agreement
- ✓ Franchisee construction agreement
- ✓ Formal change management process
- Equipment management process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

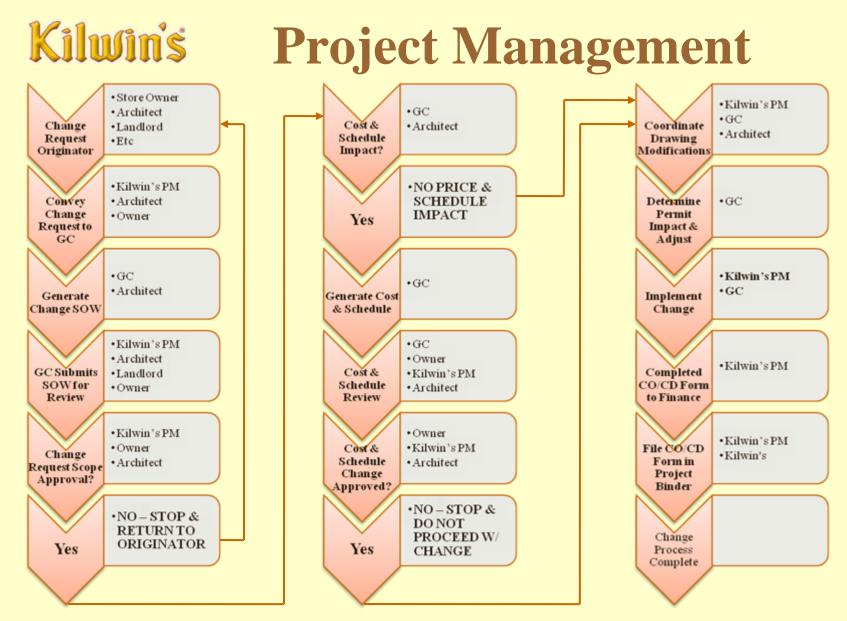
Kilwin's **Project Management** Process Development Project Construction Planning Planning Construction Management Gantt Chart Local architec Format standardized Kilwin's Construction pricing Franchisee Agreement Construction Contractor Agreement Commitment Formal construction Change Mgmt Process bid package Contractor Site Survey Team Distribution Formal bid review process Equipment Mgmt Process Permitting Due Diligence Negotiated to a BAFO Weekly Reporting

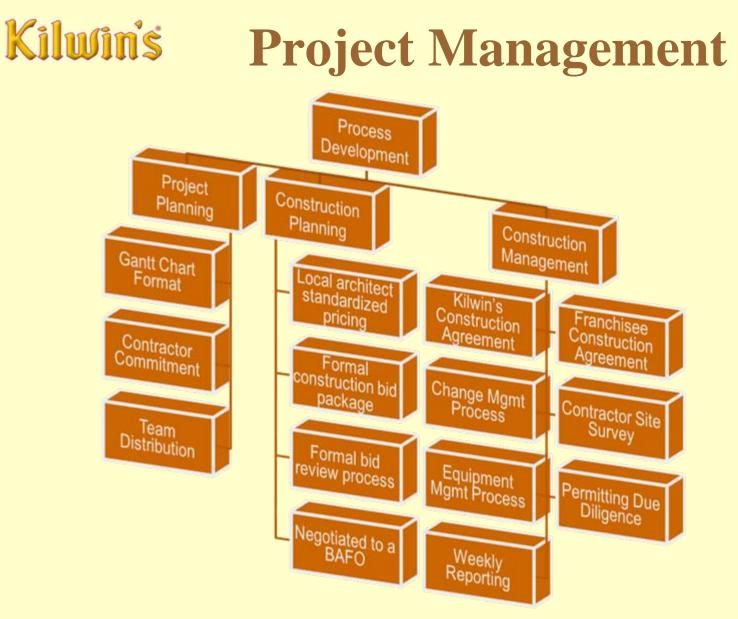


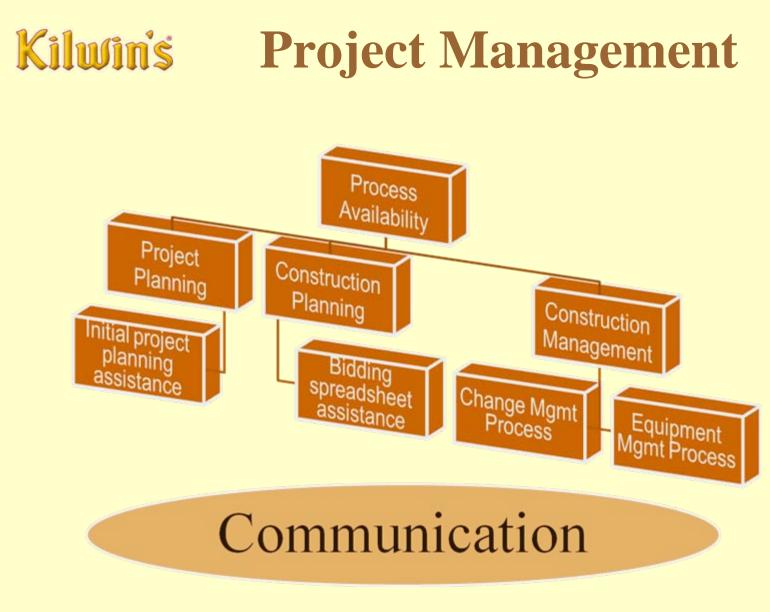
Project Management

Ocala Project Plan - Build & Sell Franchisee - TBD Target Opening Date - TBD Project on HOLD pending decision on franchisee and space											
_			Pro	ject on	HOLD	pending d	September	n franchise		ecember	January February
ID	0	Task Name	Duration	Start	Finish	Resource Names	Sep	Öct	Nov	Dec	Jan Feb
1		Pre-Bidding Tasks	56 days	Mon 9/24/07	Wed 12/12/07		-				
2		Complete store layout	5 days	Mon 9/24/07	Fri 9/28/87			h			
3		Activate architect	30 days	Mon 10/1/07	Fn 11/9/07	Matt/Rob					
4		Submit sign & awning proposal to landlord	0 days	Mon 10/15/07	Mon 10/15/07	Matt		•●			
5		Review of potential GC's	1 wk	Mon 10/29/07	Fri 11/2/07	Matt/Rob		L L			
6		Receipt of completed drawings	0 days	Fri 11/9/07	Fri 11/9/07	Matt/Rob					
7	i	Architect or GC drawing submittal for permitting	21 days	Mon 11/12/07	Wed 12/12/07	Architect or GC					
8		Mail out bidding packages	3 days	Mon 11/12/07	Wed 11/14/07	Rob	1				
9	i	Bidding Process	4 days	Wed 12/5/07	Tue 12/11/07		1		_		
10		Receipt of Bids	0 days	Wed 12/5/07	Wed 12/5/07	MatuRob	1			•	
11		Review of Bids	4 days	Thu 12/6/07	Tue 12/11/07	Matt/Rob	1			A	
12	1	GC selection	0 days	Tue 12/11/07	Tue 12/11/07	MatuRob	1			*	
13		Pre-construction Activities	12 days	Mon 12/3/07	Tue 12/1807						
14		Order cabinets/doors/hardware	2 days	Mon 12/3/07	Tue 12/4/07	Matt				- I	
15	-	Place equipment order	1 wk	Wed 12/5/07	Tue 12/11/07	Matt/vicki				*	
16		Finalize contract documentation w/ GC	1 day	Wed 12/12/07	Wed 12/12/07	Rob					
17	-	GC conducts site survey	4 days	Wed 12/12/07	Mon 12/17/07	GC			1		
18	1	Site survey results to architect	0 days	Mon 12/17/07	Mon 12/17/07	GC					
19		GC permit acceptance	2 days	Mon 12/17/07	Tue 12/18/07	GC				1	
20		Construction Activities	37 days	Wed 12/19/07	Mon 2/11/08						
21	-	Specific tasks TBD by GC	36 days	Wed 12/19/07	Frt 2/8/08	GC	-			+	
22		Receipt of Certificate of Occupancy	0 days	Mon 2/11/08	Mon 2/11/08					di tata da seconda da s	
23		Store Pre-opening activities	35 days	Mon 1/7/08	Mon 2/18/08						
24		Training in Harbor Springs	7 days	Mon 1/7/08	Sun 1/13/08	Boyan					
25		Opening & pre-pack order placed	1 day	Mon 1/21/08	Man 1/21/08		-				
26		Pre-pack order	3 days	Tue 1/22/08	Thu 1/24/08						3
26	-	Ship opening order to FDC		Fri 2/1/08	Tue 2/5/08		-				
			3 days				-				*⊟ ↓↓
28		Equipment & Inventory Delivery	1 day	Tue 2/12/08	Tue 2/12/08						
29		Equipment Set Up	3 days	Tue 2/12/08		Start up team/owner	-				
30	ļ	Merchandizing	2 days	Fri 2/15/08		Start up team/owner	-				
31	Į	Production of in store product	2 days	Sun 2/17/08		Start up team/owner					r#h
32		Final training	2 days	Sun 2/17/08		Start up team/owner	-				<u></u>
33		Target Opening	0 days	Tue 2/19/08	Tue 2/19/08	Start up team/owner					
nto: 7		Task		Summary		Rolled Up P Split		Project Summary			
ate: Tue 10/9		NO7 Progress		olled Up Task folled Up Milestor	^	External Ta:		Baseline			









Kilwin'sProject ManagementWhere 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

Project Management 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



Project Management
<u>Summary</u>

- ✓ 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?

Kilwin's

Project Management

Bottom Line

Lower overall cost
 Improved timeline management
 Open on time
 Less hassle

 Positive Experience
 "Every Customer, Every Time"

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