

UNITED STATES OPERATIONS MANUAL

TABLE OF CONTENTS

FasTrackKids Introduction	1
How to Use This Manual	2
Disclaimer	2
Rights to Duplicate	2
Chapter 1 – FasTrackKids History	4
Objective and Mission	4
History	4
Chapter 2 – Support Resources	6
Support Staff	6
Website	6
Newsletter	7
Annual International Convention	7
Annual Regional Meeting	7
Corporate Hours / Holidays	7
Contact Information	7
Chapter 3 – Pre-Opening Timetable and Obligations	8
Timetable	8
Certificate of Operations	10
Phase I – Pre-Opening	11
Phase II – Soft Opening	16
Phase III – Grand Opening	18
30+ Days After Opening	19
Chapter 4 – Center Setup and Policies	21
Office Space / Commercial Leasing Agent	21
Checking Codes	22
Setting Up Your Center Location	22
Submit a Digital Photo of Location	24
Fill Out Site Evaluation Form	24
Planning and Building Department Requirements	24
Hire an Attorney	25
Lease	25
Restrictions on Signage	26
Build Out Process	26
Sample Center Layouts	27
Décor	28
Furniture	29
Furniture Quote	31
Order Phone, Internet and Utilities	31
Order Internal / External Signage	31
Install Furniture	31
Hook Up Utilities	31

Interior Sign Package	31
Interior Subject Signs	33
Maintaining Standards	35
Chapter 5 – Office Equipment, Computer System	36
Fast Start Kit	36
Equipment and Minimum Specifications	36
Technical Problems	39
Order Office Supplies and Equipment	40
Install Hardware / Software on Computer System	40
Install Furniture	40
Chapter 6 – Administration	41
Find Management, Accounting and Legal Support	41
Meet With Your Accountant	41
Chart of Accounts	43
Provide Insurance Policy Copies	45
Banking	45
Administrative Documents	47
Organizational Requirements	48
Setup Credit Card Account	49
Enrollment Process	52
Inventory Levels and Reordering Supplies	52
Chapter 7 – Staffing Your FasTrackKids Franchise	54
Staffing	54
Position Descriptions with Profiles	55
Recruitment	56
PDP Works	57
Compensation	57
Phone Screening	58
Interviewing	59
Certifications	60
Background Checks	60
Employee Handbook	62
Hired Required Personnel	62
Chapter 8 – FasTrackKids Training	64
Teacher Training	64
Operations Training	64
Additional Training / Refresher Courses	65
Chapter 9 – Classroom Operations	66
Curriculum	66
Create a Class Schedule	66
FasTrack Tots	69
FasTrack Signing	69
FasTrack Music	69
FasTrack Explorers	70
FasTrack Discoverers	70
FasTrack Camps	70

Materials	70
Begin Training Employees	71
Lesson Planning	72
Exploring Sheets	73
Evaluation Description	74
Conduct Your First Staff Meeting	75
Chapter 10 – Center Operations	76
Opening Procedures	76
Closing Procedures	76
Daily Center Activities Checklist	76
Weekly Center Activities Checklist	77
Monthly Center Activities Checklist	77
Quarterly Center Activities Checklist	77
Annual Center Activities Checklist	78
Alarms, Locks and Keys	78
Safety	78
Chapter 11 – Reports, Payments and Accounting	79
Franchisee Reporting and Payment Requirements	79
Fees	79
Franchise Compliance	79
Audits of Books and Records	79
Wire Transfer	79
Primary Business Indicators	80
Local Marketing and Advertising Expense Report	82
Quarterly Report	82
Monthly Reporting Spreadsheets	82
Chapter 12 – Marketing	85
Demographic / Competitor Analysis	85
Marketing and Business Plan	86
Reaching Your Target Market	87
Branding	87
Networking	88
Grassroots Marketing	88
Target Marketing	90
Review Marketing Plan	91
Public Relations and Press Releases	91
Referrals	93
Tracking Leads	93
Grand Opening Advertising Campaign	94
Direct Mailer	95
Business Cards / Marketing Collateral	95
Place Posters / Brochures in Local Businesses	96
Establish Co-op Opportunities	96
Grand Opening	97
Birthday Parties	99
FasTrackKids Camp	101

Chapter 13 – Sales	104
What is FasTrackKids?	104
FasTrackKids Selling Process	104
Types of Parents	105
Program Selling Points	107
Inquires	109
Scheduling Parent Presentations	110
Group Parent Presentations	110
One-on-One Parent Presentations / Trial Class	111
Parent Objections, Concerns and FAQ's	113
Customer Life Cycle	116
Chapter 14 – Customer Service	117
Service to Clients	117
FasTrackKids Customer Service	118
Retaining Enrollment	118
Handling Typical Complaints and Problems	120
Suggested Resolutions for Complaints	121
Center Appearance and Environment	124
Employee Appearance	125
Visitors in the Workplace	125
Chapter 15 – Trademark Protection and Policies	127
Business Name	127
Trademarks	127
Logo	128
Proprietary Mark Guidelines	128
Patents and Copyrights	131
Confidential Information	131
Additional Restrictions	131
Public Figures	131
Website	132
Chapter 16 – Security Procedures	133
Software Registration Information	133
Section I – Initial Registration	133
Section II – Registration Renewal	136
Section III – Error Messages and Solutions	137
Section IV – Registration Clearing	141
Section V – Quicktime	141



Dear FasTrackKids Franchisee:

Welcome to the ever-expanding FasTrackKids team of franchisees around the world. Congratulations! You're now an integral part of one of the fastest growing and most respected early childhood education companies in the world. We're dedicated to the development of the highest standards of professionalism in children's education.

We like to say that, as a FasTrackKids franchisee you're in business for yourself but not by yourself. Your ultimate business success now depends on you, with our support. There are many keys to business success. Here are four principles that I've found to be indispensable:

- One of the FasTrackKids Goals is to encourage a lifelong love of learning. The same holds true for us as business owners – be a lifelong student of your craft. Continually study and learn everything you can about the business, program, enrollment process, marketing and delivery of the programs.
- When I started my first business, a good friend and advisor told me, “Congratulations! You now get to work half-days – any 12-hours you want.” A new business is an investment of your time, energy and talents.
- I have a paperweight on my desk that says “What would you attempt to do if you knew you could not fail? Procrastination is one of the biggest obstacles to success. As the saying goes, “Plan your work and work your plan.”
- Everyone you meet is a prospective referral and can help build your business. Everyone knows parents with children. By keeping open to those meetings and possibilities, you always have opportunities to build your business.

We have a unique opportunity to build a business and at the same time, help our children develop their potential and prepare them for the future. We are looking forward to a working relationship that is fulfilling for both your business and your FasTrackKids.

Most sincerely,

Nancy M. Faunce
President and CEO
FasTrackKids International, Ltd.

HOW TO USE THIS MANUAL

FasTrackKids International, Ltd. Operations Manual

The FasTrackKids International, Ltd. Operations Manual is designed to assist you in the development and operation of your franchise. The Operations Manual is to be used in conjunction with the Franchise Agreement. Upon signing the Franchise Agreement, you've agreed to operate the business according to the terms of the Franchise Agreement and use the Operations Manual solely in the manner prescribed by FTK. This includes complying with the Franchisee obligations in the Franchise Agreement, exhibits and manuals.

It is your responsibility to understand and implement the methods of service to the specifications and standards required by FTK. Every detail of the design and operation of the business is important in order to develop and maintain uniform operating standards.

The contents of this manual are confidential, proprietary and are protected as Trade Secrets under the Federal Law of Intellectual Property. This Operations Manual is the property of FTK and is loaned as a guide and reference tool in the operation of your FasTrackKids franchise. At such time you no longer participate as a FasTrackKids Franchisee, this manual must be immediately returned to FasTrackKids headquarters. Access to its contents should be limited to those whom have signed the Nondisclosure and Noncompetition Agreement.

Updates to the Manual

In a continuing effort to provide better service to our customers and build a stronger business, periodic updates will be made to this manual. Updates will occur either via mail or online. It's your responsibility to revise and implement all materials as updates occur.

DISCLAIMER

The information contained in this manual may be used only by a Franchisee of FasTrackKids International, Ltd. who has executed and has in place a current, valid Franchise Agreement or similar agreement with FasTrackKids International, Ltd. It's intended for informational purposes only. There is no assurance the methods and procedures set forth in this manual will work for you. The success of your FasTrackKids franchise involves substantial risks and depends upon your ability as an independent businessperson and your active participation in the daily affairs of your business. No assurance or warranty has been given or is to be implied by anything set forth in this manual as to the potential success of your FasTrackKids academy or the earnings likely to be achieved. No statement, representation or other act, event or communication, except set forth in a valid Franchise Agreement or similar agreement with FasTrackKids International, Ltd. is binding on FasTrackKids International, Ltd. to the extent any conflicts exist between any statement or provision set forth in this manual and in any Franchise Agreement or similar agreement with FasTrackKids International, Ltd., the terms of the applicable agreement shall control.

Rights To Duplicate

You are allowed to duplicate classroom support materials (classroom notes, teacher tips, exploring sheet, handouts and companion images) as long as they pertain to FasTrackKids lessons. You shall not duplicate, alter, decompile, disassemble or otherwise reverse engineer

Introduction

any of the Units or programs encompassed in the FasTrackKids Educational Materials (educational courses and student materials). You will be entitled to print the handout materials contained in the FasTrackKids Educational Materials for use by students as they are enrolled, and corresponding fees are paid, in conjunction with bona fide courses conducted at your FasTrackKids Enrichment Center.

Default or termination will be the result if you duplicate, except as is permitted by FasTrackKids, alter, decompile, disassemble or otherwise reverse engineer the FasTrackKids Educational Programs, FasTrackKids Educational Materials, Marketing Materials or Student Supplies, or any portions thereof, or if you alter or attempt to alter the code(s) that permit or restrict your use of the FasTrackKids Educational Programs, FasTrackKids Educational Materials, Marketing Materials or Student Supplies.

Chapter 1 – FasTrackKids History

FasTrackKids Objective and Mission

FasTrackKids has a single objective and that is:

- To provide quality, early childhood education programs worldwide through its Franchisees.

The mission that it shares with its Franchisees is:

- To reinforce children’s innate love of learning and to help them develop their potential.

HISTORY OF FASTRACKKIDS INTERNATIONAL, LTD.

In 1997, an entrepreneur met an educator. The entrepreneur had a vision of building key skills in children, so that they would be better communicators, problem-solvers and leaders throughout their lives. The educator had developed a curriculum that built a child’s creative and critical thinking skills. The one challenge with the curriculum was that it was workbook-based and relied completely on a teacher’s delivery.

In January of 1998, FasTrackKids International was incorporated and purchased the intellectual property rights to the curriculum. It then began the development of its signature program, FasTrackKids. Taking the original concept, FasTrackKids moved the content to a multi-media, interactive platform to engage children. The platform provides a consistent and high quality delivery, a teaching methodology that engages all of a child’s senses. It still is a unique differentiator in the marketplace.

FasTrackKids began as a global company, appointing its first Franchisees in five countries. In October of 1998, the first classes were conducted in both English and Spanish in Australia, Malaysia, Mexico, Singapore, the United States, and Venezuela. FasTrackKids has been recognized as a top franchising organization by publications such as *Entrepreneur Magazine*, received the Governor’s (CO) Award for Excellence in Exporting, and has been awarded the Exporter of the Year award by U.S. Commercial Services.

The market for a FasTrackKids franchise has been created by a combination of what is now known in the area of brain development and the need for innovative methods of education. Most researchers will agree that the “window of opportunity” for the development of a child’s neural network, or their capacity for learning, exists between the ages of 0 to 8. In this changing world, focus needs to be on developing the process of learning as well as acquiring data and facts. Industry observers note that “Companies that have developed learning or teaching programs – whether in information technology or remedial reading – can not only be a good business opportunity, but an excellent service to the population.”

In addition to English and Spanish, FasTrackKids programs are offered in additional languages including: Mandarin, Arabic, Russian Japanese and German. In 2004, FastrackKids produced a second year of lessons for its Signature Program. Since then, it has introduced FasTrack Camps, FasTrack Signing, FasTrack Music, FasTrack Tots, FasTrack Discoverers and FasTrack Explorers. FasTrackKids continues to look for additional programs that provide quality early childhood education and offer those programs through its Franchisees.

FasTrackKids programs are synonymous with early childhood education. Children attend FasTrackKids programs in either stand-alone Enrichment Centers or as they are incorporated in existing children's business, such as a pre-school or a childcare center. All of its programs adhere to the FasTrackKids Developmental Goals:

- To prepare children for school and life
- To develop creative-thinking and problem-solving skills
- To build communication and speaking skills
- To teach the application and transfer of knowledge
- To promote leadership and personal growth
- To encourage a lifelong love of learning

Today, FasTrackKids is headquartered outside of Denver, Colorado. Its staff is a dedicated group of professionals who are committed to the success of the company and its Franchisees around the world.

Chapter 2 – Support Resources

Professional support allows Franchisees the peace of mind knowing they're in business for themselves, but not by themselves. FasTrackKids understands the needs of each Franchisee and continues to meet their individual expectations with reasonable solutions.

Each Franchisee will be assigned a member of the FasTrackKids franchise support team. Our team will strive for complete satisfaction and go above and beyond to ensure that satisfaction. Our team has the tools and training to deliver on the promises they make and start each job with the desire to do it right the first time. If they fall short, they work equally hard to make it right and always look for ways to improve their performance.

Support Staff

- Franchise Support – They are our liaisons for communication between the corporate office and the Franchisees. The team is the point of contact for day-to-day operations, problems and any decisions that Franchisees need corporate approval. Franchise locations are divided up between the team, giving you extra attention when you need it most.
- Area Developers (where applicable) – FasTrackKids can appoint Area Developers to carry out part or all of its obligations to the Franchisee. FasTrackKids has no liability for any obligations that an Area Developer may have with a third party (i.e. product vendors, liability for sales, use, service, etc.). Area Developers are local advocates for FasTrackKids that assist in communicating to the Franchisee and corporate office what materials and products are needed. These advocates help ascertain a level of consistency, customer service and a growth in Franchisees numbers. Franchisees do not work for the area developer; the area developer is a local mentor to the Franchisee.

Website

Our interactive website www.fastrackkids.com provides important resource materials to assist you in the operation of your FasTrackKids business. Interested parents can find the FasTrackKids location nearest them through the on-line locator.

In the Franchise Support section, Franchisees can access the latest marketing and operations updates. The idea box section is where Franchisees share practices that have improved their business. In the Teacher Support section, updated support materials for FasTrackKids programs are posted. In the Parents Support section, parents can find additional activities to support their child's learning process.

NEWSLETTER

FasTrackKids periodically publishes *FasTrack Times*: a newsletter featuring general information, convention information and teaching/enrollment tips. This newsletter may be provided by e-mail, website link or printed copy, at their discretion.

ANNUAL INTERNATIONAL CONVENTION

FasTrackKids International, Ltd. will conduct an annual international convention for all Franchisees. Attendance is required and you will be required to pay a pro-rata share of the costs or in the event of non-attendance, a 125% pro-rata share. Corporate also has the right to require Franchisees or their representatives to attend up to two mandatory training programs per year, one of which will be the International Convention. Franchisees will be responsible for all travel and accommodation expenses. The date and location of the International Convention will be announced at the beginning of the year. This will provide you the opportunity to meet fellow Franchisees, discuss upcoming changes and take additional training courses.

ANNUAL REGIONAL MEETING

Similar to the international convention, only on a smaller and more localized scale. Contact Franchise Support for details.

CORPORATE HOURS / HOLIDAYS

FasTrackKids International, Ltd. will be open Monday through Friday, 8 am to 5 pm Mountain Time (GMT -7). The office will be closed on the following dates:

- New Year's Day (January 1)
- Memorial Day (Last Monday in May)
- Independence Day (July 4)
- Labor Day (First Monday of September)
- Thanksgiving Day (Fourth Thursday of November)
- Christmas Day (December 25)

Corporate offices may be closed on other occasions as well.

CONTACT INFORMATION

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Chapter 3 – Pre-opening Timetable & Obligations

FASTRACKIDS PRE-OPENING TIMETABLE

A **Certificate of Operations** must be obtained before your FasTrackKids business can start. There are seven prerequisites that you must fulfill in order to receive your certificate. After you receive your certificate, there are other obligations, broken up into three “phases,” that you must complete before opening your business. Most prerequisite explanations will be found under **Phase I** of the following chapters.

The following chart is a summary of items that must be completed prior to opening your franchise. The table is chronological, beginning with signing the franchise agreement. Please contact your franchise support manager directly with any questions or concerns throughout the pre-opening process. The dates below are guidelines while you open and maintain your FasTrackKids franchise.

Certificate of Operations

7 Steps	<ul style="list-style-type: none"> <input type="checkbox"/> Attend Operations Training..... (See Chapter 8) <input type="checkbox"/> Attend Instructor Training..... (See Chapter 8) <input type="checkbox"/> Complete a Business Plan..... (See Chapter 12) <input type="checkbox"/> Complete a Marketing Plan..... (See Chapter 12) <input type="checkbox"/> Complete Site Evaluation Form..... (See Chapter 4) <input type="checkbox"/> Submit Digital Photos of Enrichment Center..... (See Chapter 4) <input type="checkbox"/> Provide Insurance Policy Copies (where applicable)..... (See Chapter 6)
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PHASE I – PRE-OPENING

180 DAYS	<ul style="list-style-type: none"> <input type="checkbox"/> Hire a realtor or broker..... (See Chapter 4) <input type="checkbox"/> Complete demographic analysis..... (See Chapter 12) <input type="checkbox"/> Complete competitor analysis..... (See Chapter 12) <input type="checkbox"/> Check zoning, fire and building codes and ADA requirements..... (See Chapter 4) <input type="checkbox"/> Complete Marketing Plan (Submit to FasTrackKids)..... (See Chapter 12) <input type="checkbox"/> Complete Business Plan (Submit to FasTrackKids)..... (See Chapter 12) <input type="checkbox"/> Find all necessary management, accounting and legal support..... (See Chapter 6) <input type="checkbox"/> Meet with bank or accountant for start up assistance..... (See Chapter 6) <input type="checkbox"/> Begin location search..... (See Chapter 4) <input type="checkbox"/> Confirmation call with FasTrackKids to discuss Fast Start Kit materials..... (See Chapter 2 and 5)
120 DAYS	<ul style="list-style-type: none"> <input type="checkbox"/> Submit LOI..... (See Chapter 1) <input type="checkbox"/> Hire architect and / or work with landlord / contractor..... (See Chapter 4) <input type="checkbox"/> Complete site evaluation form (Submit to FasTrackKids)..... (See Chapter 4) <input type="checkbox"/> Submit location details and plans to FasTrackKids for approval..... (See Chapter 4) <input type="checkbox"/> Hire attorney to review lease..... (See Chapter 4)

Chapter 3 - Timetable

	<ul style="list-style-type: none"> <input type="checkbox"/> Sign lease..... (See Chapter 4) <input type="checkbox"/> Submit for building and signage permits..... (See Chapter 4) <input type="checkbox"/> Begin build out..... (See Chapter 4)
90 DAYS	<ul style="list-style-type: none"> <input type="checkbox"/> Register for next Instructor Training..... (See Chapter 8) <input type="checkbox"/> Arrange business bank account and credit card..... (See Chapter 6) <input type="checkbox"/> Review marketing plan..... (See Chapter 12) <input type="checkbox"/> Review job description / profiles supplied..... (See Chapter 7) <input type="checkbox"/> Research and determine your recruitment strategy..... (See Chapter 7) <input type="checkbox"/> Setup webpage and e-mail account for Enrichment center.....(See Chapter 15) <input type="checkbox"/> Begin shopping for equipment, office supplies and furniture..... (See Chapter 4 and 5)
60 DAYS	<ul style="list-style-type: none"> <input type="checkbox"/> Apply for Certificate of Operations and Registration Number..... (See Chapter 2) <input type="checkbox"/> Press releases..... (See Chapter 12) <input type="checkbox"/> Begin scheduling parent presentations..... (See Chapter 13) <input type="checkbox"/> Place ad for required positions and begin interviewing..... (See Chapter 7) <input type="checkbox"/> Conduct background checks..... (See Chapter 7) <input type="checkbox"/> Place order for all required hardware and electronics..... (See Chapter 5) <input type="checkbox"/> Create process to track leads..... (See Chapter 12) <input type="checkbox"/> Obtain quote and lead-time for furniture (classroom and office)..... (See Chapter 4) <input type="checkbox"/> Order phone, Internet, utilities..... (See Chapter 4) <input type="checkbox"/> Order external / internal signing and "Coming Soon" banner..... (See Chapter 4)

PHASE II – SOFT OPENING

45 DAYS	<ul style="list-style-type: none"> <input type="checkbox"/> Begin working on administrative documents..... (See Chapter 6) <input type="checkbox"/> Review marketing plan..... (See Chapter 12) <input type="checkbox"/> Launch your "Grand Opening" advertising campaign..... (See Chapter 12) <input type="checkbox"/> Purchase direct mail list and dispatch first direct mail..... (See Chapter 12) <input type="checkbox"/> Begin free trial classes and demos..... (See Chapter 13) <input type="checkbox"/> Create employee manual..... (See Chapter 7) <input type="checkbox"/> Order any additional marketing collateral / promotional items..... (See Chapter 12) <input type="checkbox"/> Begin insurance policy..... (See Chapter 6)
30 DAYS	<ul style="list-style-type: none"> <input type="checkbox"/> Install Interactive Whiteboard and associated electronics..... (See Chapter 5) <input type="checkbox"/> Purchase second direct mailer and dispatch..... (See Chapter 12) <input type="checkbox"/> Conduct parent presentations..... (See Chapter 13) <input type="checkbox"/> Hire required personnel..... (See Chapter 7) <input type="checkbox"/> Create enrollment process / policy for managing enrollments and student information.. (See Chapter 6) <input type="checkbox"/> Obtain credit card processing equipment and confirm account..... (See Chapter 6) <input type="checkbox"/> Install furniture..... (See Chapter 4 and 5) <input type="checkbox"/> Hook-up utilities..... (See Chapter 4)

PHASE III – GRAND OPENING

15 DAYS	<ul style="list-style-type: none"> <input type="checkbox"/> Purchase remaining equipment and supplies..... (See Chapter 4 and 5) <input type="checkbox"/> Place posters, brochures and schedule in local businesses..... (See Chapter 12) <input type="checkbox"/> Create a class schedule..... (See Chapter 9) <input type="checkbox"/> Establish any CO-OP opportunities..... (See Chapter 12) <input type="checkbox"/> Purchase third direct mailer and dispatch..... (See Chapter 12)
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	<input type="checkbox"/> Begin training program for new employees..... (See Chapter 9) <input type="checkbox"/> Begin exploring the Interactive Whiteboard and lesson planning..... (See Chapter 9) <input type="checkbox"/> Conduct your first staff meeting..... (See Chapter 9) <input type="checkbox"/> Event Suggestions..... (See Chapter 12)
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30+ Days After Opening

30 + DAYS	<input type="checkbox"/> Complete Quarterly Report..... (See Chapter 11) <input type="checkbox"/> Complete Monthly Report..... (See Chapter 11) <input type="checkbox"/> Schedule Monthly Call with Franchise Support..... (See Chapter 2) <input type="checkbox"/> Review Marketing Plan / Adjust..... (See Chapter 12) <input type="checkbox"/> Review Business Plan / Adjust..... (See Chapter 12) <input type="checkbox"/> Attend International Meeting..... (See Chapter 2) <input type="checkbox"/> Attend Regional Meeting..... (See Chapter 2)
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COMMENTS	<p>FasTrackKids Instructor Training must be attended prior to opening business. Training is held once every quarter at the FasTrackKids Corporate Headquarters. A regional training maybe available; please ask your franchise support for details.</p> <p>Per the Franchise Agreement, you have six months from signing the franchise agreement to open your FasTrackKids franchise.</p>
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CERTIFICATE OF OPERATIONS

- **Attend Operations Training**

The training is required for potential Franchisees and Center Directors. It is an introduction to our programs and an operational overview. **(See Chapter 8)**

- **Attend Instructor Training**

At least one instructor from a FasTrackKids Enrichment Center must attend an instructor training. These trainings are held at corporate headquarters. **(See Chapter 8)**

- **Completing Your Business Plan**

Complete your business plan, identifying specific goals and action steps. Develop your marketing plan to include budget and advertisement placements. Schedule time with your Franchise Support manager to review your plans and get any advertisements approved. All business plan materials must be submitted to FasTrackKids. **(See Chapter 12)**

- **Marketing Plan**

Plan and finalize a marketing strategy utilizing the action plan provided during training. Develop advertising, public relations and networking strategies and submit all plans to FasTrackKids.

(See Chapter 12)

- **Fill Out Site Evaluation Form**

In order to obtain a Certificate of Operations, you need to fill out a site evaluation form and submit it to FasTrackKids.

(See Chapter 4)

- **Submit Digital Photos of Enrichment Center**

A digital photo of your proposed location must be submitted to FasTrackKids via email as part of the process in obtaining a Certificate of Operations.

(See Chapter 4)

- **Provide Insurance Policy Copies (where applicable)**

You're required to maintain insurance for your business as specified in the FDD, Franchise Agreement and Chapter 6 of this Operations Manual and to provide a copy to FasTrackKids.

(See Chapter 6)

Congratulations! You have completed all obligations in obtaining the FasTrackKids Certificate of Operations.

PHASE I – PRE-OPENING

180 DAYS PRIOR TO OPENING

- **Office Space & Hire a Competent Commercial Leasing Agent**

Over the coming days you will be busy preparing for the opening of your Enrichment Center. We strongly recommend you find a Commercial Leasing Agent to assist in finding office space, allowing you to focus attention on opening your franchise.

(See Chapter 4)

- **Complete Demographic/Competitor Analysis**

Completing an analysis of the local demographics and competitors surrounding your prospective Enrichment Center location will help you determine if this area reaches your target market.

(See Chapter 12)

- **Checking Codes**

Be sure to check on zoning, building fire codes and ADA requirements in your area. Be sure not to have your franchise categorized as a school rather than a business, as some Enrichment Centers have encountered difficulties with being listed as a “school.” Investigate any effects this situation may have on your location before you negotiate or sign a lease. **(See Chapter 4)**

- **Marketing Plan**

Plan and finalize a marketing strategy utilizing the action plan provided during training. Develop advertising, public relations and networking strategies and submit all plans to FasTrackKids. **(See Chapter 12)**

- **Completing Your Business Plan**

Complete your business plan, identifying specific goals and action steps. Develop your marketing plan to include budget and advertisement placements. Schedule time with your franchise support manager to review your plans and get any advertisements approved. All business plan materials must be submitted to FasTrackKids. **(See Chapter 12)**

- **Find All Necessary Management, Accounting & Legal Support**

Your professional advisory team should consist of a CPA, Bookkeeper and Business Attorney in addition to prospective employees. **(See Chapter 6)**

- **Meet With Your Accountant**

If you choose to use an accounting service, arrange a time to meet with them to get your business started. Seek assistance securing required ID numbers for taxes, determining your accounting and payroll needs and other issues you may have complications with. **(See Chapter 6)**

- **Location**

Your Enrichment Center must operate from a single location approved by FasTrackKids. Choose carefully, as difficult locations to find may end up paying in marketing costs. Therefore quality locations with good visibility may be preferable. **(See Chapter 4)**

- **Fast Start Kit Materials**

Be sure to contact your franchise support manager (Chapter 2) at FasTrackKids to confirm your Fast Start Kit shipping date and to review your list of materials. **(See Chapter 2 and 5)**

120 DAYS PRIOR TO OPENING

- **Submit Letter of Intent**

When you find a location you are interested in, be sure to submit a letter of intent to the landlord of the building that outlines your intentions for the space. Explain in the letter who you are and a little bit about the FasTrackKids program (found in Chapter 1). **(See Chapter 1)**

- **Hire Architect**

It is recommended that you either hire an architect or work closely with your landlord or contractor to develop plans for your space. They will be able to help you determine the best way to utilize your space and build any additional items needed in your location. **(See Chapter 4)**

- **Site Evaluation Form**

After finding your location, a Site Evaluation Form must be submitted to FasTrackKids for approval. Contact your franchise support manager if you have any questions concerning this form. **(See Chapter 4)**

- **Location Details & Plans**

You must submit details about your location and your plans for the space to FasTrackKids for approval. This must be done before signing a lease or beginning your build out process. **(See Chapter 4)**

- **Hire an Attorney to Review the Lease**

After finding a location, we strongly recommend hiring an attorney before signing a lease. Your attorney will be able to help protect your rights. **(See Chapter 4)**

- **Lease**

After all the documents have been submitted to FasTrackKids and are approved, negotiations between you and the landlord are completed, and your attorney has reviewed all your decisions, you are now ready to sign the lease. **(See Chapter 4)**

- **Building & Signage Permits**

Be sure you receive all necessary building and signage permits before hanging any signs or starting your build out. Be sure to check with your local government agency to determine what permits are required. **(See Chapter 4)**

- **Build Out**

After all of the above steps are completed, you are now ready to begin your build out process. **(See Chapter 4)**

90 DAYS PRIOR TO OPENING

- **Register for FasTrackKids Instructors Training**

FasTrackKids will conduct quarterly training for both new and existing Franchisees. Typically, you will register for the next available training upon the execution of the franchise agreement. Most new Franchisees should open for business within six months of signing the franchise agreement. **(See Chapter 8)**

- **Open Banking & Checking Accounts**

Choosing a bank account for your small business is an important stage in the startup process. Several key things to consider include transaction and borrowing costs, facilities the bank has to offer and the type of relationship you want from a bank. **(See Chapter 6)**

- **Review Marketing Plan**

Look over your marketing plan and assure you have covered all the necessary items. Add any additional marketing activities you would like to try and implement in the coming days.

(See Chapter 12)

- **Job Description / Profiles**

Review the job descriptions and profiles of the FasTrackKids staff. This will help you develop a strategy for recruiting potential candidates for employment. **(See Chapter 7)**

- **Strategy for Recruitment**

Begin by reviewing organizational needs and evaluating strengths / weaknesses using the profile of a teacher document provided during your initial training. **(See Chapter 7)**

- **Webpage & E-mail Account**

It is time to setup your webpage and e-mail account, as these will be important tools in operating your franchise. Your webpage must be approved by FasTrackKids and a FasTrackKids alias, such as Kayla@fastrackkids.com, may be obtained depending on availability. Website Template information can be found in Chapter 15. **(See Chapter 15)**

- **Equipment, Office Supplies & Furniture**

Begin shopping around for the equipment, office supplies and furniture you will need for your Enrichment Center. A detailed list of furniture specifications and equipment can be found in this manual. **(See Chapter 4 and 5)**

60 DAYS PRIOR TO OPENING

- **Apply for Certificate of Operations and Registration Number**

In order to obtain an official Certificate of Operations and be awarded a certificate to display in your FasTrackKids Enrichment Center, the Certificate of Operations checklist must be completed. Contact Franchise Support for a registration number. **(See Chapter 2)**

- **Write a Press Release**

Press releases are a must when launching a new product/service. A press release should also go out when you open your franchise, change locations or expand your current Enrichment Center. **(See Chapter 12)**

- **Scheduling Parent Presentations**

Schedule at least five presentations at area preschools and daycare centers. This will increase knowledge of your business within your local market. **(See Chapter 13)**

- **Interviewing Potential Staff**

FasTrackKids doesn't assist in your hiring/firing process. However, Chapter 7 of this manual entitled "Staffing Your FasTrackKids Franchise" outlines required positions to open your franchise. **(See Chapter 7)**

- **Conduct Background Checks**

Conducting background checks on all your employees is imperative to running your Enrichment Center. Specific details can be found in this manual about what to look for and who to contact. **(See Chapter 7)**

- **Order Office Supplies & Equipment**

A computer system and appropriate software must be purchased prior to opening. Hardware and software requirements are listed in this manual. **(See Chapter 5)**

- **Tracking Leads**

Create a process (Excel spreadsheet, filing system, computer program, etc.) to track all leads and interests in your Enrichment Center. **(See Chapter 12)**

- **Furniture Quote**

Obtain a quote and lead-time for all the classroom and office furniture you wish to purchase. Be sure to get a few different quotes and comparison shop to get the best deal. **(See Chapter 4)**

- **Order Phone, Internet & Utilities**

You'll need to have constant phone and Internet access, as well as a dedicated fax line. **(See Chapter 4)**

- **Order External / Internal Signage & Banners**

Be sure to place an order for all your external signage that you wish to use. We also recommend purchasing a "Coming Soon" banner to generate curiosity in your business. Some restrictions may apply, depending on your Enrichment Center location. **(See Chapter 4)**

PHASE II – SOFT OPENING

45 DAYS PRIOR TO OPENING

- **Begin Working on the Administrative Documents**

Create student registration forms (sample on our website) and begin working on your tuition rates, promotions and contract options and terms. **(See Chapter 6)**

- **Review Marketing Plan**

Look over your marketing plan and assure you have covered all the necessary items. Add any additional marketing activities you would like to try and implement in the coming days.

(See Chapter 12)

- **Launch Grand Opening Advertising Campaign**

It's time to start advertising your FasTrackKids franchise. Additional information can be found in Chapter 12. **(See Chapter 12)**

- **Send Out Direct Mailer**

Purchase a direct mailing list and send out a letter detailing "Coming Soon" and a pre-opening enrollment incentive. **(See Chapter 12)**

- **Trial Classes**

Consider trial classes for anyone who may be interested in the FasTrackKids program. Put together a schedule with classes at different times throughout the week to accommodate different requests. To ensure a good turn out for your trial classes, we recommend following up with these leads by sending a friendly reminder through mail, email or a call the day before the scheduled class. **(See Chapter 13)**

- **Create Employee Manual**

Be sure to provide a manual for all employees when they begin working at your Enrichment Center. Details about creating this manual can be found in Chapter 7. **(See Chapter 7)**

- **Order Business Cards and Marketing Collateral**

It's never too early to start handing out business cards and marketing your business.

(See Chapter 12)

- **Secure Insurance**

You're required to maintain insurance for your business as specified in the FDD, Franchise Agreement and Chapter 6 of this Operations Manual and to provide a copy to FasTrackKids.

(See Chapter 6)

30 DAYS PRIOR TO OPENING

- **Install Hardware/Software on Computer System**

Refer to Chapter 5 of this manual for detailed hardware and software specifications. FasTrackKids can provide only limited technical assistance in this area. **(See Chapter 5)**

- **Send Out Second Direct Mailer**

Use your direct mailing list to send out another letter detailing “Coming Soon” and a pre-opening enrollment incentive. **(See Chapter 12)**

- **Conduct Presentations**

Conduct presentations to local mother’s groups, area daycares and pre-schools. You should also host interested parents in your Enrichment Center. Details about conducting these presentations can be found in Chapter 13. **(See Chapter 13)**

- **Hire Required Personnel**

It’s very important to conduct background checks and verify any certification/school transcripts on all employees as the future of your business may depend on it. **(See Chapter 7)**

- **Enrollment Process**

Develop a system for managing your enrollment and student information. Be sure each student has a file at the Enrichment Center with emergency contact information, enrollment dates, etc. A student enrollment agreement, which provides some student information, can be found on our website. **(See Chapter 6)**

- **Set Up Credit Card Processing Account**

Are merchant services worth it? If your company is successfully invoicing your customers, you may be overwhelmed by the costs of merchant services that take a percentage of all your sales. **(See Chapter 6)**

- **Install Furniture**

Make sure you install all your furniture at this time. Assemble all tables and chairs, mount your whiteboard (if possible), install a platform and any other items that haven’t been setup. **(See Chapter 4 and 5)**

- **Hookup Utilities**

Be sure all your utilities are hooked up and running before opening your Enrichment Center including gas, electric, waste and water. Check with your local companies to assure that billing is properly setup and the utilities will be hooked up on time. **(See Chapter 4)**

PHASE III – GRAND OPENING

15 DAYS PRIOR TO OPENING

- **Purchase remaining equipment and supplies**

Take inventory in what you have and order what you need to complete your Enrichment Center.
(See Chapter 4 and 5)

- **Place posters, brochures and a schedule of your Enrichment Center's classes in local businesses**

Using businesses that serve your target demographic can get you more exposure and is cost effective marketing. A list of helpful ways to find businesses can be found in this manual.
(See Chapter 12)

- **Create a Class Schedule**

Determine hours of operation for your Enrichment Center and begin creating a schedule for classes. Keep in mind the more options you have (day, night, weekend) the easier it will be to accommodate parents with busy schedules. After creating the class schedule, clearly post it in your Enrichment Center for everyone to see. Be sure to also place posters and brochures with the schedule.
(See Chapter 9)

- **Establish Co-op Opportunities**

Try teaming up with other local companies to establish a co-op that will be mutually beneficial to both parties. Offer to place their advertising in exchange for yours or give a discount to their customers.
(See Chapter 12)

- **Purchase Third Direct Mailer and Dispatch**

Keep reminding your target market about FasTrackKids and your Enrichment Center's "Grand Opening."
(See Chapter 12)

- **Begin Training Employees**

It is crucial your employees are well trained before conducting any lessons to students.
(See Chapter 9)

- **Begin Exploring & Lesson Planning**

Be sure all your employees are very familiar with the interactive whiteboard and how it works. Begin planning the first lessons you will teach to your students and determining what additional materials will be needed.
(See Chapter 9)

- **Conduct Your First Staff Meeting**

Staff meetings should become a weekly activity in operating your franchise. Your first staff meeting will set the tone for those that follow. Consider running practice lessons to assure the

teachers understand the structure of each lesson and how to prepare prior to each of them. Consider on-going assessments of your teachers by personal and unannounced observation. Also, discuss current marketing campaigns, enrollment sales techniques and have role-play inquiry calls with staff. Practice is the key to success. **(See Chapter 9)**

Open House & Grand Opening

When you open your FasTrackKids Enrichment Center, make sure the day is planned for success. Assure you publicize the opening and invite the media and local educators. Invite as many parents as possible and make sure those you know are in attendance. Also, consider publicizing incentives such as “first two weeks free” or a deal with a local restaurant for a gift certificate. If you have a connection with a local respected personality, try inviting him/her to make the formal opening. Consider having face painting, craft tables, balloons and other various activities for the children and raffles for free school supplies. Remember, the more people who know your business, the more talk of your business to an ever-increasing circle of acquaintances. See the end of Chapter 11 for more information and suggestions.

(See Chapter 12)

Congratulations! You have completed the FasTrackKids pre-opening obligations.

30+ Days After Opening

- **Complete Quarterly Report**

You must submit a Quarterly report to FasTrackKids, highlighting your operations, marketing, budgeting, competition, industry and staff performance. Schedule a call to Franchise Support once you have completed the form, found on our website. **(See Chapter 11)**

- **Complete Monthly Report**

You must complete a monthly spreadsheet report that helps track activities and records payment information. The report is **due by the tenth of each month.** **(See Chapter 11)**

- **Schedule Monthly Call with Franchise Support**

Contact Franchise Support and set up a time to discuss how your franchise is progressing. **(See Chapter 2)**

- **Review marketing plan / Adjust**

Make any necessary adjustments to your marketing plan. Ask yourself if you are reaching your target audience. How else can potential clients know about FasTrackKids? **(See Chapter 12)**

- **Review Business Plan / Adjust**

Make any necessary adjustments to your business plan. Ask yourself if you are generating enough revenue to make a profit. Are you meeting the goals you set for your franchise? **(See Chapter 12)**

- **Attend the International Meeting**

It is required that you attend the international conference, which the location is announced at the beginning of the year. This will count as one of the two mandatory training programs that Franchisees must attend. Contact Franchise Support to register. **(See Chapter 2)**

- **Attend the Regional Meeting**

It is required that you attend the regional meeting being held near your franchise location. The meeting will be more locally focused than the international meeting, giving you more insight on the local market. **(See Chapter 2)**

Chapter 4 – Enrichment Center Setup & Policies

PHASE I – PRE-OPENING



180 DAYS PRIOR TO OPENING

Office Space & Hire a Competent Commercial Leasing Agent

Over the coming days you will be busy preparing for the opening of your Enrichment Center. We strongly recommend you find a Commercial Leasing Agent to assist in finding office space, allowing you to focus attention on opening your franchise. FasTrackKids has retained Javelin Solutions, LLC to locate and secure a new Enrichment Center location. This service is included as part of the US agreement. All locations are required to submit pictures and information on their location prior to signing the lease. Postponing this step could delay the opening of your franchise.

An agent can help with the following:

- Lease or build-out negotiation
- Cost reduction
- Demographics
- Position your Enrichment Center as an asset to the owner
- Find two or three appealing locations and negotiate simultaneously

Checking Codes

Be sure to check on zoning, building fire codes and ADA requirements in your area. Be sure not to have your franchise categorized as a school rather than a business, as some Enrichment Centers have encountered difficulties with being listed as a “school.” Investigate any effects this situation may have on your location before you negotiate or sign a lease.

Insure All Licensing & Code Requirements Have Been Met

You must comply with all local, state and federal regulations regarding both business operations and specific requirements pertaining to the education industry. It’s your responsibility to maintain current licenses with all appropriate governing bodies. Detailed research is recommended through the local department of Health and Human Services.

You may need to register your business on the federal, state, city and county levels of government. Most county governments require occupational licenses. Most likely, you will have to obtain a license from your city clerk and then a county license from the tax collector. These levels of government and the agencies within have licensing and permitting requirements you must follow for health and safety on the business premises. These requirements include a submission of a floor plan. Make certain your state and county occupational licenses are properly displayed and that you understand what your occupancy capacity is and stick with it. Many states require you to file an annual business report in order to maintain legal business status.

Example: If you’re a residential and commercial service operation, probable agencies to contact include the state contractors licensing board, state and county health departments, code enforcement, planning and zoning, building department, fire marshal, solid waste, motor vehicle, etc. These agencies may have toll-free numbers and most will be part of a state or local website. Most of what will govern your operation will be written into state statutes.

Other Resources for Federal Law Governing Your Business Operations

- United States Code of Federal Regulations (CFR) – www.access.gpo.gov
- National Fire Protection Association (NFPA) - (800) 344-3555 or www.nfpa.org
- Federal Trade Commission (FTC) - (800) 326-2222 or www.ftc.gov
- Uniform Commercial Code (UCC) locator site with links to state statutes which apply to the UCC is online at www.law.cornell.edu/uniform/ucc.html
- Secretary of State Websites provide basic information on corporations, partnerships, business and UCC filings at www.statelocalgov.net/50states-secretary-state.cfm/ contains links to all of them

Setting Up Your Enrichment Center Location

Your Enrichment Center must operate from a single location approved by FasTrackKids. A quality location with good visibility from a highway, street or a sidewalk is highly recommended. A major factor you should consider is the distance between your business and customers’ residence. FasTrackKids found that parents will travel 20 to 30

minutes over a sustained period of time for their child's education. Another factor is the degree of independence for your operations. Is your Enrichment Center part of a complex where you have certain restrictions, or is it in a free standing building owned by a landlord?

In selecting the location for your Enrichment Center, we strongly suggest you use a specialized broker/realtor with experience in leasing, as their expertise in the business will save you time and money. They will also have knowledge about available spaces and places soon to be on the market. All US franchises are required to use Javelin Solutions, LLC to assist in finding a location. Typically the lessor pays the realtor fees, not the lessee.

Every location will vary, but ideal locations may include:

- Not prime retail space
- High visibility
- Low-rise office condominiums
- Designated rooms in an existing nursery or school
- All US locations should consult Javelin Solutions, LLC

Location Options and Best Practices

Street Locations (downtown main street, side streets, neighborhoods, roadsides)

- *Advantage* – Relative independence from other businesses in the building
- *Drawback* – Limited Parking

Planned Shopping Centers (strip malls, community centers, regional malls, specialty centers)

- *Advantage* – Has existing parking and traffic
- *Drawback* – You must adhere to the rules of the center

Best Practices

- Mid-upper income area
- Enrichment Center is a 20 to 30 minute drive from the family's home
- Smaller, boutique strip mall
- Lighter traffic with parking availability
- Near compatible businesses (karate, ballet, pet stores, kids' restaurants, beauty salons)
- Visible to road

Demographic/Traffic

Your broker will be able to provide advice in this area. Prime retail space largely relies on foot traffic and is often the major shopping mall in an area. Remember that most of your marketing may be pro-active, so foot traffic alone may not be a major consideration. Consider the average age of people living in your prospective area, the income level and the amount of kids per family as all of these will be crucial element to determine your Enrichment Center location decision.

Surrounding Uses

Take into account any other children's activities such as recreation centers, tutoring and sports based activity centers, etc. Also consider surrounding grocery and department stores as an advantage, so parents can shop while their child attends lessons. It's essential to notice any positive/negative influences which might encourage/discourage parents from the area. Be careful of high traffic areas, as some of these places might be a safety hazard to children or difficult for parents to get to.

Driving Your Territory

As you begin narrowing down your location choices, it's a good idea to clock the driving time from key residential areas to shopping malls or retail centers. Try to imagine yourself as a parent bringing your child to a class, driving to various locations during peak traffic times. How would you describe the traffic? Are there alternate routes? Are there geographic or man-made barriers that effect driving patterns? In addition to these questions, consider your overall first impression. Does the area, approach and the building look and feel right? Taking this drive may help in deciding on a location for your Enrichment Center.

Fill out your Site Evaluation Form

In order to attain a **Certificate of Operations**, you need to fill out a site evaluation form and submit it to FasTrackKids. This form is designed to help you recognize what kind of site you are considering as an Enrichment Center location. A site evaluation form can be found on the FasTrackKids website (www.fastrackkids.com). Contact Franchise Support with any questions regarding this form.

Submit a Digital Photo of the Location

A digital photo must be submitted to FasTrackKids via email as part of the process in obtaining a **Certificate of Operations**. This photo must be an accurate representation of the location and gives FasTrackKids a clear structural view of the location (multiple photos are encouraged, each showing a different angle of the location for a better, all around look at the location).

120 DAYS PRIOR TO OPENING

Local Planning & Building Department Requirements

You should consider using an **architect or designer** to help design a floor plan that is in compliance with local permit requirements. Architects can provide a floor plan that maximizes your learning space but also gives you plenty of storage room. The classroom is the most important space in your Enrichment Center, and appearances

create a positive or negative image for your Enrichment Center. Costs will vary, but they prove to be a useful advocate in permit and build-out processes.

The following are things to consider when determining your Enrichment Center location, details and plans:

Parking

Determine if adequate parking is available. If parents can't easily park, they may not attend. Also, assess the distance from the parking lot to the front door as parents may not want to walk far or cross busy streets.

Zoning

Your broker/realtor will be able to investigate the zoning requirements and the criteria used to determine classifications (for example, a retail children's business). If not, inquire directly with the local Planning Department to determine zoning requirements.

Size

The size of your Enrichment Center will be determined by available property. We recommend one or two classrooms, approximately 200 square feet (18.58 square meters) in area per room and a lobby of equal size. You may also consider having a parent presentation room, office, storage room and small kitchen area. For a stand-alone Enrichment Center, you should consider at least 1100-2100 square feet.

Restroom Provision

You'll need to provide suitable restrooms for children and staff. Although these can obviously be added, this can be costly and a site with existing provisions is often an advantage.

Design

Since every premise will vary you must submit to FasTrackKids site plans for approval before beginning a build-out or operation. Later in this chapter, you will find pictures of an existing FasTrackKids Enrichment Center layout and design.

Hire an Attorney to Review the Lease

After finding a location, we strongly recommend hiring an attorney before signing a lease. Have your attorney look over the lease to ensure your best interests, as his / her best interests are to get the best possible terms between you and the landlord.

Lease

It's beyond the scope of this manual to give specific legal advice pertaining to leases, but the following are vital:

- Don't begin your build-out until your lease has been signed by both parties
- We recommend you seek advice from Javelin Solution, LLC or your broker before signing
- Make sure your landlord understands the nature of your business before signing
- Discuss signage requirements with the landlord prior to signing
- Discuss if the landlord will pay for your build-out

Restrictions on Signage

Most locations have restrictions on signage; this may be a factor when comparing prospective premises. These restrictions are often determined by city planning and zoning requirements.

The Enrichment Center external signage, without restrictions, should include:

- FasTrackKids Font
- Blue Letters
- Yellow Logo
- Backlight

Internal signage is essential to the conceptual image of FasTrackKids. Examples of internal signage can be found later on in this chapter. Make sure that city planning and zoning requirements are met when installing the signage. Internal and subject sign dimensions will be described later on in the chapter.

Begin the Build Out Process

After all the above steps are completed and everything that needs to be reviewed by FasTrackKids has been approved, you are ready to build your Enrichment Center.

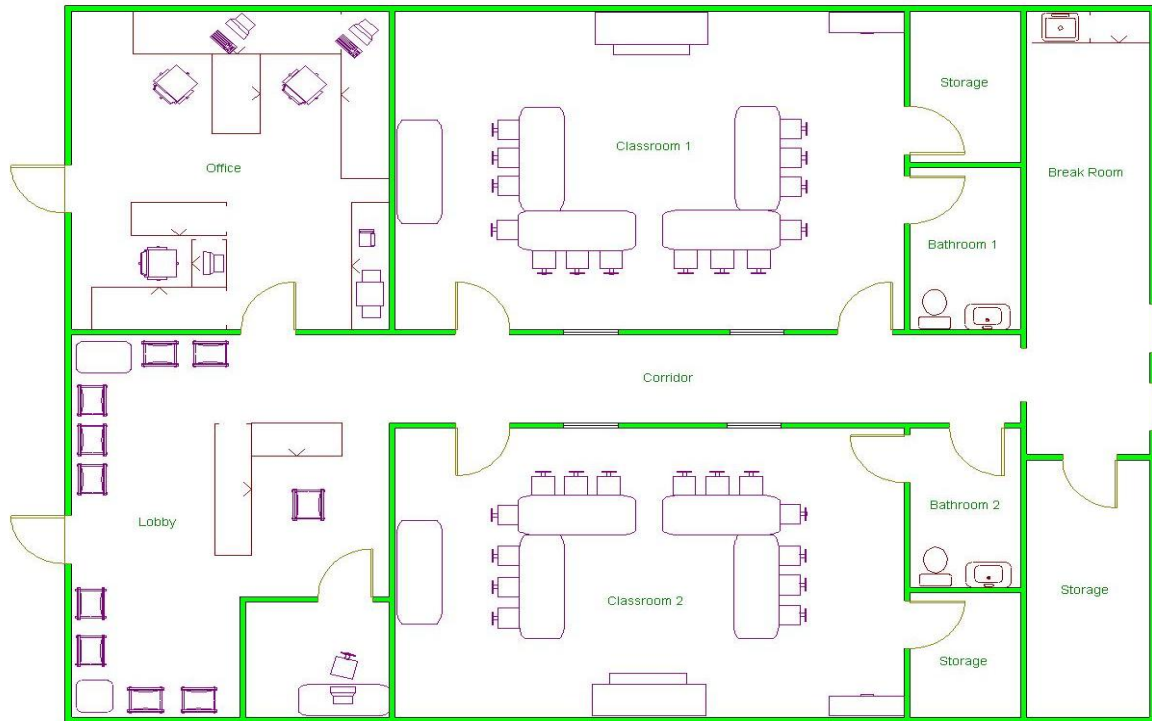
Map

You're required to secure a commercially produced (not computer generated) map of your territory with a scale and legend; this is required for site approval. Study it thoroughly and pinpoint/color code the following locations:

- Territorial Boundaries: Highlight your territorial boundaries in yellow. Please note that your site location must be at least two miles from the closest territory boundary as measured on the map.
- Elementary and secondary schools (both public and private)
- Retail shopping centers, malls and entertainment sites
- Competing services
- Major residential areas with middle and upper-middle incomes
- Major traffic arteries and metro routes into and through your territory
- Major medical centers and professional complexes
- Location of pediatricians, orthodontists, child psychologists and counselors

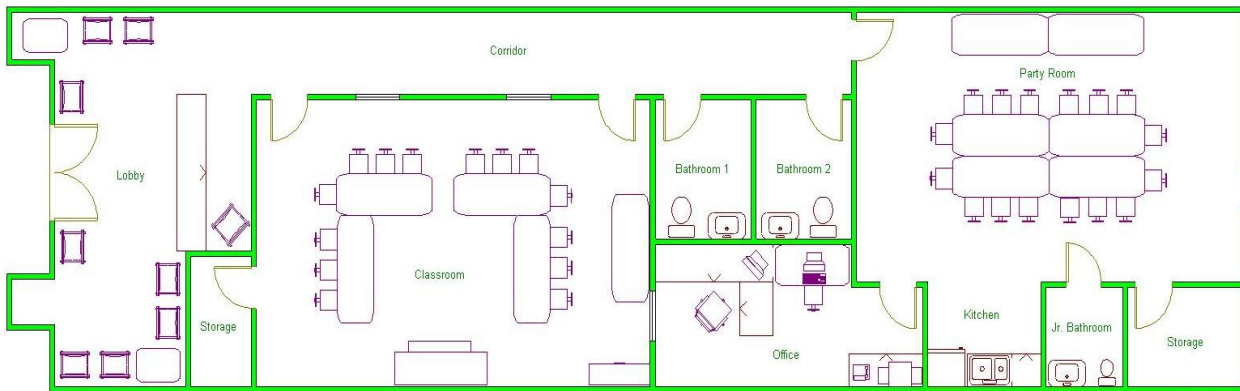
YOU CAN FIND TWO EXAMPLES OF ENRICHMENT CENTERS ON THE NEXT PAGE IN THIS CHAPTER.

SAMPLE ENRICHMENT CENTER LAYOUTS



J.N. Flanders 2004

INTERIOR AREA
2715 sq ft



J.N. Flanders 2004

Interior Area
1913 sq ft

DÉCOR

Flooring

Lobby – Your architect or flooring expert can provide advice on safe and practical solutions. The logo indicated in yellow will be in 1”x1” yellow Bizzaza type mosaics or similar (economic alternative is yellow vinyl). The two circumferences will be in blue high traffic tiles (Milliken brand or similar) and wooden stands will be carpeted as well. The rest of the floors will be black and white checkerboard tiles (economic alternative is black and white vinyl).

Classroom – Carefully consider what type of flooring will be placed on the classroom floor, as it gets dirty easily. The access halls will be yellow Bizzaza type 1”x1” mosaics or similar (vinyl can be substituted). The classroom will have Milliken type carpeting or similar. The stage and the step in front will be wooden.

Bathroom – The floors will also be covered in black and white checkerboard and should extend three feet up the wall with a wood molding painted yellow. The remainder of the wall will be painted in white eggshell finish.

Paint

The external walls of the office will be painted in an “eggshell” finish with the PMS (Pantone Matching System) of Blue: 280 and Yellow: 108. Remember, your FasTrackKids Enrichment Center is primarily for the kids, not parents, and should be warm and appealing.

The Lobby

This is the first view of your Enrichment Center once parents and children walk in and will also be a place of meeting and distribution. At a minimum, there needs to be a reception desk where parents can sign their children in and out of class with the standard FasTrackKids oval sign on the wall and some small tables and chairs for children with coloring books, crayons and markers. You’ll also need a seating area for parents, stocked with appropriate publications as well as a photo album with pictures of the children and testimonial book with thank you letters and positive comments. There should also be one wall in the lobby featuring displays of colorings completed by children in your classes and photographs of students happily engaged in their activities (you may want to consider having parents sign a photo release form when they enroll their children.) You’ll also need a notice board with the latest Discovery Sheet, class schedule (summer, winter or scheduled holidays) and any other important information for parents. These should be updated regularly.



90 DAYS PRIOR TO OPENING

THE CLASSROOM

Furniture

Small tables and chairs should be placed in a U shape facing the FasTrack Learning Station. Suitable child-friendly furniture in yellow and blue can be purchased from Lakeshore Learning (www.lakeshorelearning.com) although you aren't required to purchase from them, provided your furniture meets requirements.

AGE	CHAIR HEIGHT (INCHES)	TABLE HEIGHT (INCHES)
2	7 ½ - 10	15 – 20
3	9 ½ - 11 ½	16 – 21
4	11 ½ - 13 ½	18 – 23
Kindergarten	13 – 13 ½	19 – 23
Grades 1 & 2	13 – 15 ½	19 – 25
Grades 3 & Up	15 – 17 ½	21 – 27



Photo provided by www.lakeshorelearning.com

Parent Viewing

It's essential to incorporate a one-way mirror or live video feed so parents can view the class from the lobby without disturbing the lesson. This ensures the children don't feel intimidated by seeing adults looking at them and gives parents a greater comfort level. If using a one-way mirror, it's important lighting in the classroom is much stronger than in the lobby for proper function. If you choose to use a video feed, have one television dedicated to videotaping the classroom.

Platform

In most locations, you'll need some means to elevate students to be able to reach the FasTrack Learning Station. Since each location is different, only limited advice can be given in this manual. However, great care must be taken in the design to ensure maximum safety. It may be worth getting professional advice from your architect and

insurance company in this respect. You also need to consider the needs of disabled or wheelchair bound children.

VENDOR LIST

ITEM	SPECIFICATIONS	COST	CONTACT	TERRITORY
ADA & Kiddie Bathroom	American Standard	Varies	Online – Local Vendor www.ikea.com	Nationwide
Vinyl	Armstrong, Imperial Texture, Standard Excelon Vinyl Composition Tile – 12"x12" – Marina Blue #51820 and Blue Cloud #51941	\$0.69 - \$0.79 Per Tile	Home Depot or Local Vendor	Nationwide
Carpet	Home Depot – Traffic Master Style: Raffaello 014HD Color:98401 Rio Width: 12'	\$1.99 Per Sq. Yard – Installed Ikea - varies	Home Depot www.ikea.com	Local
Classroom	Tuff Stuff 30"x79" or 30"x60" – Adjusted Student Table Height=21 ¾, Adjusted Teacher Table Height=24" Chairs 11 ½ - 13 ½	Lakeshore – Table: \$159 - \$179 each. Chairs \$33.50-\$36.50 each.	www.lakeshorelearning.com www.Furniture-4Kids.com	Nationwide
Lobby Chairs	Director Chairs With Yellow or Blue Seating.	Pier1 - \$40 Per Canvas Ikea - varies	www.Pier1Imports.com www.ikea.com	Nationwide
Walls	Sherwin Williams – Frank Blue & Dandelion Yellow	Varies	Any paint store. Corporate defined colors are Pantone colors Blue 280 & Yellow 108	Nationwide
Steps & Stage	36"x54"x14" H Platform – 1.5" Of Very Heavy 9 lb. Foam On Top For Stability & Durability	\$300-\$750	www.safespaceconcepts.com or have your contractor build it	Nationwide

The prices listed above are only a guideline. All prices are subject to change depending on location and at the sole discretion of the vendor.

60 DAYS PRIOR TO OPENING

Furniture Quote

Obtain a quote and lead-time for all the classroom and office furniture you wish to purchase. Be sure to get a few different quotes and comparison shop to get the best deal.

Order Phone, Internet & Utilities

You'll need to have constant phone and Internet access, as well as a dedicated fax line. Additionally, you're required to have multiple phone lines with hunt capability (preferably a T-1 line or comparable), minimizing missed calls during operating hours. Please note, it can take up to four weeks for your phone company to hook up phone and Internet access. At this point in time, you should set up all necessary utility accounts (gas, electric, waste, water) that are not built into the lease.

Order External / Internal Signage & Banners

Be sure to place an order for all your external signage that you wish to use. We also recommend purchasing a "Coming Soon" banner to generate curiosity in your business. Some restrictions may apply, depending on your Enrichment Center location.

PHASE II – SOFT OPENING

30 DAYS PRIOR TO OPENING

Install Furniture

Make sure you install all your furniture at this time. Assemble all tables and chairs, mount your whiteboard (if possible), install a platform and any other items that haven't been setup (see list under "The Classroom").

Hookup Utilities

Be sure all your utilities are hooked up and running before opening your Enrichment Center including gas, electric, waste and water. Check with your local companies to assure that billing is properly setup and the utilities will be hooked up on time.

INTERIOR SIGN PACKAGES

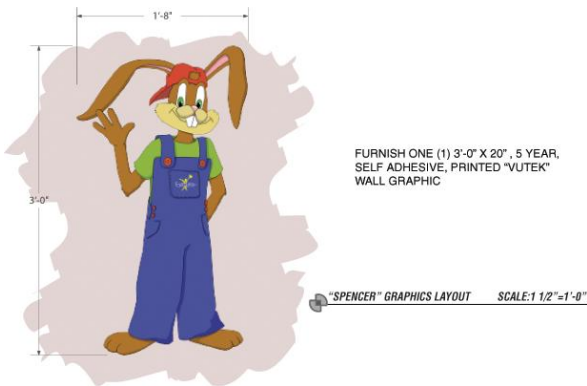
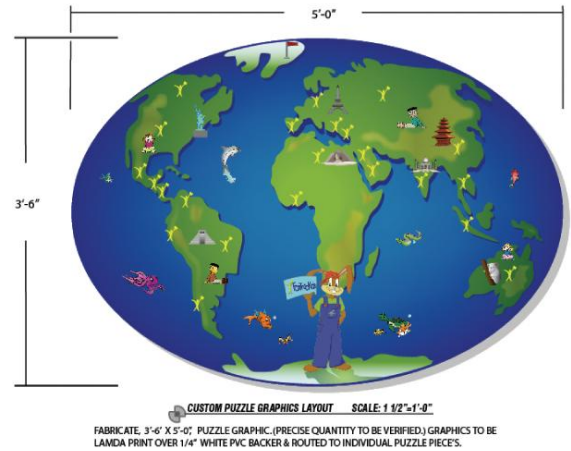
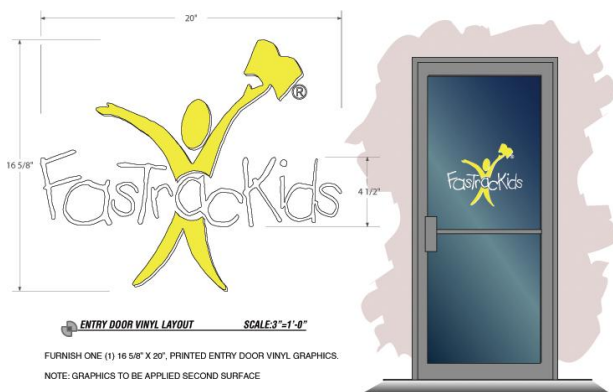
The design concept of the FasTrackKids Enrichment Center is that of a comfortable, educational space for children to learn the intended information in a place enhanced for an interactive and "magical" experience. Measurements for the interior signs below are as follows (left to right): **Entry Door Vinyl Layout** – 16 5/8" x 20" (42.3cm x 50.8cm)

Custom Puzzle Graphics Layout – 3' 6" x 5' (1.07m x 1.52m)

Spencer Graphics Layout – 3' x 20" (91.44cm x 50.8cm)

Interior Wall Display – 30" x 36" (76.2cm x 91.44cm)

Interior Wall Display (Developmental) – two displays, 30" x 36" (76.2cm x 91.44cm)



INTERIOR WALL DISPLAY'S SCALE: 1 1/2"-1'-0"

FURNISH TWO (2) 30" X 36" OVAL WALL DISPLAY'S.

GRAPHICS TO BE OF "C-PRINTS" MOUNTED SECOND SURFACE 1/4" CLEAR PLEXIGLAS. WALL MOUNT W/ ST. STEEL CAP & STANDOFF SYSYTEM.

INTERIOR SUBJECT SIGNS

All "Subject Signs" measure 25" x 25" (63.5cm x 63.5cm)

Creativity



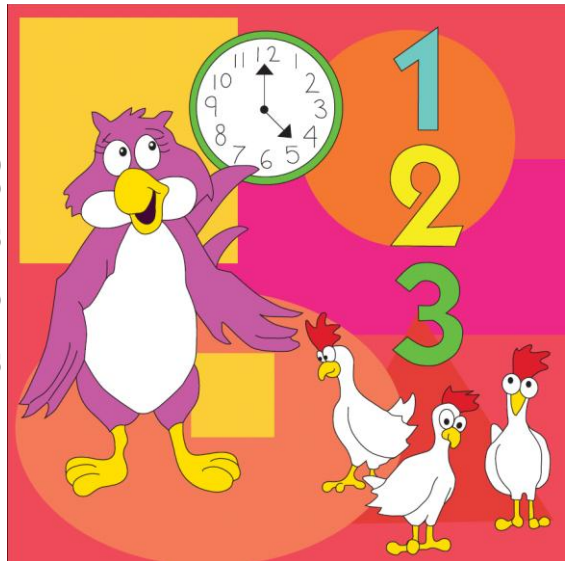
Natural Science



Creative Literature



Mathematics



Goals & Life Lessons



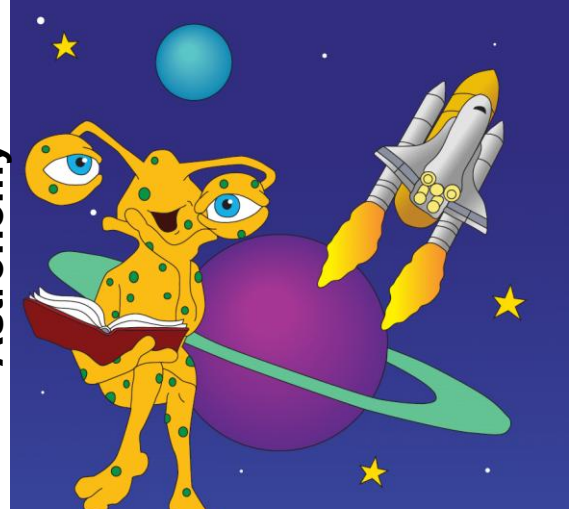
Speech, Drama & Art



Technology & How Things Work



Astronomy



Communication



Biology



Economics



Earth Science



MAINTAINING STANDARDS

Prior to opening your FasTrackKids Enrichment Center and on a regular basis thereafter, try to view your Enrichment Center as a first time visitor would see it:

- Does it look welcoming?
- Does it look child-friendly?
- Is it clean and tidy?
- Would you leave your child there?
- Is it bright and a pleasant temperature?
- Any unpleasant odors?

First impressions count more than any other, but bad images can also accumulate over time. If you're not happy with the image being portrayed, don't expect others to be either.

Chapter 5 - Office Equipment, Computer System, Inventory & Supplies

Your FasTrackKids franchise may depend upon efficient and up to date systems, equipment and adequate inventory and supplies. During the initial opening, it's important to allow sufficient time to properly learn each system.

PHASE I – PRE-OPENING

180 DAYS PRIOR TO OPENING

FAST START KIT

As part of your initial access fee, a Fast Start Kit will be provided to you with necessary tools to open your FasTrackKids franchise. Additional start up kits may be provided, depending on programs purchased.

Be sure to call your franchise support manager at FasTrackKids to confirm your Starter Kit materials and the shipping date. Please reference your franchise agreement, under **Exhibit 4**, for a detailed list of items in your Fast Start Kit.

90 DAYS PRIOR TO OPENING

EQUIPMENT & MINIMUM SPECIFICATIONS

Please refer to your franchise agreement, under **Exhibit 3**, for a full list of equipment details and specifications. Below is a list of equipment needs, suggestions and specifications.

Classroom

Interactive Whiteboard

SmartBoard 660 64"-70" or equivalent brand and model

We require a wall mounted digital whiteboard to prevent students from moving it or tripping. We recommend using a SMART board as your interactive whiteboard because of its exceptional compatibility with FasTrackKids programs.

LCD Projector

Minimum 800 x 600 Resolution
Video & RGB Input
1200 ANSI Lumens, Keystone Correction
Adjustable Focal Length Zoom

* Your projector should be ceiling mounted with hidden cables.

Computer – Desktop or Laptop

Minimum 1 GHz Processor
1 GB RAM, 80+ GB Hard Drive
DVD Drive
Sound Card
128MB MPEG Video Card 800 x 600 Pixels at Thousands of Color
Windows XP or Higher, QuickTime
Adobe Acrobat Reader
Internet Access

We require you having a monitor, as this enables preparation work without wasting the projector light bulb (these are expensive to replace). A monitor will also assist in technical problem solving by establishing if a problem is output from the computer, the projector or whiteboard.

Digital Camcorder – Microphone input (optional), zoom lens, and sturdy tripod. The Camcorder needs to be digital and record to either a hard drive or media card.

Sound System – Each classroom should be equipped with a sound system that consists of an amplifier with 4 inputs, speakers, and 2 wireless microphones. The amplifier should be commercial grade and allow all 4 inputs to be heard at the same time.

Printer (optional)

Administrative

Computer – Desktop or Laptop

Minimum 1 GHz Processor
1 GB RAM, 80+ GB Hard Drive
DVD Drive
Sound Card
32MB MPEG Video Card 800 x 600 Pixels at Thousands of Color
Windows XP or Higher, QuickTime
Adobe Acrobat Reader
Internet Access

Printer, Fax Machine, Copier – Color and B&W (Inkjet or laser) printer. Speed is important as printing needs will grow as your Enrichment Center grows. We recommend an all-in-one printer, fax, scanner and copier.

Phone – Must be connected to an answering machine or phone service. FasTrackKids also requires an additional phone line dedicated to a fax machine.

You may be able to lease these items. Information regarding these items may be found at the following websites: www.mimio.com; www.smarttech.com; www.projectorcentral.com; www.cnet.com; www.teamboard.com; www.projectorpeople.com; www.gateway.com.

ADDITIONAL RECOMMENDED OFFICE SUPPLIES

- Tape
- Tape Dispenser
- Paper Clips
- 3-Hole Punch
- Oxford Letter Size File Folders
- File Labels
- #2 Pencils
- Pencil Sharpeners
- Pens
- Lined Notebook Paper
- Unlined Copy Paper
- Scissors
- Stapler
- Extra Staples
- Markers
- Crayons
- Permanent Markers
- Highlighters
- Printer Ink Cartridges
- Post It Notes
- Tissues
- Surge Protector
- Extension Cord
- Daily Calendar
- White-Out
- Postage Stamps
- File Desk Baskets (Stackable)

SOFTWARE REQUIREMENTS

QuickTime

QuickTime allows your computer to see and play videos contained in the FasTrackKids lessons. If you don't have QuickTime installed on your computer, you'll see a red "X" where the videos are supposed to be playing. QuickTime is a free download available at www.apple.com/quicktime/download. Simply follow the on-screen instructions to begin the download process. You'll first download the "Stub" installer. After completion stay connected to the Internet and double click the QuickTime installer you just downloaded, this will contact the website and finish the download.

FasTrackKids Lessons

All of the FasTrackKids lessons are "auto run" lessons. Once you insert the DVD they start automatically. Sometimes you'll experience the continuation of the FasTrackKids music once you start the lesson. This is caused by starting the lesson more than once. If you put the lesson into the drive and nothing happens, give it a minute. If still nothing happens, then browse your DVD drive and double click the "start.exe" file. If you do this sooner, it may start the lesson twice and you'll continue to hear music.

Windows Software

The FasTrackKids lessons are designed to run on Windows Software, so it's necessary you have a basic understanding of the Windows operating system. You need to know how to save a file,

locate where you saved it and how to connect to the Internet so you can download software/support materials and register lessons.

TECHNICAL PROBLEMS

Problems Reading FasTrackKids DVDS

We have experienced the problem of our lessons showing up as “audio” CD’s. We have traced this problem to faulty DVD drives. In most cases, the DVD was 52X speed or faster. It’s not specific to models and is usually fairly consistent. If you’re experiencing this problem please contact FasTrackKids to correct the problem.

Additional RAM (Random Access Memory)

If you’ve experienced slow play from a lesson or certain games appear “jumpy” you may want to consider upgrading your RAM. The difference between 128MB to 512MB is quite substantial so doing this will make your lessons run better and your computer perform faster.

FasTrackKids Websites & Support Materials

You can find support materials for the FasTrackKids lessons at www.fastrackkids.com. Support materials will also be given in your start up kit. This disk will contain most of the classroom marketing materials we currently provide.

Classroom Checklist

FasTrack Learning Station

- Make sure all cables are connected correctly and securely. If you have a classroom where there is a dedicated computer, you only need to do this once a month. If you’re having trouble deciding which cable goes where, use colored tape to identify a cable and where that cable plugs into the computer.
- Turn off all Learning Station equipment
- Check for an image on the whiteboard. If no image appears, try one of the following:
 - Make sure everything is turned on.
 - Check cables.
 - Check the projector to see if any “warning” lights are illuminated.
 - Make sure the outlet you’re using works.
 - Try plugging a monitor into your computer. If no image appears you know the problem lies within the computer itself. If that is the case, contact technical support for the computer. If an image does not appear you know there is a problem with the projector and you may need to replace the bulb or contact technical support for the projector.
- Calibrate your whiteboard. If you’re having trouble, check the cable and make sure the software is running correctly. If the problem persists consult the user guide.
- Insert the lesson you’re teaching into the DVD drive

- If you plan on videotaping, check the camera to make sure it's working properly and be sure you have a tape in the camera.

Internet Service Provider (ISP)

You're required to maintain an ISP and access your e-mails daily. Upon availability, you may acquire an alias fastrackkids.com e-mail address. For example, kayla@fastrackkids.com. Full details may be obtained from FasTrackKids.

Virus Protection

We strongly recommend you obtain and keep up-to-date virus protection software on all your computers. The best defense against getting a virus is protection which updates signatures everyday and runs automatically. Another good rule of thumb is never open an attachment unless you're expecting it. Some of the delivery mechanisms virus writers' use "hijacked" e-mail accounts, so it may appear to come from a trusted source. It's best to confirm the e-mail with the sender, especially if there is no personal content in the body of the email.

60 DAYS PRIOR TO OPENING

Order Office Supplies & Equipment

A computer system and appropriate software must be purchased prior to opening. Hardware and software requirements are listed above.

PHASE II – SOFT OPENING

30 DAYS PRIOR TO OPENING

Install Hardware/Software on Computer System

FasTrackKids can provide only limited technical assistance in this area. Please refer to the manufacturer for support with setup and installation. We strongly recommend you purchase the optional technical support for the hardware/software. Your time is better spent growing your franchise than dealing with inevitable technical problems.

Install Furniture

Make sure you install all your furniture at this time. Assemble all tables and chairs, mount your whiteboard (if possible, see above), install a platform and any other items that haven't been setup.

Chapter 6 - Administration

PHASE I – PRE-OPENING

180 DAYS PRIOR TO OPENING

Find All Necessary Management, Accounting & Legal Support

Your professional advisory team should consist of a CPA, Bookkeeper and Business Attorney in addition to prospective employees. The need for employees will ultimately be a direct function of the demand for your services. We strongly recommend that all franchise locations initially consist of a center director that takes calls, schedules appointments, manages the books and markets the business.

Meet With Your Accountant

If you choose to use an accounting service, arrange a time to meet with them to get your business started. Seek assistance securing required ID numbers for taxes, determining your accounting and payroll needs and other issues you may have complications with.

RECORD KEEPING

It's important to keep up-to-date and accurate records on every student enrolled at your Enrichment Center. An example of a student record can be found on the FasTrackKids website. While many Franchisees may store this information electronically, we strongly recommend you keep manual records as well in case of a major power outage or computer failure. A sample registration form can also be found on our website. All records must be maintained securely with access limited to authorized personnel only.

ACCOUNTING SERVICES

You have several choices in maintaining your accounting system. You can:

- Maintain the books yourself
- Hire a bookkeeper on a full-time or part-time basis
- Set up a hybrid system in which you maintain the day-to-day reports, while an accountant does the period-end record preparation, summaries and reconciliations and the returns for sales tax, excise tax and payroll taxes

You're encouraged to consult with an accountant in connection with your start-up business concerns. FasTrackKids requires you to maintain accurate books and records. We cannot estimate the fees you'll pay to an accountant to assist in the preparation of financial statements and tax returns. You should consult with your accountant in order to determine the initial and continuing costs of complying with our accounting requirements.

Selecting an Accounting Service

If you decide to hire an outside service, find an accountant that will work closely with your business and provide you with the information necessary to develop a successful operation. Interview several professionals and compare their level of accounting knowledge, computer literacy and experience with small business accounting. Be sure to check for references of other clients and we recommend asking the following questions:

- How are your fees calculated? Can you give me an estimate for your services?
- What is your training and experience? Have you ever had any penalties resulting from your error?
- How do you check for accuracy?

Accounting, What You Should Know:

Daily

Balance of cash on hand
Bank balance
Daily summaries of collections and cash receipts
Any errors or problems that have occurred in collections
Record of money paid out, both cash and check

Weekly

Accounts receivable/payable
Payroll
Taxes

Monthly

If you engage an outside accounting service, provide records of receipts, disbursements, bank accounts and journals to the accountant. This will allow the firm to maintain good records and present them to you for review, consideration and support in decision making.
Make sure income statements are available on a monthly basis
Reconcile your bank account each month so that any variations are recognized and necessary adjustments made
Balance the petty cash account on a monthly basis
Review federal tax requirements and make deposits
FasTrackKids Reports must be submitted

Fulfill Payroll Requirements

Payroll is one of the largest expenses in your franchise. Adequate payroll records should meet the requirements of the:

Internal Revenue Service (IRS)
State Department of Revenue
Local Department of Revenue
Workers' compensation laws
Wage and hour laws
Social security requirements
Unemployment insurance requirements

For each of these categories you are required to provide annual reports and summaries. In addition, you must provide employees with the W-2 forms needed to file federal and

other income tax returns. You may want to consider using a payroll service to prepare paychecks for your FasTrackKids franchise, if your accountant or CPA doesn't provide this service.

RECEIVING PAYMENTS & INVOICING

Part of your accounting requirements will be to develop an accurate, efficient and timely method for invoicing clients. We recommend you consult with your accountant for the best way to handle monthly payments by parents. Suggested methods include credit card payment, monthly bank charge or monthly checks. For clients who are making time payments, we recommend sending out invoices by the 20th of the month preceding the month payment is due. If clients haven't paid prior to the next lesson, you should call them and request they bring a check to the next lesson. However, monthly checks involve more work in credit control and should be avoided if possible. Whatever method you use, it's essential you have accurate book-keeping of payments and amounts still due.

CHART OF ACCOUNTS

The following are suggestions for a chart of accounts. Depending on your individual Enrichment Center you may need to add or remove accounts.

Income

Tuition Fees:

- FasTrackKids
- FasTrack Tots
- FasTrack Music 4-6
- FasTrack Music 2-4
- FasTrack Signing
- FasTrack Explorers
- FasTrack Discoverers
- FasTrack Camps

Registration Fees

Product Sales

Interest Income

Other

Expenses

Salaries:

- Teacher
- Marketing Director
- Center Director

Payroll Taxes

Benefits

Royalties

Marketing

Advertising
Direct Mail
Public Relations
Internet

Rent

Utilities

Electricity
Internet
Telephone

Supplies

Office
Classroom

Bank Fees

Credit Card Fees

Bad Debt

Professional Fees

Legal
Accounting

Travel and Entertainment

Travel
Lodging
Meals

Office Equipment

Classroom Equipment

Depreciation

Other

Provide Insurance Policy Copies (where applicable)

You're required to maintain insurance for your business as specified below and to provide a copy to FasTrackKids. FasTrackKids doesn't specify what insurance companies to use, but it is required that you secure your general and professional liability (E&O). Please contact your franchise support manager for assistance in this matter. See your Franchise Agreement for a detailed description of the insurance required for your business.

As a FasTrackKids Franchisee, you're required to maintain all necessary business insurance according to state and federal laws and the Franchisee agreement provided to you. It is required that you have comprehensive general liability insurance with no less than \$1,000,000 combined single limit; automobile liability insurance covering all of your employees with authority to operate a motor vehicle for at least \$1,000,000 or with prior written consent, a lesser amount; unemployment and worker's compensation insurance and all-risk personal property insurance in an amount equal to at least 100% of the replacement costs of the contents and tenant improvements located at your franchise location.

All of the required policies of liability insurance shall name FasTrackKids, together with any third parties we require you to name, as additional named insureds and shall provide for 30 days advance written notice to us of cancellation. We require that you maintain insurance on each of the FasTrack Learning Stations[®] in your possession. You may be able to combine the insurance costs if you operate multiple FasTrackKids Enrichment Centers or if you also operate an Area Developer business in addition to a FasTrackKids Enrichment Center.

90 DAYS PRIOR TO OPENING

BANKING

Open Banking & Checking Accounts

Choosing a bank account for your small business is an important stage in the startup process. A Franchisee must have only one bank account for its FasTrackKids Enrichment Center, where all revenues of the Enrichment Center are deposited. Several key things to consider include transaction and borrowing costs, facilities the bank has to offer and the type of relationship you want from a bank. It's important to note that most banks will require a business plan prior to authorizing a small business loan. Below, you will find suggestions which may help you decide what bank would be best for your business:

A business account must be set up if you're starting as a Limited Liability Company, Partnership or any other key business structure. Sole Traders can use their own personal accounts (or via a new business account.)

Don't choose a bank for your business account simply because you're a personal banking customer. You may feel more comfortable with a bank you know personally, but they may not offer the best service for your business.

Make sure you compare several business banking account offerings and compare the costs/charges associated with each one.

Only go for banks with a strong background and notable reputation.

A key point to consider in **bank charges** is how much it will cost to have a business bank account. For example you may have a large number of monthly transactions to process, so you should know exactly what charges will be levied on your account before signing up. Many major banks provide "free" banking for set periods of time to new businesses, however, know the details.

Online banking is an important service and most banks now provide an Internet service to check your account status anytime.

Although major banks have improved their **interest rates** on business accounts in recent years, they do vary. Some high street names pay virtually no interest if your account is in credit, but there is always a trade-off between free transaction costs and interest rates, so do consider the overall benefits each account would provide to your business.

Choose a bank with a specialized **small business unit**. The setup process should be simple and dedicated teams will be familiar in dealing with all types of small businesses and their specific needs. Some businesses will require regular contact with their bankers, so go with a team you feel you can build a good personal relationship with.

As a new Franchisee, it's important to begin developing a personal relationship with the officers of your bank. You should schedule appointments to meet these officers to discuss your new business and ask what programs might benefit you. It's important for the bank to see you as more than just another account number. The importance of this relationship will be obvious should you expand your business and require an increase in your line of credit.

WIRE TRANSFER

When transferring money to FasTrackKids by wire, it's important all information is correct. All wire transfers should be made to the following account:

Account Name: FasTrackKids International, Ltd.

Account #: 3405529190

Bank #: 107005047

Swift #: FBCRUS51

Bank: FirstBank of Colorado

Bank Address: PO Box 260400
Lakewood, Colorado 80226 USA

Bank Phone: 303-274-5000

Correspondent Bank: Wells Fargo International in New York

Correspondent Bank Swift BIC: WFBIUS33

Checks should be made out to FasTrackKids

TAXES

Operating a franchise you're responsible for paying sales, property, payroll and income taxes. You must notify the federal, state/provincial and local governments about your new franchise and understand the tax liabilities for each one.

Federal Income Tax Deposits

US tax requirements for the self-employed businessperson are significantly different from requirements for someone who is self employed in the corporate sector. For example, in the US, federal tax law requires the self-employed businessperson to file a quarterly tax return based on his/her estimated tax liability.

Withholding Taxes

Depending on the official legal designation of your US workers as employees or independent contractors, you may be legally required to withhold taxes from their paychecks.

Sales and/or Use Taxes

While operating in the US, you need to collect and pay sales and/or use taxes. Each state, city or municipality will have different regulations as to your liability to charge tax on the service you provide. It's strongly recommended you obtain advice from your accountant and/or attorney with respect to the laws in your location. Under any circumstances be sure you charge the correct taxes for your area and that they are properly remitted to the appropriate taxing facility in a timely manner.

PHASE II – SOFT OPENING

45 DAYS PRIOR TO OPENING

Begin Working on the Administrative Documents

Create student enrollment forms (sample found on website) and begin working on your tuition rates, promotions and contract options and terms. Begin work on your Enrichment Center policies and procedures including: drop off and pick up policies, classroom safety, attendance etc. You should also consider a process on how to track your leads and enrollment status.

STUDENT FEES

Student fee recommendations can be found in your franchise agreement. It is beyond the scope of this manual to set a price structure for your franchise.

Pricing will prove to be one of the most significant challenges you'll face as an entrepreneur. Set your prices too high and you may not optimize your market share, but set them too low and you may not have an adequate amount of cash flow to effectively

serve your customers. Try secret shopping your competitors and asking yourself the following questions before setting a price:

- Who is my competition? Where are they located? What are their demographics?
- What types of services are my competitors offering?
- What are their prices? Do they offer financing options?
- What are their hours of operation?
- What staffing do they have?
- What are their values?
- What advertising tactics do they employ?
- Has my business been affected by their location? Positively? Negatively? Not at all?
- Are there any similar children's programs (i.e. karate, gymnastics, ballet, etc.)? What do they charge?

When you understand your competition and the benefits they offer, you need to ask yourself if you can charge more, less or the same amount as your competitor. Once you determine a price per student, you'll now need to calculate your potential income and how many students are needed to break even and turn a profit. You may need to adjust your price up or down based on your required student numbers.

FISCAL YEAR

While your accountant will discuss with you the options for a fiscal year for your FasTrackKids Enrichment Center, please be aware we operate a fiscal year January 1 thru December 31.

ORGANIZATIONAL REQUIREMENTS

Storage

We recommend all FasTrackKids DVDS and certified facilitators notes are stored in a secure location. DVDS stored incorrectly can be easily lost or damaged and hundreds of dollars could be wasted. Other materials used during the course of the lessons could prove hazardous to young children if used incorrectly or unsupervised and therefore we recommend such materials are stored in an appropriate manner. Additionally, be aware of how humidity can wear on paper products. In regions of the country where the humidity can average 80% throughout the year, paper products can warp. Make certain your air-conditioning system keeps your storage area within an average humidity range. If the storage area remains too humid, consider purchasing a de-humidifier.

Filing System

Being organized is crucial to increasing productivity and saving time. Developing a filing system and following it religiously will make you manage your work instead of your work managing you. If you've never had a filing system before or don't know how to start one, we recommend visiting an office supply store. Explain your needs to a salesperson and they can show you numerous organizational products to help develop a system to meet your needs.

A functional filing system is also crucial for retaining files. There are a variety of laws and considerations for the length of time to keep files; the following is only a guideline. You should consult your legal advisory about specific requirements.

- Accounting & Tax Records (Sales/Cash Receipts, Tax Returns etc.) – 4 Years
- General Contracts – 6 Years
- Sales Contracts – 4 Years
- General Employment Records – 4 Years
- Payroll – 4 Years
- Student Files (Progress Reports, Student Work etc.) – 5 Years

Facsimile Machine

You're required to maintain a facsimile machine. This machine is necessary for transmitting weekly reports when online facilities are not practical for certain reasons. It's also convenient for product ordering and general correspondence and communication. The facsimile machine should be Grade 3, suitable for international transmission.

Telephone System

Since good communication with clients and prospects is crucial, it's important for you to have an answering machine, answering service, voicemail, pager or mobile phone. We recommend you contact your local telephone company and review your needs with them. If you miss a call, you may lose a client.

Telephone Listing

You are required to have a dedicated telephone line and number which must be listed in the appropriate local telephone directory. Your listing must include FasTrackKids as part of your title.

30 DAYS PRIOR TO OPENING

Set Up Credit Card Processing Account

Are merchant services worth it?

If your company is successfully invoicing your customers, you may be overwhelmed by the costs of merchant services that take a percentage of all your sales. However, avoiding potential loss from non-payment can quickly make up for the expense. Plus, you'll no longer have to spend staff time issuing late invoice notices or wait 30, 60, even 90 days for invoices to be paid. Credit cards allow funds to be transferred to your bank account in less than a week and this can be a welcome relief for businesses experiencing tight cash flow.

If you're selling to consumers, merchant services will allow you to expand your customer base and provide a more convenient method of payment than cash/checks. If you're interested in doing business over the Internet, credit card processing is a must.

Types of credit card processing:

There are several types of companies you can turn to for credit card processing:

- **Bank:** The bank you use for your business finances should be the first place you contact. Banks can be the easiest source to turn to for credit card services as many offer service packages for businesses that include merchant services. However, most banks don't process credit card transactions themselves. Instead, they outsource credit card processing to a third party processor. It can be tough to get approved through this channel. Banks are likely to scrutinize your business more closely before deciding whether or not to accept your application.
- **Third Party Processor:** Third party processors dedicate themselves to handling credit card processing. They take care of different aspects of the transaction process such as authorization, billing, reporting and settlement.
- **Independent Sales Organization:** An Independent Sales Organization (ISO) is essentially a registered credit card merchant broker who represents one or more third party processors. They set up and service credit card merchants, but don't do the actual processing. ISO's are less selective than banks, but come at a higher price. They're also not strictly regulated the way banks are, so be particularly vigilant when evaluating potential suppliers.
- **Financial Service Provider:** MasterCard and Visa require you to establish a merchant account through an intermediary. American Express and Discover give you the option of applying directly to them.

http://home.americanexpress.com/home/merchant.shtml?aexp_nav=merchtab

<http://www.discoverbiz.com/merchant/become/data/become.html>

- **Association:** Small business and trade associations sometimes offer credit card merchant processing at discount prices.
- **PayPal:** Allows customers to pay using a credit card or bank account without sharing financial information (may not be available in all areas).

Merchant Services Buying Tips:

Learn how long it takes for funds to be transferred - Providers differ on how long it takes for funds to be deposited into your account. You'll want to specify whether it's a retail or MOTO (Mail Order/Telephone Order) transaction as MOTO transactions usually take longer to clear.

Compare variable fees - Check on fees that tend to vary between providers. They may be negotiable. Such fees include: set-up, cancellation and monthly minimums.

Get the complete picture - Once you know all the fees a provider will charge you, figure out what your total cost would be based on your best and worst recent months.

Read the contract - Make sure to read the contract in detail to understand all fees, minimum charges, the term of the agreement and termination clauses. Some providers won't cover every point and leave it to you to uncover the details.

Be wary of long-term leases - If you're unhappy with your provider you should be able to switch without an early termination fee.

Watch out for low introductory rates that bump up after few months - All providers reserve the right to raise prices, but you shouldn't go with one that signs you up for an increase.

PERENNIAL PROCESSES AND CHECKLISTS

ACTIVITY	DETAILS	FREQUENCY/ TIME FRAME
Conduct annual strategic & budget plan	Long-range planning for upcoming year	Yearly. Nov/Dec for following year
Yearly business review	Results from previous years business; report to FasTrackKids	Yearly. Jan meeting with franchise consultant.
File taxes	Complete federal & state tax returns	Yearly. Jan for previous year.
File Records; Purge old records	Keep current year records, plus one year in arrears	Yearly. Jan for previous year.
Perform annual equipment review	Yearly maintenance & conditions report on all equipment; complete repairs	Yearly. Complete in winter months.
Review insurance levels for business	Complete yearly risk assessment for health & liability coverage	Yearly.
Analyze marketing plan & results	Complete analysis of programs & results for direct business marketing	Quarterly. Adjust plan as needed.
Staff performance reviews	Evaluate staff on job performance	Quarterly reviews; annual salary adjustments.
International Convention	Meet fellow Franchisees, discuss upcoming changes, additional training courses	Yearly.
Review license requirements	Renew annual franchise requirements as needed	Annually as needed.
Review real estate needs	Review changes to lease agreements	Annually as needed.
Update computer software	Review FasTrackKids software and office software for updates	Check for updates monthly.
Review security contracts	Evaluate and renew agreements for on-site security & alarms	Annually as needed.

ADMINISTRATIVE MANAGEMENT CHECKLIST

ACTIVITY	DETAILS	ASSIGNED	FREQUENCY/ TIME FRAME
Run payroll for all employees	Direct deposit payroll needs to be submitted to the bank	Franchisee	Every two weeks
Pay bills	Submit remittance every second Friday	Franchisee	Every two weeks
Enter all A/R and A/P	Use QuickBooks for transactions as needed	Franchisee	As needed

Run monthly/weekly reports	Run and submit financial reports to FasTrackKids	Franchisee	As prescribed
Calculate and submit franchise payments	Royalty and franchise fees to be paid monthly to FasTrackKids	Franchisee	Monthly
Run delinquent accounts report	Monitor A/R for delinquent customer accounts	Franchisee	Weekly
Manage supplies inventory	Monitor inventory levels on all supplies (cleaning & office)	Center Director	Weekly
Backup data on all files	Backup the hard drives for order, financial and sales information	Center Director	Weekly
Review bank accounts	Balance bank account balances along with QuickBooks	Franchisee	Weekly
Schedule cleaning service	Keep business cleaned including office and storage by scheduling professional cleaning service	Franchisee	Weekly
Submit Requests to FasTrackKids	Process all requests for support including advertising, etc.	Franchisee	As needed
Manage all utilities & building issues	Schedule services; manage building maintenance, etc.	Franchisee	As needed

ENROLLMENT PROCESS

Develop a system for managing your enrollment and student information. Be sure each student has a file at the Enrichment Center with emergency contact information, enrollment dates, etc. This process should be part of your filing system and student information should be easily accessible. You can find a Student Enrollment Agreement on our website (www.fastrackkids.com).

COMPLAINTS

Any complaints received must be treated as a priority as these can drastically impact your Enrichment Center and the global reputation of FasTrackKids. If parents express dissatisfaction, it's important to keep an accurate record of any conversation, either by telephone or in person, together with copies of any correspondence. Confirm with parents, preferably in writing, any action you intend to take. It's important to only communicate with the parent/guardians of the student in question. **Any complaint which remains unresolved after ten working days should be brought to the attention of FasTrackKids.**

INVENTORY LEVELS AND REORDERING SUPPLIES

Each franchise will have different inventory needs depending on the amount of students being served. Support materials, advertising items and FasTrackKids specialty items can

be purchased directly from our online store (www.shopftk.com). Be sure to keep close tabs on your inventory to avoid running out of items, ultimately hurting business.

FasTrackKids will supply the materials used in a FasTrackKids Enrichment Center (provided the Franchisee is not in default under the Franchise Agreement). Marketing materials, including promotional materials, marketing videotapes/DVDs and related marketing aids (**Marketing Materials**) are all provided by FasTrackKids. FasTrackKids also provides classroom and student materials, such as course materials, parent kits for certain programs, file folders, shirts and diplomas for each student (**Student Supplies**). Other materials, supplies and items that you order are subject to and conditioned upon availability of the Marketing Materials and Student Supplies and such other materials, supplies and items within FasTrackKids own inventory. The inventory of available Marketing Materials and Student Supplies may be updated, enhanced, discontinued or otherwise changed from time to time by FasTrackKids through www.shopftk.com.

The supply and distribution of the Marketing Materials and Student Supplies to Franchisees will be subject to all terms and conditions related to: shipment, allocation, return, restocking, substitution, inventory mix, Marketing Materials and Student Supplies inventory level requirements as determined by FasTrackKids from time to time. The Marketing Materials and Student Supplies that will be made available to you are in the English language. You may request to receive the Marketing Materials and/or Student Supplies purchases in another language instead of English, if translations of the requested items in that language are available.

Chapter 7 - Staffing Your FasTrackKids International, Ltd. Franchise

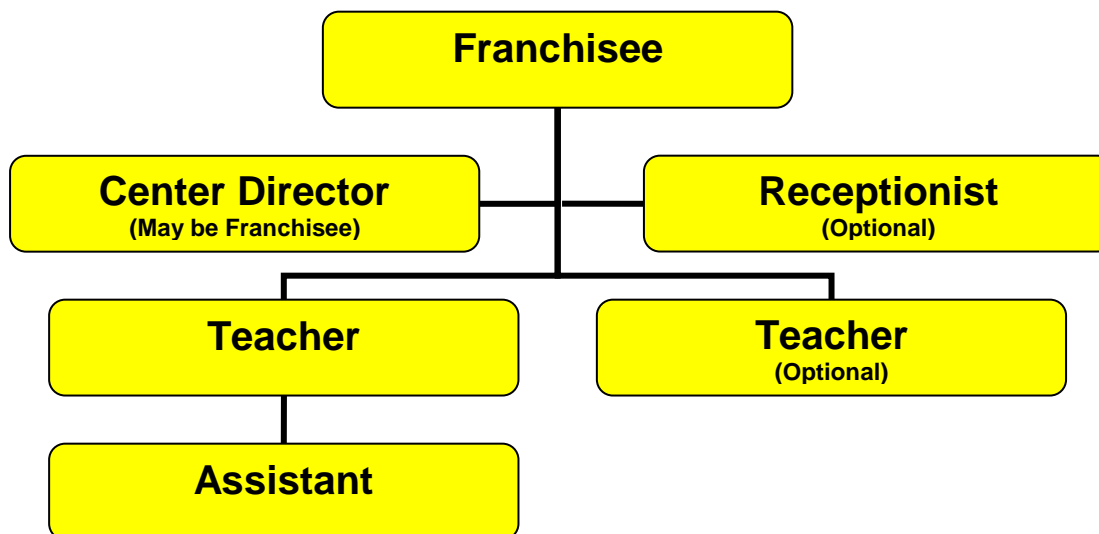
PHASE I – PRE-OPENING

90 DAYS PRIOR TO OPENING

STAFFING YOUR FASTRACKKIDS FRANCHISE

To maintain the high quality associated with FasTrackKids the following staffing standards are recommended.

Three positions are recommended once open for business: center director, teacher and an assistant (or additional teacher if you choose). The need for additional employees will depend on the demand for your service. We strongly recommend using independent contractors for smaller and infrequent projects, saving costs.



In the FasTrackKids Franchise, we strongly recommend hiring one administrator and two teachers or one teacher and one assistant. It is possible you may be performing one of these roles; however as a Franchisee, your priority is marketing. You should ensure your staffing levels allow you to achieve this.

POSITION DESCRIPTIONS WITH PROFILES

Center Director Job Description

In most cases, the center director is also the Franchisee. If the Franchisee wants to hire a center director, this job description can help in that search.

The center director's main duty is to help maintain a high quality and profitability for the Enrichment Center. The director must be able to sell the franchise to prospective clients and the education community. The director should also manage the daily operations of your FasTrackKids Enrichment Center. The following are only guidelines for an ideal candidate for employment in your Enrichment Center:

- Possess strong knowledge of procedures of the FasTrackKids franchise
- Create and maintain a nurturing and loving environment for students
- Establish face-to-face relationships with students, parents and teachers
- Assists in maintaining relationships with parent and teacher organizations
- Planning and scheduling of classes
- Complete registration for new students, maintain student records and keep updated medical records on students (where applicable)
- Collect payments
- Send out notifications of classes, overdue payments, special offers etc.
- Assist with marketing efforts and community awareness
- Attend staff meetings
- Be able to sell the FasTrackKids experience to prospective clients
- Oversee the daily operations of the Enrichment Center

Characteristics

- 4-year degree from a college/university, ideally with a degree in education or similar field
- Ability to provide exceptional customer service
- Experience working with computers and technology
- Strong multi-tasking skills
- Excellent communication skills – ability to talk and write clearly
- Outgoing, positive and self-motivated
- Professional appearance, composure and clothing

Certified Teacher Job Description

The teacher will provide all instruction to students and be a key point in the operation of your franchise. Teachers will serve as the liaison between parents/students and your franchise/the community. The following are only guidelines for an ideal candidate for employment in your Enrichment Center:

- Possess strong knowledge of procedures of the FasTrackKids franchise
- Preparation before lessons
- Ability to lead a group of young children and retain focus throughout the lesson
- Communicate effectively with parents, give accurate progress reports
- Focus on group play to develop children's social skills
- Attend staff meetings

Characteristics

- Bachelor's degree and teaching certificate
- Early childhood education or development background
- Teaching experience and experience with toddlers
- Ability to connect and interface with parents on their child's learning
- Accept direction, supervision and constructive criticism
- Ability to possess a high degree of professionalism (Appearance, dress, communication)
- Ability to establish effective relationships with parents and children
- Able to multi-task

Teaching Assistant Job Description

The assistant will provide support to the teacher and center director. The following are guidelines for hiring an assistant.

- Possess strong knowledge of procedures of the FasTrackKids franchise
- Assist in monitoring students while in the Enrichment Center
- Ensures cleanliness of the Enrichment Center
- Monitor students birthdays
- Assist with leading small groups of children through lessons
- Focus on group play to develop children's social skills
- Directly accountable to teacher and center director
- Attend staff meetings

Characteristics

- Previous experience working with young children
- Professional appearance
- Team player
- Accept direction, supervision and constructive criticism
- Ability to handle multiple tasks simultaneously
- Accepts delegated responsibilities

RECRUITMENT

Begin by reviewing organizational needs and evaluating strengths / weaknesses using the profile of a teacher document provided during your initial training. Consider hiring one teacher and one assistant, unless you're planning to fill one of these roles. As a Franchisee your number one priority, especially at the beginning, will be marketing. Remember to ensure staffing levels accordingly.

Recruiting a certified teacher can bring credibility to your Enrichment Center. Not only will he/she be able to train additional teachers, but will also be a person in contact with parents. This will generate confidence in your operation, which will also assist in gaining referrals. Additionally, your certified teacher will hopefully become a superb advocate of both your Enrichment Center and the FasTrackKids program in your local community.

There are a number of ways to hire a certified teacher. These include writing a letter to specific teachers inviting their interest, contacting local colleges, advertising and employment agencies. You should also consider inviting local teachers to a meeting to discover more about this unique program. Attract their attention by utilizing phrases like, "As a teaching professional, we're sure that you would be interested to discover more

about the latest curriculum advances.” During the presentation, you can mention you have a vacancy for a part-time teacher position and invite interested individuals to inform you. You may also consider having incentives (bonus, gift certificate etc.) for staff that refer a successful hire.

PDPWORKS

PDPworks (Professional DynaMetric Program) is a people management system provided online to aid in effectively hiring, managing and developing personnel for your franchise. With a wide variety of reports, you're able to measure how an employee candidate handles stress, functions, their decision making style etc. It's a non-threatening and quick way to survey potential employees before you hire them. Contact franchise support for more details. This is a composite profile of effective FasTrackKids teachers. Use the traits as an interview guideline. Examples of teacher traits can be found below.

Basic / Natural Teacher Profile

Influential and effective in people skills. Pleasantly persuasive and interested in discussing ideas beneficial to a group of people. Likes brainstorming about a variety of subjects. Inclined to be attracted to opportunities and promotions.

May be turned off by a show of strong authority or rigid regulations. Probably exhibits a carefree and casual attitude and is interested in being liked and appreciated.

DOMINANCE TRAIT – represents a person who is supportive, collaborative, modest and gentle disposition. Often places a good deal of importance on security and prefers to work with leadership that has a strong sense of direction and purpose.

EXTROVERSION TRAIT – A person who is cordial, good natured and pleasant. The person shares ideas with others, is a comfortable mixer of ideas, a conversationalist and is socially inclined.

PACE TRAIT – represents a person who is steady, unhurried, persistent, pleasant and able to take what comes and make the best of it.

CONFORMITY TRAIT – Indicates a non-traditional, candid, informal and general (big picture) person. Known for being independent and a free thinker, prefers to delegate matters of a technical and detailed nature to others unless a strong sense of motivation exists.

COMPENSATION

In addition to standard competitive wages, compensation for teachers will vary depending on circumstances, area, experience and credentials. Try researching other similar businesses in the area to determine their pay rate. For a center director, you may want to consider a base salary similar to local retailers. In addition, you may want to consider awarding bonuses based on amount of referrals, length of stay, academic growth or customer satisfaction surveys.

PHONE SCREENING

We recommend calling a potential employee before offering them an interview. Doing so will allow you to assess a candidate before taking the time to conduct an interview. Take note of ability to answer questions, keep the conversation flowing and word choice, as all of these could be potential indicators about this person’s ability to work at your Enrichment Center.

Candidate: _____

Date: _____

Interviewer: _____

“Hello _____, My name is _____. I work for FasTrackKids as a _____. I am calling regarding (the resume you sent) or (your interest in) the Center Director position. I am in the process of speaking with candidates who have expressed interest. Our Center Director is the primary management and sales position in our Enrichment Center. In this role, you would be responsible for selling our services to customers. Are you still interested in this position? Is this a good time to speak or would you like to schedule a more convenient time to talk?”

“May I ask you some questions relative to your history and job interests?”

- What attracted you to FasTrackKids and this opportunity?
- Please share with me your reason for leaving your current position or what was the reason for leaving your prior position.
- Tell me about your background as it relates to sales or marketing and profitability of a business, department, or team.
- Tell me about your management experience. What is the average amount of people you have managed?
- Tell me about your experience in hiring employees.
- Tell me about your sales process. What is your biggest success story?

“Thank you for sharing. I have just a few more questions relative to your expectations.”

- Describe a typical work schedule to candidate. Are you able to commit to this type of schedule? Have you worked this type of schedule in the past? Explain.
- What is your salary requirement moving forward?
- Do you have a college degree?

Tell the candidate about the position. Confirm they are still interested. Sell FTK! Either schedule an in-person interview with them or let them know you are still conducting initial phone conversations. If they have not heard back from you within two weeks, other candidates have been identified as better qualified for this position. Thank them for their time.

() Recommend interview () Do not recommend interview

Comments:

60 DAYS PRIOR TO OPENING

INTERVIEWING

It's crucial during the interview to ask a variety of questions to get a good understanding of the candidate's personality and credentials. As you collect information during the interview, be sure to take notes highlighting key points brought up, both positive and negative. It's best to use questions starting with words that will generally draw out longer responses. Utilizing words such as *how*, *tell me*, *who*, *what*, *where*, *when* and *describe* will encourage the applicant to offer additional information as well as avoiding words such as *can*, *if*, *do*, *are* and *why*. You may want to practice interviewing a family member or friend to help prepare. The following is a sample interview process using general questions; specific behavioral questions tailored to a center director, teacher and assistant can be found on our website (www.fastrackkids.com). Make sure you are familiar with local labor laws before conducting interviews.

- Candidate arrives – Take note of arrival time, appearance and interaction with other employees
- Invite candidate into office or conference room and introduce yourself
- Describe a little about yourself, FasTrackKids and the position
- Consider inquiring about the following:
 - **Availability:** Can they meet the demand of your class schedule? How many hours are they willing to work?
 - **Compensation:** What salary do they require? Are they willing to negotiate? What benefits are they expecting?
 - **Education:** What is your educational background? How did you pick your college/university? In what subjects do you excel? Extracurricular activities? Would you change anything?
 - **Employment:** What was your most recent position? What was the most difficult problem you faced in that position? How did you solve it? What aspects did you enjoy most? Least? What were your responsibilities? Why did you decide to leave this position?
 - **Goals:** Where do you see yourself in ten years? What do you hope to accomplish?
 - **Interests & Activities:** Hobbies? Interests? Community involvement? What is something you're very passionate about? How did you get involved in it?
 - **Relating to Children:** What do you like best about working with children? What do you find challenging? What techniques do you utilize when working with younger children? What age group do you enjoy working with most? Do you feel you can work successfully with another teacher or assistant?
 - **Sales:** What sales and business experience do you have that you feel would be beneficial to our Enrichment Center? What experience do you have in organizing or implementing a public relations activity? Do you feel comfortable conducting conversations over the telephone?
 - **Personal:** What do you feel your greatest strength is? Weakness? What qualities do you think you can bring to our franchise?
- Ask if they have any additional questions
- Thank them for coming and inform them of when the decision will be made
- Escort them to the door
- Write down any notes you may have missed (Be sure to write on a separate piece of paper and not on the applicants resume)

Questions/topics to avoid during an interview include:

- Religious affiliation
- Race or color
- Nationality
- Native language
- Age, Date of Birth, Graduation dates
- Height, Weight, Physical appearance
- Have you served in the military? What type of discharge did you receive?
- Do you have a disability? Have you ever been treated for any of the following diseases?
- Relationship status, Number of children
- Any information about applicant's relatives
- Maiden name
- Birthplace
- Have you ever been arrested?
- Use of alcohol or drugs

If it's not job related, don't ask!

CERTIFICATIONS

Yourself or your center director must be fully trained and certified by FasTrackKids as an instructor to teach courses at a FasTrackKids Enrichment Center. After the initial business training, additional instructors may be trained by FasTrackKids or an authorized third party for a tuition fee. It's important to remember that the initial business training doesn't count as an instructor certification. The instructor certification must also be completed.

Prior to opening your franchise you must demonstrate to FasTrackKids that you have met all conditions and requirements and earn a **Certificate of Operations**. You will breach your contract if you begin business without first obtaining a certificate. Upon completion of all requirements you'll also receive a Certificate of Completion.

BACKGROUND CHECKS

It's crucial to thoroughly check the background of all employees as the future of your business may depend on it. All background check information must be copied and sent to FasTrackKids Corporate office for review.

You should confirm an applicant's prior employment history, including the name of all the companies and organizations the applicant has worked for over the past ten years, beginning and ending dates of employment with each establishment, reasons for leaving and any prior arrest or conviction record. All employment information, except for reasons for leaving, should be found on applicant's resume. The information supplied by the applicant should be checked through previous employers. When contacting previous employers, you may only inquire about dates of employment and if they would rehire this candidate. You may not ask about work ethic or any personality traits of the

employment candidate. Also, make certain to notice any gaps in an employment record and inquire about what the applicant was doing during that time.

The background check is critical due to the fact you could be held legally responsible if the employee commits a crime during working hours.

You must use your best efforts to ensure no person works for you in any capacity that has a record of child molestation, abuse, drug/alcohol/substance abuse, immoral conduct, criminal behavior or any other behavior pattern that could potentially jeopardize the welfare of students or reflect adversely on the reputation of FasTrackKids. In some territories you may be able to formalize this process by contacting your local police or justice department for a background check, including fingerprint identification and confidential criminal record information. US Information Search is an available provider who can be reached at (800) 596-4327 extension 85. Other providers may also be available.

Background checks are imperative. Where appropriate, check a teacher's state or city registration. It's important to ensure all information is consistent and supported. Also, all employees and contractors should be checked against the Patriot Act list.

If in your location formal lists are available of persons found guilty of child offenses, you must check all employees and independent contractors against this list. Even though an employee may have been with you for some period of time, you should update the background checks on a periodic basis. Employees are unlikely to tell you about any unsuitable activities.

HOW DO I KEEP GOOD HIRES?

The person you select to work for your FasTrackKids franchise should have reasons for wanting to work for you other than the paycheck. Employees value other benefits such as flexible hours, a pleasant atmosphere, quality professional development and career potential. Find out what's most attractive to your employees about your business and try to ensure you can offer that benefit. This is an excellent way to retain good employees. Also, find out what motivates your employees to go the extra mile. Do they want community recognition? Bonuses? Positive praise? Determining this motivation will help you retain employees.

As in any relationship, communication is very important. Keep your employees informed about what's going on with the company. One of the biggest mistakes you can make as a Franchisee is to share company information with investors, stockholders and partners, but not with employees. Better communication will result in higher productivity and morale. Using email, voicemail and instant messaging to keep your employees informed is helpful. Set weekly or biweekly staff meetings to discuss issues in depth and to offer time for feedback and input. Share challenges, successes and invite ideas and complaints. Such meetings are particularly critical during business startup, as things change quickly and employees must be informed.

Remember when someone, a customer or employee, has a positive/negative experience with your company, that person will tell others. Work to keep both groups happy and business will improve. Should problems arise, deal with them quickly and decisively.

Respond to compliments and resolve complaints immediately as positive word of mouth can be a highly effective, yet an inexpensive, marketing tool.

PHASE II – SOFT OPENING

45 DAYS PRIOR TO OPENING

EMPLOYEE HANDBOOK

FasTrackKids recommends you provide your employees with an employee handbook detailing various aspects of their position and information you want to instill in them. The following are recommendations for what should be included:

- Introduction to FasTrackKids
- Mission Statement
- Compensation/Benefits/Bonuses
- Scheduling Procedures
- Work Environment
- Job Descriptions/Duties
- Preferred Dress Code
- Handbook Acknowledgment Form (Two Copies, Retain One For Records)
- Policies/Local Laws/Disciplinary Actions
- Disclaimer:
 - The handbook is not a contract
 - The handbook can be changed at anytime

You may contact your Franchise Support Manager for an employee handbook template that is adapted to your franchise.

INDEPENDENT CONTRACTORS

We strongly recommend you seek advice from your accountant or attorney on contracts of employment for independent contractors. Please note this manual is for guidance only and needs to be adapted to suit employment laws in your territory as well as your own individual requirements.

30 DAYS PRIOR TO OPENING

Hire Required Personnel

It's very important to conduct background checks and verify any certification/school transcripts on all employees as the future of your business may depend on it. These checks are imperative given the nature of your business and being responsible for children. A step by step process for the US Information Search can be found on our website of this manual.

It's required for your lead teacher to attend the FasTrackKids Instructors Training. You'll be responsible for their travel and accommodation expenses.

What Should I Consider Before Hiring?

When hiring, look for employees that balance your strengths and weaknesses. If you're a creative genius but poorly organized, try attracting someone who can bring some order to the franchise. Remember, good employees are found, not created. What you hire is what you'll get. You cannot change someone's personal attributes.

Start the hiring process by first understanding the FasTrackKids Mission, Principles and Promises. "Who are we?" and "What are our values?" Any company must first have an understanding of "who" it is before it can know what kind of employee it wants to hire. You can help someone learn a skill, but you can't teach attitude. The better the attitude, the better service your customers will likely receive. Also, be sure to check qualifications and licensing of your teachers and center directors. You can find this information from your state education department.

Employees look for responsibility, a good working environment, a sense of accomplishment, a belief in what the business does and a fair salary. When interviewing prospective employees, ask them what they expect from the position. Determine what skills and attributes are most needed for the job and see if your expectations and those of the applicant's match. If they do, you have the basis for a productive relationship.

Where Can I Find Good Employees?

If you have talented employees already, ask them for potential employee prospects. Many companies offer special bonuses when current employees bring in successful hires. The Internet can also be a good source for employees, particularly for entry-level positions. The majority of small businesses still use the standard classified advertisement, while a growing number are using employee referral programs. Other possibilities are through business networks, job fairs and online job boards. Another option, particularly during lean times, is hiring independent contractors or outside professionals. Many independent contractors can be paid by the job rather than the hour and will help avoid the cost of fringe benefits. Independent contractors are good sources for expertise in certain jobs.

Chapter 8 – FasTrackKids Training

TEACHER TRAINING

We require one individual attend a FasTrackKids Instructor Training session in our Denver office or approved FasTrackKids Regional Training location. You're responsible for travel and accommodation expenses. Enrollment is subject to availability. Your franchise agreement will have a syllabus that shows a typical training schedule.

There can be up to three people who have been employed and/or designated by the Franchisee to be instructors for classes in the Franchisee's FasTrackKids Enrichment Center that are eligible to participate in FasTrackKids initial instructor training program. They can do this without additional charge if the training program is conducted by FasTrackKids.

Franchisee's can have a third party, authorized by FasTrackKids, conduct the training. The third party can charge a tuition or fee if they so choose. Each instructor must complete the initial instructor training program before he/she can conduct classes in the Franchisee's FasTrackKids Enrichment Center.

The training is usually five days in length, although FasTrackKids has the right to waive a portion of the training or alter the schedule if the person attending has sufficient prior experience or training.

The instructor training provides hands on activities and practical application for conducting lessons; however, it is important for teachers to conduct practice lessons before performing any lessons for children. The initial training is vital for successfully operating your Enrichment Center, but don't underestimate the importance of ongoing assessments and refresher trainings. You should occasionally observe portions of lessons both announced and unannounced and provide feedback to your teachers. Be sure to also collect feedback regularly from parents and students as this information will be invaluable. Holding regular staff meetings will reinforce the FasTrackKids philosophy and the goal of your Enrichment Center. Also, you may want to consider setting a required amount of additional training that must be completed per year.

OPERATIONS TRAINING

You must complete an operations training as part of your requirements to receive a **Certificate of Operations** and to understand the FasTrackKids franchise business. This training will introduce you to our signature educational programs and also give an operational overview.

Please contact FasTrackKids Headquarters for more information.

ADDITIONAL TRAINING / REFRESHER COURSES

FasTrackKids will occasionally conduct additional trainings. You must attend mandatory trainings, not exceeding two a year, with the International Convention counting as one. FasTrackKids will give you **at least 30 days prior** written notice of any mandatory training programs. The cost of the Franchisee not attending the annual training and up to one other mandatory meeting per year is a 125% pro rata share. Additional training is necessary for the development of your Enrichment Center and your teachers. Fresh ideas, policies and marketing tools are conveyed by FasTrackKids and Franchisees alike.

Below you will find topics and group activities discussed at an international convention:

- **Announcement of new programs**
- **Product information and updates**
- **New Curriculum**
- **Interactive sessions (i.e. Marketing to Moms)**
- **Guest Speakers**

All travel and accommodation expenses are your responsibility. FasTrackKids can waive this requirement for Franchisees and area developers who attend the annual international convention.

Chapter 9 – Classroom Operations

CURRICULUM

A pre-set curriculum is established internationally, meaning all Franchisees should be implementing the same or close to the same lesson concurrently. Reasons for deploying subject materials simultaneously include:

- We're continually reviewing and updating course material based on the subject schedule.
- We post support materials on the Franchisee website to support the current subject.
- We update the parent portion of the website with current information, support exercises and collateral.

PHASE III – GRAND OPENING

15 DAYS PRIOR TO OPENING

Create a Class Schedule

Determine hours of operation for your Enrichment Center and begin creating a schedule for classes. Keep in mind the more options you have (day, night, weekend) the easier it will be to accommodate parents with busy schedules. After creating the class schedule, clearly post it in your Enrichment Center for everyone to see. Be sure to also place posters and brochures with the schedule.

Let clients know when there are peak, off-peak times in the day for classes and if there are discount options for off-peak classes. We suggest you have programs such as FasTrack Tots, Signing and Music in the morning because that age group doesn't have school in their schedule. Have your Core program in the afternoon during peak time where you can maximize the amount of students enrolled in the program.

FASTTRACKIDS TWO-YEAR PROGRAM

The FasTrackKids program is designed to be used over 96 weeks, with each subject covered over an eight week period. Each lesson is broken down into week one and week two, with four lessons per subject area. Students 3 – 8 years old can be enrolled at any point in the curriculum, but they must be age 6 at the time of enrollment. We recommend they join in week one instead of week two of a lesson.

Benefits of the two-year program include:

- Children who stay enrolled for two or three years experience tremendous growth, which becomes especially evident in areas such as self esteem, where familiarity with the process gives them a competitive edge and clear advantage.

- Children will benefit from each lesson if they have enough time for their activities and especially if they have adequate individual videotaping opportunities.
- Children benefit from exploration during lessons, where they're allowed to choose which activities to partake in.
- When the DVD is used from one week to the next, it means children are applying previous knowledge learned from prior weeks, providing for more retention and knowledge development.

Month by Month

• Biology (January/February – Year 1)

- The Science of Life
- Our Plant Kingdom
- Our Animal Kingdom
- The Human Body

• Technology (March/April – Year 1)

- Technology at Home
- Medical Technology
- Technology & Transportation
- Technology & Computers

• Goals & Life Lessons (May/June – Year 1)

- Goals for Life
- Feelings
- Friends & Family
- Responsibility

• Mathematics (July/August – Year 1)

- Numbers in Our Daily Lives
- Numbers & Shapes
- Size & Patterns
- Time & Measurement

• Natural Science (September/October – Year 1)

- Salt Water & Buoyancy
- Fun with Molecules
- Magnetic Powers & Static Electricity
- Why Things Float

• Communication (November/December – Year 1)

- History of Communication
- How We Communicate
- Communicating Effectively
- The Many Ways of Communicating

• Creativity (January/February – Year 2)

- Imagination
- Creativity & Art
- Creativity in the World Around You
- Problem Solving

• **Earth Science (March/April – Year 2)**

- Exploring the World Around Us
- Geology
- The Ocean
- Energy From Earth

• **Astronomy (May/June – Year 2)**

- The Sun & Stars
- The Planets
- Flying
- Space Travel

• **Literature (July/August – Year 2)**

- Both Sides of the Story
- Emotional Expression in Literature
- Facts, Feelings & Fantasy Stories
- Creating Stories

• **Speech, Drama & Art (September/October – Year 2)**

- Creating Your Own Drama
- Creating Expressive Drama
- Performing Arts, Cinema & Television
- History of Theater & Drama

• **Economics (November/December – Year 2)**

- Modern Business World
- Children are Part of the Economic World
- Earning & Spending
- Marketing Survey

Structure

- One DVD is used per subject with eight lessons per disc. There are 48 lessons in the program, lasting 96 weeks at two hours each week while offering 12 subject areas. Each subject is explored for two consecutive months.
- **First Week:**
 - During the first week of every lesson, “Week 1 DVD” will be used according to the Teacher Tips Week 1, without rushing and allowing enough time for each activity. It’s important to highlight that the children set the pace of the lesson. While they’re involved in one activity and engaged in the process, continue until their attention starts to diminish. Instructors should be ready to start the next activity immediately, implementing our educational zigzagging techniques.
 - 10 minutes before the end of the first two hours, the instructor should stop the lesson at a point where it makes sense, preferably at the end of a section.
 - Discuss the contents of the children’s folders and assure they have the “Exploring ...” sheet and their projects in the last few minutes. Ask a volunteer to leave a sample project to put on display.
 - Videotape children speaking about their favorite part of the lesson.
 - Parents are welcome to participate in this last section and may volunteer to be videotaped.
 - We strongly recommend the activities at the beginning and end of each lesson are followed every week to insure teachers don’t finish lessons too soon and have time to fill at the end of week two.

- **Second Week:**

- The second week of the lesson will start with a review of activities done in the previous week. Use images, sample pieces, props and videotapes to give the children hints.
- Children should volunteer to explain each activity in front of the camera and then watch their presentation.
- “Week 1 DVD” will start where it was left off the previous week and follow the second week teacher tips once finished.
- Once finished with “Week 2 DVD,” children will have the option of re-doing some activities in the lesson, either because they didn’t have a chance or simply enjoyed it.
- Ten minutes before the end of the lesson, children should again review folders, check for projects and talk about their favorite parts.

FASTRACK TOTS

FasTrack Tots is an early childhood education program, delivered via the FasTrack Learning Station, for 2 – 3 1/2 year old children. This innovative approach to teaching encourages the inquisitive nature of children and builds on their inherent desire to learn more. This program prepares children for future schooling and focuses on children’s emerging love of learning. These classes provide the fundamentals of the FasTrackKids program in a developmentally appropriate environment. Students move from one activity to another in a curriculum where they learn and grow by interacting with lessons. This busy class is a fun, first experience for young children who are just beginning their educational journey. This program features songs, movement, experiments, hands-on activities, videotaping, structured play and problem solving techniques to help children develop independence and self-confidence.

FASTRACK SIGNING

It’s possible a child is signing and parents are not recognizing the child’s movement as a sign. This program, which is broken into a Beginner and Intermediate Play class, will help to decipher these signs. The beginner class is designed for families with children six months to two years old. The intermediate class is for children 12 months and older who have taken the beginner class. A child’s learning and conceptual development will be facilitated through the use of recognizing appropriate FasTrack Signing moments, immersing your child in signs, understanding your child’s unique signs and reinforcing a lifelong love of learning.

FASTRACK MUSIC

FasTrackKids Music is designed to provide a high energy music introduction divided into two sections, one for children between the ages of two and four, the other for ages four to six. Entertaining music supported by creative movements engages children and provides the first introduction to music acquisition. This program, created by Kindermusik International, is more than a music class. It is a carefully planned curriculum that celebrates the importance of music and movement in a young child’s life. This curriculum nurtures the rhythmic, pattern-loving musical seeds naturally planted in every child’s brain. Research has shown a link between mathematical abilities in students and their musical awareness. FasTrack Music engages children in a fun learning experience while developing foundational music skills.

FASTRACK EXPLORERS

FasTrack Explorers is a multi-day program designed to utilize elements of both FasTrack Tots and FasTrack Music for children ages two to four. In this three hour class, activities are geared towards movement, creativity, number recognition and phonics via the Learning Station. This method provides children with a unique learning experience.

FASTRACK DISCOVERERS

FasTrack Discoverers is similar to Explorers as it is a multi-day program that utilizes other FasTrackKids programs in a theme-based curriculum. Using a mix of the FasTrackKids Core and Music programs, children 3 - 5 years old can improve their communication and language skills. Children are also introduced to activities that improve literacy, phonics, math and music knowledge while having fun.

FASTRACK CAMPS

FasTrack Camps are offered as a one week, three hours a day program that has flexibility in hours and curriculum. Camps are separated into winter and summer sessions, with winter having two subject choices and summer having four. This is a fun, simple option for children that are on holiday break or out of school for a substantial amount of time. Schedule and age groups vary according to the Enrichment Center. Some topics available include lessons on dinosaurs, travel, health and fitness and learning about snowflakes.

*** If you plan on offering programs to children outside the specified age groups, please contact your Franchise Support representative. You must have permission by FasTrackKids headquarters before you offer these programs to children outside the specified age groups.**

MATERIALS

All support materials can also be found on www.fastrackkids.com

MATERIALS / TOOLS	DESCRIPTION
Teacher tips & classroom notes for the "Week 1 DVD" including the complete first run	Same documents currently being used
"Week 2 DVD" to be used during week one & part of week two if needed (recommended)	DVD currently being used in class
Teacher Tips for the second week	Describes the second week special activities & suggested activities to repeat
"Week 2 DVD"	Guide children through the special activities described in teacher tips for the second week.
"Discovering..." Sheet	Explains what the children will discover during the next two weeks
"How we built upon last week's experience" for second week	Described in the second week special activities
Handouts	First and second week handouts and their use is explained in the teacher tips

Companion images (graphic images for second week)	A small program will be developed for each lesson as an executable with any images needing to be discussed or used during the new set of activities
---	---

Begin Training Employees

It is crucial your employees are well trained before conducting any lessons to students. Have teachers practice a few lessons for you, providing constructive criticism and feedback on their performance. Be sure your staff understands safety procedures, the enrollment process and how to use each piece of equipment (computer, video camera, etc.)

TEACHING ROSTER

You may be personally teaching classes, although at some stage it's likely you will use the services of one or more teachers. It's essential that whoever is conducting your FasTrackKids lesson is very clear about:

- When they're teaching
- What lesson they're teaching
- Required materials

SAFETY & FIRST AID/EMERGENCY PROCEDURES

You have a duty to students, their parents and your staff to take every measure to avoid accidents and hazardous situations. Since each academy will vary, it's beyond the scope of this manual to give precise advice and we recommend consulting professionals knowledgeable of your local laws. However, you should pay particular attention to the following:

- **Fire Safety** – Clearly mark all fire exits and assure all staff members know their location. If you're required to have fire-fighting equipment, it must be properly maintained and your staff must be trained in its use. However, your first priority in the event of fire should be the safe evacuation of your students. It may be appropriate to have a fire drill or practice with each of your classes on a periodic basis. It's important to keep a register of all students as they attend each class. In the event of an emergency, this will ensure everyone is accounted for.
- **Electrical Safety** – Ensure electrical equipment is properly maintained and tested, avoid over-loading outlets and be aware of hazardous cables.
- **First Aid & Emergency Procedures** – It's important you have formal procedures for dealing with accidents and injuries. It may be appropriate to have an appointed person who knows first aid, but all staff must know and understand procedures. Consider providing a yearly first aid/CPR class. A suitable emergency kit should be obtained and kept up to date in a known location. As part of your student records, you must have emergency contact details for parents. It may be a legal requirement in your area to maintain an accident record book to record all details of any incident. This record could protect you in the event of litigation.

- **Allergies** – It’s important to be aware of any allergies students may have, either to medical products or food/environmental allergies. Particular care should be taken with any food ingredients used in activities which may contain nuts or nut residues.
- **Collection of Children** – Its imperative children are only put in the care of the correct person as named on the student record. If a parent requests someone else collect their child on a particular occasion, you should obtain written authority for that action. If in doubt, check!

REVIEWING LESSONS & ACTIVITIES

Under no circumstances should you allow a lesson to be taught without proper preparation. The teacher must have read the teacher tips, reviewed the DVD and conducted the various activities in advance. This helps to avoid any unexpected challenges and allows the teacher to focus fully on the students.

USING THE ASSISTANT

We strongly recommend an assistant is present, regardless of the class size. The role of the assistant is vital to increasing a child’s focus on the lesson and helping to ensure all students are given the opportunity to participate in activities.

In some areas, your Instructors may also be required to hold a degree in Early Childhood Education or have a Child Development Associate credential or equivalent. In certain states, your FasTrackKids Enrichment Center may be required to obtain accreditation from the state’s Board of Education or similar body. You must comply with local personnel laws along with FasTrackKids policies.

You may not have a student to staff ratio and class size greater than the following without our prior written consent:

Program	Age Range	Maximum Class Size	Student to Staff Ratio
FasTrack [®] Signing	6-24 Months	12	4:1*
FasTrack [®] Music	2-6 Years	12	6:1
FasTrack [®] Tots	24-42 Months	12	6:1
FasTrackKids [®]	3-8 Years	16	8:1
FasTrack [®] Camp Programs	Varies	Varies	Varies

*Parents / caregivers count as staff

Begin Exploring & Lesson Planning

Be sure all your employees are very familiar with the interactive whiteboard and how it works. Begin planning the first lessons you will teach to your students and determining what additional materials will be needed.

USING THE FASTRACK LEARNING STATION

Information about setting up and calibrating the FasTrack Learning Station can be found in the instruction booklet or in [Chapter 5](#) of this manual. Remember to calibrate on a regular basis and depending on your method of projection, you'll need to ensure your projector is focused regularly. The Learning Station is easy and fun for children to use and the teacher should encourage children to interact with the board not just as a touch screen, but using the supplied 'pens' as well. It's helpful to remember that if the 'pens' and 'eraser' are in their 'stations,' touching the screen will advance the program. If you wish to disable the screen from advancing, the easiest way to do this is hold the eraser while the student is at the board.

PARENT INCLUSION

Very often parents will arrive early to collect their child. This is an ideal opportunity to invite the parent to sit in quietly on the last few minutes of the lesson when you're reviewing with the students their video presentations. This helps reinforce to parents the value and benefit of the program and can help gain referrals.

VIDEOTAPING

Videotaping students is an important way to evaluate confidence level, communication, presentation skills and overall progress of students throughout the year.

Once a month, the individual student's portion of the class tape should be transferred onto the student's personal tape. Gradual progress in speaking skills should be evident with the students. Some improvements should correspond with the quarterly evaluation. Don't hesitate to allow parents to see other students' performances, as this allows parents to observe how their child works and interacts with other children during class. Keep in mind while videotaping:

- Use one tape per class group
- Be careful of your background color and design when you shoot.
- Check microphone volume
- End taping of each individual by saying something positive to indicate to the videographer you're finished
- Other students should be given something to do so they remain quiet
- Encourage students to look directly at the camera, speak clearly, stand still and answer in full sentences

EXPLORING SHEETS

The Exploring Sheet is an essential communication tool to inform parents of what their child has done in the lesson. It also gives the opportunity to extend the learning experience at home by giving parents and their children additional activities to do, the ability to repeat favorite experiments and access to the website [FasTrack Parents](#)

(www.fastrackparents.com). Each Exploring Sheet covers weeks one and two of the lesson and should be put in the child's FasTrackKids Folder.

PROGRESS REPORTS

We strongly recommend the progress report should be completed every four months. After each lesson, the teacher should complete the teacher's worksheet by filling out dates and any appropriate comments in the relevant boxes. The report should be based solely on in-class observation. It's vital to ensure your teachers get into the habit of completing the teacher worksheet after each lesson. Relying on memory to complete reports will result in unsatisfactory information to parents.

EVALUATION DESCRIPTION

This evaluation or progress report will be accompanied with one video for each child and art projects created by the child. It is used as a helpful tool to show parents what their student is doing, first based on the actual work and also based on the teachers' insight. The following is a sample explanation of one child's abilities being evaluated.

Verbal Development of Reports

Outstanding

These children go to the front of the class with self confidence, look straight into the camera, use complete phrases in a loud and clear voice and the contents of the report is mostly accurate. When your child is videotaped, he/she has shown tremendous self-confidence, the adequate body attitude, the correct use of voice and clearly understands the contents of the reports. Practice will ensure your child will get to adulthood feeling comfortable with public appearances.

Implementing

Children who prepare good reports but have something missing, such as a loud and clear voice, body attitude, looking into the camera or have other details missing. These children have an extensive or above average level. Your child is presenting good reports and we're working as a team to help him/her get to the best possible level. The details are minor – help your child by providing good reinforcement and non-stressful comments on how he/she can improve.

Comprehending

Children who stand in front, but have only started to "let go" and are in the process of acquiring the ability to present videotaped reports. Your child has just started to participate actively in our videotaped reports. Taking into account that this is just a starting point, any help at home benefits your child greatly. Have your child respond at

meal times regarding conversations or activities done during the day, especially when he/she has learned something new.

Learning

Children who do not participate in videotaping, or if they do, resist speaking or performing. Your child needs reinforcement if he/she is shy or not ready to start public speaking in front of classmates. We recommend some reinforcement in small public occasions, such as at the dinner table or during visits to friends. These occasions are good opportunities to ask questions requiring more elaborate answers than simply 'yes' or 'no.' Please remember to give praise and signs of affection whenever your child becomes involved in a public speaking opportunity.

Conduct Your First Staff Meeting

Staff meetings should become a weekly activity in operating your franchise. Your first staff meeting will set the tone for those that follow. Consider running practice lessons to assure the teachers understand the structure of each lesson and how to prepare prior to each of them. Consider on-going assessments of your teachers by personal and unannounced observation. Also, discuss current marketing campaigns, enrollment sales techniques and have role-play inquiry calls with staff. Practice is the key to success.

Chapter 10 – Center Operations

OPENING PROCEDURES

Center Director

The Center Director should arrive at the Enrichment Center 30 minutes prior to opening. This will provide the necessary time to prepare for the day before teachers and students arrive.

- Unlock office and disable alarm
- Check mail
- Check voicemail and distribute appropriate messages to employees
- Brief teachers on any issues
- Check lobby area for cleanliness
- Check and return time sensitive emails

Teacher

Teachers should arrive early enough to properly prepare for the lesson. Teachers should also:

- Collect all necessary equipment for lesson
- Wipe down chairs and tables
- Assure the cleanliness of classroom
- Check and return time sensitive emails
- Review teacher tips and lesson plans

CLOSING PROCEDURES

- Pick up all supplies
- Shut down all equipment
- Clean bathroom
- Empty trash
- Vacuum lobby
- Clean/spray down toys
- Clean glass doors / windows that children have touched
- Sanitize doorknobs
- Clean SMART board of fingerprints
- Review schedule for following work day
- Gather data from credit card processing machine and remove receipt
- Lock all doors
- Check and lock all windows
- Activate alarm

DAILY ENRICHMENT CENTER ACTIVITIES CHECKLIST

- Follow up on inquiries
- Call for confirmation on trial class appointments
- Conduct trial classes

- Prepare and send any informational packets (include DVDs if necessary)
- Return any messages
- Record any inquiries, new enrollments or students who stopped attending
- Schedule students for classes
- Record attendance
- Communicate with parents on students progress
- Assess prospective students
- Make deposits
- Check account balances
- Place accounts receivable calls / send out invoices
- Check inventory levels

WEEKLY ENRICHMENT CENTER ACTIVITIES CHECKLIST

- Review advertising strategies and results
- Track, monitor and analyze Primary Business Indicators
- Revise any work or class schedules
- Make accounts receivable calls / send out invoices
- Return any customer calls
- Restock supplies
- Conduct staff meetings
- Create staff schedule

MONTHLY ENRICHMENT CENTER ACTIVITIES CHECKLIST

- Generate and review monthly revenue reports and submit to FasTrackKids
- Send in Royalty Fees
- Generate and review monthly profit and loss statements
- Track and review accounts receivable
- Conduct Staff Meeting
- Revise business and marketing plans
- Analyze marketing strategies and results
- Renew advertising
- Analyze customer surveys and comments
- Conduct staff trainings
- Order materials
- Send invoices to customers
- Prepare monthly calendar
- Send out newsletter
- Set next months Primary Business Indicators

QUARTERLY ENRICHMENT CENTER ACTIVITIES CHECKLIST

- Conduct quarterly strategic planning meetings
- Observe classes and provide instructor feedback
- Generate, review and analyze quarterly statistics
- Update marketing calendars: Public relations and advertising

- Analyze Enrichment Center appearance and schedule any maintenance
- Analyze Enrichment Center equipment and schedule any repairs
- Check Enrichment Center supplies and order any additional items
- Review Enrichment Center files and update/purge any, as needed
- Update business and marketing plans
- Pay quarterly taxes

ANNUAL ENRICHMENT CENTER ACTIVITIES CHECKLIST

- Conduct annual staff meetings
- Analyze and update business and marketing plans
- Generate, review and analyze annual statistics
- Review Enrichment Center files and remove outdated files, store in box
- Review Enrichment Center décor and budget for new items
- Review Enrichment Center equipment and technology and update if necessary
- Review insurance levels and coverage, upgrade if necessary
- Pay annual taxes
- Review Enrichment Center growth and develop new goals
- Schedule to attend the annual International Convention

ALARMS, LOCKS & KEYS

Keys and passwords should only be provided to employees who have demonstrated trustworthiness. Periodically change the alarm password, especially after the termination of an employee contract.

SAFETY

As a Franchisee, your first responsibility is to provide a safe environment for both employees and customers. Be certain to install necessary emergency equipment such as smoke detectors, fire alarms and a panic button that may be used in conjunction with your alarm system. All cleaning supplies must be kept out of reach of children and in a locked cabinet, if possible. It's also necessary that a first-aid kit be kept on site, in case of an accident.

Chapter 11 – Reports, Payments & Accounting

FRANCHISEE REPORTING & PAYMENT REQUIREMENTS

Franchisees are required by their Franchise Agreement to furnish reports, including student names, reflecting the operating results of their FasTrackKids Enrichment Center. All reports and payments of Royalty and Maintenance/Usage fees must be made no later than the **tenth day of each month**. FasTrackKids can require Franchisees to send certain reports on a weekly basis with **30 days of notice**. All reports and financial information sent to FasTrackKids must be signed and verified by the Franchisee. If FasTrackKids requests copies of contracts with third parties, quarterly or annual financial statements or bank statements, they must be sent to FasTrackKids **within 15 days of the request**. All payments are nonrefundable and must be supported by monthly reports.

Fees

All applicable fees for your franchise will be located in your **Franchise Disclosure Document (FDD)** or **Franchise Agreement (FA)**. You are responsible for paying these fees in the specific time and manner that the FA stipulates. Call FasTrackKids if you have any questions regarding fees or payment of those fees.

FRANCHISEE COMPLIANCE

You must establish and operate your FasTrackKids Enrichment Center in compliance with your Franchise Agreement and with the standards and specifications contained in the Operations Manual. With the help of Franchise Compliance, Inc. we check to assure each franchise is operating at an optimal level. A representative from their company will check for cleanliness of the Enrichment Center and classrooms, staff appearance, questions for the Franchisee about marketing activities and policies etc. Franchise Compliance, Inc. will also conduct a mystery shopping form, where representatives posing as customers will assess the operations of individual Enrichment Centers. FasTrackKids will have access to all collected information and will address any exposed issues.

AUDITS OF BOOKS & RECORDS

You should maintain books and records related to your academy for at least three years after the fiscal year to which they relate. FasTrackKids or a designated representative may inspect and/or audit records. Any inspections/audits will be conducted at our expense during normal business hours. If any audit proves payment is owed to us and the deficiency is not the result of an Act of Deception, then the amount must be paid to FasTrackKids immediately, plus interest from the date payments were due.

WIRE TRANSFER

When transferring money to FasTrackKids by wire, it's important all information is correct. All wire transfers should be made to the following account:

Account Name: FasTrackKids International, Ltd.

Account #: 3405529190

Bank #: 107005047

Swift #: FBCRUS51

Bank: FirstBank of Colorado

Bank Address: PO Box 260400

Lakewood, Colorado 80226 USA

Bank Phone: 303-274-5000

Correspondent Bank: Wells Fargo International in New York

Correspondent Bank Swift BIC: WFBIUS33

Checks should be made out to FasTrackKids

PRIMARY BUSINESS INDICATORS

INDICATOR	GUIDELINE	DEFINITION
Profit	100% of Budget	Total amount of earned revenue for the time period less all expenses for the period.
Earned Revenue	100% of Budget	Total billable amount of tuition and registration fees for the time period.
Cash Revenue	Annually, 100% of Earned Revenue	Total amount received during the time period from cash, checks, credit cards and auto-debits.
Prepays From Check/Credit Card	60% of Earned Revenue	Total amount received from prepayments during the time period.

Chapter 11 – Reports, Payments & Accounting

Contacts & Inquirers	80% of Inquiries to Enroll in Trial Class	Count a contact for every attempt a consumer makes to contact you either through calling, walk-in or e-mail. After having a conversation, this contact is also counted as an inquiry.
Trial Class	105% of Prior Year Enrollments	The number of new students that attend during your trial class.
Enrollments	105% of Prior Year Enrollments	Number of students attending for their first class within the time period.
Percent of Trial Class to Enrollment Conversions	80% Close	Total number of enrollments divided by the total number of students that attended a trial class times 100. Example: # of Enrollments = 20, # of Students in Trial Class = 22, $20/22 = 91\%$, % of Trial Class to Enrollment Conversion = 91%
Student Body	110% of Prior Year Student Body	Number of active students at the end of time period.
Students Discontinuing Enrollment	18% of Monthly Student Body	Number of students who won't continue after their last day.
Account Receivable	5% of Earned Revenue	Unpaid balance for the period. To calculate, divide the dollar amount of unpaid balances by the amount of earned revenue.
Progress Reports	25% of Prior Month's Student Body	Number of progress reports each month divided by the student body at the beginning of the month times 100.
Hours Attended	192 Hours	FasTrackKids goal is 192 hours for every student enrolled.
Labor	38% of Earned Revenue, Annually	Fixed cost (Full-time salaries, bonuses, payroll taxes, benefits) vs. variable cost (Part-time teacher hours, assistant hours, training/meeting hours, part-time payroll taxes)

LOCAL ADVERTISING AND MARKETING EXPENSE REPORT

You are required to send a **monthly** advertising and marketing expense report to FasTrackKids Headquarters. These expenses include, but are not limited to: pay-per-click ads, TV ads, radio ads, newspaper or magazine ads, direct mailers, flyers, functions, etc.

QUARTERLY REPORT

You must submit a Quarterly report to FasTrackKids, highlighting your operations, marketing, budgeting, competition, industry and staff performance. This report helps FasTrackKids evaluate how your business is operating and what type of resources / time you are putting into certain aspects of your business. Schedule a call to Franchise Support once you have completed the form, found on our website.

MONTHLY REPORTING SPREADSHEETS

The following worksheet was designed to help track activities and send monthly reporting to FasTrackKids. The required information should be filled out each week and emailed **by the tenth of each month** to the accounting department of FasTrackKids.

Please remember these spreadsheets are setup to automatically carry information over and eliminate the need for double entry so you don't have to enter into any green cells. The following example is for the Core program.

Locate the tabs on the bottom of your spreadsheet:

- Put your name & company name at the top of this page.
- Put the month you're recording for at the top of this page as well.
- You'll use this worksheet to record any students that register for the Core program.
- **Name:** Record the last name on the first line and the first name on the second line.
- **Amount Paid:** Enter the amount they paid under the correct month (Include registration fee here).
- **All Periods:** This will automatically calculate the total amount you've received.
- **Tuition Plan, Discount, and Registration Fee, Notes:** These cells are optional and can be filled in for your own use.

Find the **Student Numbers** page. Fill in the applicable month with the total number of students, new students that month and students who dropped the program.

Saving your file

Save your file after completing your entries. You'll use the same worksheet each month, but should save it under a different file name at the end of the month (i.e. June2007). Remember the file should be saved and emailed to the accounting department along with payment information. After the end of the calendar year, delete students who have dropped out and save the sheet as January of the following year.

Chapter 11 – Reports, Payments & Accounting

Student Numbers

Licensee Name:

Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Core												
Tots												
Music												
Signing												
Other												
Special Events												
Camps												

Total	0	0	0	0	0	0	0	0	0	0	0	0
-------	---	---	---	---	---	---	---	---	---	---	---	---

New	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Core												
Tots												
Music												
Signing												
Other												
Special Events												
Camps												

Total	0	0	0	0	0	0	0	0	0	0	0	0
-------	---	---	---	---	---	---	---	---	---	---	---	---

Drops	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Core												
Tots												
Music												
Signing												
Other												
Special Events												
Camps												

Total	0	0	0	0	0	0	0	0	0	0	0	0
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Chapter 12 – Marketing

Marketing is identifying, creating and retaining customers for a company's goods or services. In the case of FasTrackKids, we offer our customers early childhood education for children between the ages of six months and eight years. Unlike other products that you can see, hear, touch or taste, our service is intangible. Therefore, consumers must experience it to value it. The challenge in marketing an intangible service is how to create that experience in the customer's mind before they make the decision to purchase. Marketing the intangible means creating a positive and emotional response to your service in a consistent way. Our customers use appearances – of advertising, direct mail pieces, locations, signage and individuals – to make judgments about what they perceive to be reality. It's critical that everything you use to market your business presents a unified and integrated message.

PHASE I – PRE-OPENING

180 DAYS PRIOR TO OPENING

Complete Demographic/Competitor Analysis

Completing an analysis of the local demographics and competitors surrounding your prospective Enrichment Center location will help you determine if this area will be profitable. Research the average age of residents, how many kids each family has and the average income level. Also locate other businesses that are considered competitors: including recreation Enrichment Centers, tutoring and sports based activity Enrichment Center, etc.

IDENTIFYING YOUR TARGET MARKET

While all mothers are not the same, they do share similar goals. Mothers are going to be your most powerful consumer as they will spend an average of \$165,630 on their child by the time they reach 18 (based on US statistics). Moms are looking for a close relationship with their child, expanding their child's horizons and establishing a future for their child.

Experience has shown us that people who are most likely to enroll their children in a FasTrackKids program may share some or all of the following demographics and psychographics:

- Mothers or grandmothers
- Parents of children who are six months to six years old
- Middle-to-high income
- Capable of transporting children to the Enrichment Center weekly
- Live 20-30 minutes driving to the Enrichment Center
- Committed to the positive development of their children
- Medium-to-highly educated
- Competitive or concerned about their children relative to other children the same age
- Like to participate in groups, e.g. playgroups

- Read publications such as *Parent Magazine*, children’s directories, community websites and blogs
- Go to stores/places that support children’s development
- Participate in other children’s activities e.g. music classes, soccer, karate, ballet etc.

The more you can learn about your potential FasTrackKids parent, the better you can target your marketing messages and activities ultimately saving you money in advertising and marketing attempts.

MARKET TRENDS

Understanding your marketplace and competition is crucial in the success of your franchise. You should mystery shop similar businesses in the proximity of your Enrichment Center. Be sure to observe:

- Location Proximity
- Hours of Operation
- Age Levels
- Subjects Offered
- Service/Business Practices
- Assessments
- Teaching Credentials
- Cost of Tuition
- Teacher/Student Ratio
- Motivation Programs (Tokens, Prizes)
- Customer Service Practices
- Customer Service Reputation
- Media Resources
- Brand Descriptors
- Payment Options
- Demeanor of Children

Marketing Plan and Business Plan

Plan and finalize a marketing strategy utilizing the action plan provided during training. Develop advertising, public relations and networking strategies and submit all plans to FasTrackKids.

Complete your business plan, identifying specific goals and action steps. Develop your marketing plan to include budget and advertisement placements. Schedule time with your Franchise Support Manager to review your plans and get any advertisements approved. All business plan materials must be submitted to FasTrackKids. You can find an example of a business plan on our website (www.fastrackkids.com).

MISSION STATEMENT

To reinforce children’s innate love of learning and to help them develop their potential.

INITIAL MARKETING

Parents will typically only travel 20 to 30 minutes to reach your Enrichment Center. We recommend concentrating within this geographical area. You should become part of your local neighborhood within the area where most families spend their money. Your marketing plan should ensure your focus is effective, not diluted amongst families whose distance would raise an issue. We recommend referencing the marketing plan in the operations Enrichment Center training manual to establish goals, a budget and an action plan.

REACHING YOUR TARGET MARKET

Direct mailings, magazines, newspapers, television, radio, online, event marketing and word of mouth are just a few of the tools available to reach your target market. Mothers are spending over two hours a day watching television, two hours listening to the radio, 86 minutes reading e-mails, over three hours reading local newspapers and read over four magazines per month. Utilizing one or more of these approaches can help you reach your target market.

With the constant increase of the Internet, your FasTrackKids website can prove to be a beneficial tool to reach your target market. Posting testimonials from parents and students, displaying special events, having your newsletter available to read and having staff pictures with profiles online will help set you apart from your competitors. Moms will generally check websites before calling or walking into your Enrichment Center.

Creating a personal relationship has proven to be a valuable marketing tool to reach your target market. Try joining your local Chamber of Commerce and Parent Teacher Association (where applicable). Also, get involved with library and school events such as Back to School Night, auctions and student performances.

BRANDING

Branding is developing and consistently communicating a set of positive characteristics consumers can identify with and remember when they see/hear/read your name. A brand is a promise of what we can uniquely offer to clients that is motivating and makes us valuable. Brands are:

- Impressions
- Perceptions
- Feelings
- Thoughts
- Emotional Links
- Identifiable
- Unique
- Consistent

Your brand resides in the consumer's mind, built as a result of impressions made by encounters with your name, logo, marketing message and everything else people see and hear about your business. When people think of Mercedes-Benz they think luxury, global, innovative etc. Other companies such as Nike, Sony, Coca-Cola and Disney have proven the power of a strong brand name. They have proven themselves to their customers through a large investment in marketing their products and services that repeatedly reinforce the power behind their brand. When people think about FasTrackKids, we want them to think and feel the following:

- Fun/Exciting
- Inviting
- Interactive
- Confidence
- For Life
- Creative
- Valuable
- Growth
- Innovative
- Enriching
- Engaging
- Captivating
- Progressive
- Stimulating
- Developmental
- Advanced

We need to demonstrate our brand positioning in everything we do. From marketing and public relations throughout the sales process and especially in our customer service efforts, we want

FasTrackKids to be branded as fun, innovative, valuable, creative, etc. Building a strong brand will attract more inquirers, help to withstand competitors, keep customers longer, allow FasTrackKids to benefit from positive word of mouth and develop stronger relationships with everyone involved.

NETWORKING

Networking is an indirect marketing technique where you get your message out to people and groups who can influence your potential customers. Networking can play a vital role in the success of your business. It's the most powerful way to build professional relationships, actively foster contacts and disseminate information about your FasTrackKids Enrichment Center to people who can potentially influence your target customers – parents.

Networking doesn't come naturally for everyone. The key is to believe in yourself and what you are offering at FasTrackKids and always give/collect business cards. Take advantage of every networking event you can as your opening date draws near and after you open. Almost everyone knows someone who has a child and is willing to share information that is helpful to that child. Here are some tips to help you develop your networking strategy:

- **Start with your family and friends.** There is no better word-of-mouth than that of your family, friends, business associates, colleagues and anyone else who knows you well. They know your character; they trust you and they want to see you succeed. Those you trust will give you strong support by spreading the word to others about you and the FasTrackKids program. Give a small supply of your business cards and FasTrackKids brochures to these individuals so they can pass them on to parents who might be interested. Keep these contacts informed of your opening date.
- **Research retail opportunities.** Speak with owners and managers of local children's stores. Explain what you have to offer and ask if they would allow you to set up a table in the store and talk with parents. Explore co-branding events with the store owner/manager.
- **Get involved.** Research local service clubs and organizations in your community. Visit these organizations as a guest and pick the ones that are most advantageous to developing your business. Run ads or insert flyers in their newsletter or publications and/or run a banner on their websites. These organizations may include churches, small business networking groups or the Rotary club.

GRASSROOTS MARKETING

Grassroots marketing is like networking except it's directly to individuals or groups who may be potential customers. It is relatively inexpensive compared to advertising, but takes a time commitment. It is one of the most effective ways to market your FasTrackKids Enrichment Center to your community.

The relationships you establish through grassroots marketing cannot be developed through traditional advertising. By making personal connections with potential customers, you're letting them get to know you and you're establishing a trusting relationship. In many cases, until you come face to face with potential clients to speak with them about the benefits of your FasTrackKids Enrichment Center, it will remain an unknown concept to them. The following are suggestions of grassroots marketing strategies:

- **Trade shows, fairs, local events, conferences.** Participate in key shows and fairs held in your community. This could include school district events, community festivals/parades, children’s fairs, health fairs, children education conferences, etc.
- **Workshops, panels, speaking engagements/parent presentation parties.** Demonstrate your expertise/knowledge base and develop your reputation in the community in a low-pressure educational environment such as workshops, panel discussions, speaking engagements including PTA meetings, mom’s clubs, community talk shows on radio or local cable television, private schools, country clubs, etc.
- **Sponsorships.** Whether it’s the local Little League team or school fundraisers, look into inexpensive community programs you can sponsor or donate a prize to, in exchange for visibility and interaction with the sponsored organizations.
- **Cross promotions & partnerships.** Get to know your fellow retailers/merchants near your FasTrackKids Enrichment Center location, especially those businesses that cater to families. Find out if there are opportunities to work together and cross promote your businesses. You can exchange promotional materials, share mailing lists and develop incentive programs that are mutually beneficial to all involved.
- **Establish yourself as authority.** Provide informational and helpful resources to parents.
- **Cause-related marketing - Endearing yourself to the community.** Cause-related marketing creates a win-win partnership for both your FasTrackKids Enrichment Center and the charity you select. It can be a highly effective marketing strategy because it contributes to building a positive image for you and your Enrichment Center while helping a charity. Cause-related marketing creates an outlet for utilizing the FasTrackKids brand and demonstrates a commitment to a key cause in your community. Your initial research includes defining relevant issues in your community worth addressing. In most markets, schools represent strong community ties, but you may find other charities worth partnering with to raise money. Your charitable efforts should include a component that drives traffic to your Enrichment Center or allows you to disseminate information.
- **Parent presentations.** Host events to present the FasTrackKids program to parents. Since your location may not be open yet, you can conduct these parties at homes of willing parents or at community centers.
- **Mom’s Clubs.** Create a moms’ club or invite MOPS (Mother of Preschoolers) to use your Enrichment Center as a meeting place. Provide complimentary pastries and coffee.
- **Teacher Day.** Invite all teachers in the area to experience the FasTrackKids program.
- **Teacher Teas.** Invite all teachers for tea and snacks while talking about the FasTrackKids program.
- **Librarian Luncheons.** Invite local librarians out to lunch while talking about the FasTrackKids program. Have bookmarks made for the librarians to pass out with the FasTrackKids logo and information about your Enrichment Center printed on them.

Target Marketing

Locate and target all children's businesses as well as other establishments in your community as potential partners for your open house.

- Toy Stores
- Spas
- Clothing/Shoe Stores
- Hair Salons
- Karate centers
- Book Stores/Libraries
- Day Care Centers
- Community Centers
- Movie Theatres
- Dance Studios
- Family Restaurants
- Amusement Parks
- Museums
- Doctors Offices
- Health Clubs
- Religious Centers/Churches
- Elementary Schools

Arrange a meeting with or walk in and ask to speak to the owner, manager or principal of any of the above organizations. In the meeting introduce yourself and briefly explain the FasTrackKids concept, the details about your Enrichment Center and offer to display their information in your Enrichment Center. Offer discounts to their customers, share mailing lists or plan a special night for their referrals. With movie theatres, see if management will let you attach flyers to movie tickets. Parents that are taking their children to see the latest children's movie can read the flyer before or after the movie starts. This is one of the many cost efficient ways to market your Enrichment Center.

You can also contact local hospitals and find out what they do for new and expecting mothers. Offer to put coupons in "Baby Bags" for new mothers. Speak to support groups, sibling classes or groups for single parents.

Also, try contacting local realtors and new home development offices. Explain to them the benefit of having a FasTrackKids Enrichment Center in the area and offer to insert fliers in packages for prospective home buyers and to speak during realtor meetings.

MARKETING TO PARENTS

Your on-going marketing will be most effective by using a variety of sources for inquiries. These suggestions are not an exhaustive list; remember the vital rule is to always be marketing! Hand out fliers in car pool lanes, school festivals or volunteer at local events. More community involvement and exposure means more talk of your business.

90 Days Prior to Opening

Review Marketing Plan

Look over your marketing plan and assure you have covered all the necessary items. Add any additional marketing activities you would like to try and implement in the coming days.

90 DAY PRE-OPENING ADVERTISING & PROMOTION

GOAL: Collect a personal mailing list of at least 1,000 families through quality presentations and conversations

- Negotiate and place initial advertisements in other desired publications.
- “Coming Soon” and “Grand Opening” banner displayed prominently outside your new location.
- Flyer holder displayed outside front door.
- Participate in children’s expositions or other special events.
- Mass distribution of flyers, business cards and other pertinent promotional materials.
- Co-op advertising with nearby FasTrackKids Franchisees (where applicable).
- Mass mailer.
- Distribute press releases.
- Provide local Internet website information to FasTrackKids as directed.
- Look for free listing opportunities in newspapers.
- Distribute raffle boxes and check them weekly. Offer a free class or restaurant gift certificate.
- Sponsor the Parent Teacher Association.
- Join your local Chamber of Commerce (where applicable).

60 DAYS PRIOR TO OPENING

PUBLIC RELATIONS & PRESS RELEASES

It is important to understand the difference between advertising and public relations. In advertising, you purchase space in the publications. In public relations, it is free press if your press release gets published, although there are no guarantees of a story being printed.

Press releases are a must when launching a new product/service. A press release should also go out when you open your franchise, change locations or expand your current Enrichment Center. Press releases are essential to attaining media coverage. Press release samples can be obtained through your Marketing Guidebook or on our website (www.fastrackkids.com).

A few other times to send out a press release:

- When your company is sponsoring a special event / seminar
- Business or individual recognition

Even if your company has no news, consider a press release tying something from your business to local current events. The media is always hungry for feature stories.

Example: The Record for the Record national campaign is designed to encourage thousands of children and adults to read the same book on the same day. The shared reading experience will raise public awareness on the early education gap between income levels.

Let people know your Enrichment Center is opening by sending a press release to every local newspaper and publication and make sure to follow up with a phone call. The press release lead (first few sentences) is important to “hook” readers. Remember you’re competing with many other press releases for attention. A quick glance at the lead will tell an editor whether your release is used or not. A good press release will answer “Who, What, When” of the information within the first sentences. “Where, Why and How” come shortly after. It’s crucial to understand the style of a press release to increase your chances of having it printed.

The press release format is standard:

- Typically written on plain white bond paper with no decorative border. Most editors prefer simplicity.
- Margins should be one to one-and-a-half inches on all sides.
- The address of sender should be placed in the upper left-hand corner of the first page. This identifying block should include the complete address, name of contact person and telephone number. It’s especially important to include a daytime and evening contact number as newspapers don’t shut down at night.
- The release date should be placed on the right-hand margin, slightly lower than the bottom of the address block. This portion provides the editor with exact information concerning appropriate timing for the release.
- The body of the release should begin about one-third of the way down the page allowing some white space for comments or notes from the editor. If there is a title for the release, it should come between the address block and the body of the release, flush left.
- Body of the release should be double-spaced. Paragraphs are usually indented with normal spacing between each one.
- If the release runs more than a page, the word “more” is placed in brackets or within dashes at the bottom of the page.
- Following pages should be identified by a brief title followed by several dashes and the page number at the top of the page, either flush left or right.
- The end of the release is usually designated in one of several ways. The word end or the number 30 either in quotation marks or within dashes or the symbol “#####” is used.

Finally, remember the media has deadlines. Breaking news stories are written one hour and published or broadcasted the next, while many feature stories have deadlines weeks and even months in advance of publication.

Enclose a recent, well-posed, black and white photograph of your Enrichment Center with the release to receive more attention. Examples of press releases can be found on our website (www.fastrackkids.com).

Any time your company wants media coverage, write a press release!

REFERRALS

Referrals are vital to your daily marketing activity. By personalizing the following telephone script, you can develop a self-propelling and expanding database of prospective parents. We suggest starting with parents you know and those whose children you've invited to a free class for initial referrals. Continue on an ongoing basis to make 10 effective calls per day. Results can't be guaranteed, but many FasTrackKids Franchisees have succeeded in enrolling a significant number of students using this method.

"Hello, [Receiver's Name]. My name is [Your Name]. [Referring Party's Name] suggested that I contact you."

"I work with a children's learning program called FasTrackKids, which provides early childhood education for children between the ages of six months and eight years of age. [Referring Party] recently attended a FasTrackKids parent meeting and got really excited. [He/She] thinks the program is a great opportunity for [Referring Party's Child's Name] and suggested that I might contact you about [Receiver's Child's Name]."

"Is [Receiver's Child's Name] currently involved in any early childhood education programs? (In many cases the answer will be 'No.' Talk to them about the benefits of early childhood education including improved speaking and communication skills, increased concentration and increased problem solving skills.)"

"Early childhood education programs are so exciting for young children and FasTrackKids is like no other. FasTrackKids offers children great windows of opportunity! I would love to sit down and talk with you more about the opportunities our program has to offer [Receiver's Child's Name]. In fact, I will be holding a brief session to acquaint parents with the FasTrackKids program on [Date] at [Time] at [Location]. We'll be providing free childcare and snacks for children, so you can bring [Receiver's Child's Name] with you. If this date is convenient for you, let's reserve a place for you and/or your spouse."

Tracking Leads

Create a process (Excel spreadsheet, filing system, computer program, etc.) to track all leads and interests in your Enrichment Center. Anytime someone inquires about your Enrichment Center (telephone call, e-mail, walk-in), enter the inquiry into your database. An example of an inquiry sheet can be found on www.fastrackkids.com.

MARKETING TRACKING

Whatever marketing tools you use, it's vital you keep track of results obtained by asking every inquirer, "How did you hear about us?" Without this information, you could waste money because you're unaware what tools are effective in your area. It's important you know which activities are generating the best results as this will enable you to best focus your future efforts and dollars. Be sure to note, if they found your Enrichment Center via the web, ask how they found your website. Did they get it off a brochure? From a friend? Off another website? This could prove to be very valuable information in your marketing efforts.

PHASE II – SOFT OPENING

45 DAYS PRIOR TO OPENING

Launch Grand Opening Advertising Campaign

It's time to start advertising your FasTrackKids franchise. FasTrackKids doesn't stipulate what forms of media must be used in your "Grand Opening Advertising." Your advertising campaign may look something like the following:

- Start Pay-Per-Click Advertising on (Google, Yahoo & MSN) *\$150-\$500 per month*
- Direct Mail (Money Mailer, Val Pac, etc.) *\$400-\$800 per month*
- Print Ad in Local Newspaper Real Estate Section *\$200-\$500 per month*
- Look for advertising within free publications
- Radio Spot *\$750-\$2000 per month*
- Press Releases

ADVERTISING/MEDIA OPTIONS

While networking and grassroots marketing efforts are a low-cost and effective way to market your Enrichment Center, you must also support this with a carefully targeted advertising program that is based on the information you have gathered. It is important that your overall marketing plan guides your advertising plan. Be sure to research what media is available and determine which form of advertising is most appropriate for your location, based on the most cost-effective way to reach your target market.

Be sure to gather all your information first. Media sales representatives will begin contacting you as soon as they are aware you're opening a new business. Gather initial media information and make sure each representative knows you are evaluating all advertising options and talking with other representatives. Do not feel pressured by the representative to make a commitment until you have analyzed all of your media data and developed your overall media plan and budget. Do not commit just because a representative tells you they will secure a "special rate." The best way to determine if you are getting a cost-effective media buy is getting a comparison of your media options on a cost per thousand (CPM) bases. For example, one newspaper may appear to be more expensive to the others until you factor in how much of your target market that newspaper is reaching. Then, you may discover that the more expensive paper is actually reaching more of your targeted audience for less money.

Telephone Directory

A Franchisee desiring to use the yellow pages of a telephone directory serving a specific region must submit a proposed copy to FasTrackKids for written approval before the final placement of the ad. Where more than one Franchisee is operating from an area served by the same telephone directory, the Franchisees may share the costs of a shared display ad. Be sure to contact your yellow pages representative annually to ensure you are in the next publication.

INTERNET BANNER ADVERTISEMENT

One of the most popular forms of advertising on the Internet is banner advertising. A banner (graphic advertisement) and link are displayed on websites. People visiting the site can not only

view the information on the advertisement, but click on it to go to the advertiser's website. Banner advertisements can be specifically targeted to local sites that are relevant to your Enrichment Center, allowing for locally targeted viewers, however many banner advertisements are ignored if they aren't interesting and compelling.

DIRECT MAILER

Purchase a direct mailing list and send out a letter detailing "Coming Soon" and a pre-opening enrollment incentive. Consider using a third party vendor to provide a mailing list and do tasks such as apply postage, sort mail, stuff envelopes and affix addresses. This is recommended since this process is very labor intensive.

The objective of a direct-mail program is to persuade parents to attend a presentation at your Enrichment Center. It's vital they understand any offer you're making is without obligation and that by attending your meeting they are not committing to anything. Additional information can be found at the FasTrackKids website.

OPEN HOUSE

By the time you are ready to have an open house, you hopefully have been networking for several months and have developed a strong database of potential customers who have been hearing about your Enrichment Center open house event. Send out the direct mailer cards provided in your opening kit so your contacts receive the information seven days prior to your event date. You may want to supplement the direct mail card with print advertising in specialized publications. In addition to hosting a prize drawing, make sure your open house is interesting and attracts parents and kids. Look into providing arts and crafts, fun giveaways and child orientated entertainment.

Order Business Cards and Marketing Collateral

It's never too early to start handing out business cards and marketing your business. You can log on to the Franchisee section of the FasTrackKids website (www.fastrackkids.com) or use a third party vendor in creating your marketing tools.

PHASE III – GRAND OPENING

15 DAYS PRIOR TO OPENING

Place posters, brochures and a schedule of your Enrichment Center in local businesses

Using businesses that serve your target demographic can get you more exposure and is cost effective marketing.

Locate and target all children’s businesses as well as other establishments in your community as potential places to place your materials.

- Toy Stores
- Spas
- Clothing/Shoe Stores
- Hair Salons
- Karate Centers
- Book Stores/Libraries
- Day Care Centers
- Community Centers
- Dance Studios
- Family Restaurants
- Amusement Parks
- Museums
- Doctors Offices
- Health Clubs
- Religious Centers/Churches
- Elementary Schools

Research retail opportunities. Speak with owners and managers of local children’s stores. Explain what you have to offer and ask if they would allow you to have posters or brochures in the store. Explore co-branding events with the store owner/manager.

Get involved. Research local service clubs and organizations in your community. Visit these organizations as a guest and pick the ones that are most advantageous to developing your business. Run ads or insert flyers in their newsletter or publications and/or run a banner on their websites. These organizations may include churches, small business networking groups or the Rotary club.

Establish Co-op Opportunities

Try teaming up with other local companies to establish a co-op that will be mutually beneficial to both parties. Offer to place their advertising in exchange for yours or give a discount to their customers.

Cross promotions & partnerships

Get to know your fellow retailers/merchants near your FasTrackKids Enrichment Center location, especially those businesses that cater to families. Find out if there are opportunities to work together and cross promote your businesses. You can exchange promotional materials, share mailing lists and develop incentive programs that are mutually beneficial to all involved.

GRAND OPENING

When you open your Enrichment Center, make sure you plan the day for success. Publicize the opening by inviting the media as it might be a quiet news day. Invite as many parents as possible and consider offering incentives such as free classes, a gift certificate drawing or giving away school supplies. Try inviting a local personality to make the formal opening and partner with the local Chamber of Commerce to have a ribbon-cutting ceremony. The more people who know you're there, the more people will talk to an ever-increasing circle of acquaintances. Be sure to collect as much contact information as possible (family names, address phone number, email, etc.) to use for referral and follow up calls. Don't forget to ask parents how they heard of FasTrackKids, so you can see what marketing tools are working for your Enrichment Center.

Another option is to extend your Grand Opening promotion over a one or two-week period, creating a hook or customizing an offer to hopefully generate a steady flow of traffic and provide long-term exposure. Many of our Franchisees have used this as a successful opening procedure.

Here are some ideas that Franchisee's have used for their grand openings:

PUBLIC RELATIONS AND ADVERTISING

Have a **letter of introduction** prepared about a month before your grand opening for appropriate members of the media. Talk about your Enrichment Center, FasTrackKids and the grand opening festivities that you have planned. Invite the media to attend your grand opening and give them contact information so they can follow up with you.

A **press release** can also get you attention in media outlets. Send out a press release to newspapers, radio stations, television stations and local Internet sites two weeks prior to the grand opening. The release will give reporters the who, what, when, why and how of your grand opening and hopefully generate interest. Talk about a guest speaker (if any) or an activity that will highlight the event. A press release sample can be found on our website.

Radio, television and newspaper **advertisements** should be aired or published two weeks before the grand opening. Keep the advertising succinct and to the point as the cost for advertising can be expensive.

Invitations to school board members, principals, teachers, parent teacher associations and organizations for your event can set a positive image for your Enrichment Center in the education industry. Make sure you have initially contacted the people you send out invitations to so you can personalize your invitation. You can send these out about two weeks prior to the opening, giving them time to plan around your event. You can find a sample invitation on our website.

You can send out a **direct mail offer** to parents, giving a discount on tuition if they show up to your opening. This can inform those who have not been following the news or that are already curious about FasTrackKids, but need an incentive to visit your Enrichment Center.

A **media alert** can be sent out the day before your event. The alert serves as a friendly reminder to the media about your event and the schedule for that day. Be sure to highlight your activities, presentations and discounts. A media alert template can be found on our website or Marketing Guidebook.

Compiling a **media list** to use for future events and developments could lead to more exposure through media channels. This list can give you contact information and also help you keep track of which reporter covered or didn't cover your events. Make sure you thank those reporters that did cover your event. Keep these contacts on file and offer to be an education resource in future media pieces. Below you will find some categories that should be filled out for an effective media list.

- Name of media outlet
- Address (city, country, zip code)
- Phone / Fax / Email
- Education reporter's name, email, direct phone number
- Business reporter's name, email, direct phone number
- Editor in Chief's name, email, direct phone number
- Miscellaneous notes on section requirements (press release due date, pictures for newspaper, etc.)

FOOD AND ENTERTAINMENT

Provide a variety of catered or homemade food for parents, children, the media and guests. This will help attract prospective clients and keep them around long enough to hear your presentation (or DVD of "What is FasTrackKids?") of the FasTrackKids Enrichment Center without going hungry. While people are eating, walk around and introduce yourself while answering questions and describing your Enrichment Center. It might be beneficial to have one or two people from your staff answering questions and promoting the Enrichment Center along with you, saving time and showing equal attention to those attending.

While the presentation is underway, have activities set up for the children. A magic show, story teller, a FasTrackKids character appearance or face painters are some activities that would keep the children interested and give the parents time to hear your presentation. Have promotional items for children such as: FasTrackKids balloons, stickers, bubbles, puzzles and slinkys. These items can help keep the children occupied while you discuss your Enrichment Center with parents or during your presentation.

Guest speakers can help generate success for your Enrichment Center. A speaker can be anyone that is highly regarded in the education industry, in the community or perhaps a FasTrackKids alumni. Make sure you have someone that can capture the attention of the audience and speak positively about FasTrackKids and secondary education. You can also have a "thank you" gift for the speaker with FasTrackKids items.

Before and after the presentation, have a sign-up sheet for trial classes and forms for mailing / email addresses to follow up. Any information you can use to remind parents of your Enrichment Center can help your enrollment and retention numbers.

INFORMATION AND EVENT MARKETING MATERIALS

Your grand opening is an excellent opportunity to give out promotional items and information regarding FasTrackKids programs. Anything that can positively remind parents of your Enrichment Center can help you build a good reputation and help boost enrollment.

Distributing flyers prior to your Enrichment Center’s grand opening will give people a reminder of your business and can help with word-of-mouth (Buzz) marketing. Describe exactly what FasTrackKids is and highlight activities that children can participate in during your presentation.

At your Enrichment Center, have a monthly program schedule (possibly magnetized for refrigerators) and a Enrichment Center tour schedule accessible to all parents, media and guests. A gift bag or folder with promotional materials, a DVD presentation and schedules would give every parent an equal amount of information and more items to remind them of your Enrichment Center. These materials can also help the media describe your Enrichment Center and possibly give you free coverage, spreading your name through TV, radio, newspapers or the internet.

Along with the promotional materials, have a door prize where parents can win FasTrackKids items such as: mugs, T-shirts, baseball caps, water bottles, mouse pads, discount classes and discount birthday parties. Try to have the drawing after the presentation, as it might create excitement to winning a discounted tuition enrollment rate after an informative presentation.

EVENT SCHEDULE

During the grand opening, you should be prepared to give out as much information as people need and be able to keep children preoccupied and happy. Offer tours of your Enrichment Center at scheduled times throughout the day. During those tours, you can have demonstrations of a lesson and show how interactive your lessons are with children participating.

Activity stations can be set up for children to stay busy. Art projects, FasTrackKids Learning Station technology and communication activities can be part of the schedule. Show how videotaping works with some children volunteering to be interviewed. If some children are shy talking in front of a camera, tell parents that a goal of FasTrackKids curriculum is to help children’s communication skills.

Remember, you are trying to get as many prospective clients as possible; so contact information from parents is essential. Make sure to follow up with any questions, concerns or comments that parents have and you can’t answer right away. Thank parents for coming to your event and remind them about your Enrichment Center in the future.

You can find a checklist for your grand opening day on our website. This is only a guide for suggestions made previously in this chapter.

Ongoing Marketing

BIRTHDAY PARTIES

An excellent way of introducing parents to your Enrichment Center is to offer the facility as a site for birthday parties. In particular, if you’re offering birthday parties, market them to parents of your current students. You already know the date of the student’s birthday, so you can make a

pro-active approach to the parent. While some of the invites may be to existing students, it's likely that children will be invited who aren't. The FasTrackKids birthday parties have been designed so children can feel special on their birthday. These parties have also been designed to help build brand recognition and create awareness about FasTrackKids, which should translate into new enrollments. Children should walk out with a big smile holding a birthday bag of goodies, balloons and other merchandise with the FasTrackKids logo. The FasTrackKids website has an up to date price list for all party items.

Planning the Party with Parents

- When parents plan their child's birthday parties, they should receive a two page flier explaining the party (found on our website).
- They should meet with a FasTrackKids party organizer to decide on a theme, budget, additional party favors and/or services.
- They should complete the FasTrackKids birthday form (found on our website).
- Inform parents that all the setup, decorations, cleanup and serving of refreshments is taken care of.
- The package includes 16 children and additional children are an extra charge.

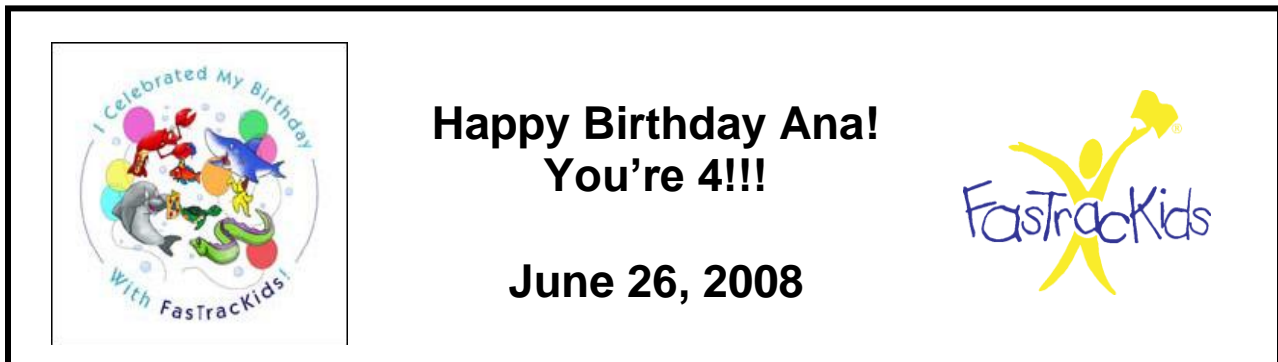
Before The Party

Ask the parents to arrive 15 minutes before the party starts and let them know you'll videotape a short interview with them, the birthday child and close relatives before the party begins.

The Interview

- They hold a FasTrackKids banner saying: Happy Birthday XXXX (name of child), the date and FasTrackKids logo
- The birthday child will answer the following questions on camera:
 - What is your name?
 - What are your family member's names?
 - How old are you today?
 - What's your favorite food?
 - What's your favorite activity?
 - What's your favorite place to visit?
 - Is there anything else you or your family would like to say?

Birthday Banner



General Details

- Throughout the party, the camcorder should constantly be used to film what's going on.
- As Enrichment Center Franchisees, you may want to set up a stand with brochures, the parent video, refreshments, magazines and educational materials in a separate room.
- Make sure the goody bags include information about your Enrichment Center.
- The FasTrackKids Birthday CDs contain the economics introduction for the section: "Plan your Dream Party," and all the sections needed for each of the themes.
- There should be a printer connected to the FasTrack Learning Station if it will be used in the party.

FasTrackKids Birthday DVDs

DVD #1

1. Introduction: "Plan your Dream Party"
2. "Flying" Birthday Party
3. "Art and Music" Birthday Party
4. "The World We Live In" Birthday Party

DVD #2

1. Introduction: "Plan your Dream Party"
2. "Drama" Birthday Party
3. "Life is Great" Birthday Party
4. "Nature and Science" Birthday Party

At the end of the birthday party, the birthday child will receive the video, a FasTrackKids T-shirt and a coupon to invite three friends to a FasTrackKids class.

FASTRACKKIDS CAMP

A FasTrackKids Camp is an intensive version of the program, usually one subject conducted for more than two but less than 15 hours in a single week. The primary objective is to generate enrollments for your regular Enrichment Center program.

Consider an advertising and direct mail program to obtain inquiries. It's important to remember the purpose is not only to sell a place at camp, but rather to generate a phone call to your Enrichment Center. Once a child attends a FasTrackKids Camp, our goal is to enroll them in our full, two year program. We strongly recommend you invite parents and their children to observe a regular class before signing up for camp. Since the camps may impact scheduling for children already enrolled in the FasTrackKids program, you need to consider carefully how to best schedule your camp lessons. There are three camp models Franchisees may choose from during the school's long vacations. Remember:

- Keep the same schedule as the school year for students enrolled in the standard two year program
- Offer the FasTrackKids classes as weekly modules (sessions of one, two, three or four).

Camp Model I

- **What is this model?**
In many cities around the world, parents prefer that extra-curricular activities be offered year-round.
- **How do I know if this is the model I need to follow?**
Choose this model if the majority of your customers prefer to keep the same schedule year round or if you have enough students to keep a few groups on schedule.
- **How do I implement this model?**
Conduct a survey. Make a decision based on the results, whether to keep the same schedule for all your classes or just for a few of them.
- **What lessons should I offer?**
The majority of the Franchisees choose lessons that correspond with the FasTrackKids calendar.

Camp Model II

- **What is this model?**
The summer camps represent a great opportunity to increase revenues from current students and present FasTrackKids to potential students. Parents want their children to be busy during long vacation periods and this is a great time for parents to experiment with FasTrackKids. Some parents take long trips during these months and can benefit from one week-long summer camp where one or two months worth of materials can be covered. Satisfied parents will typically return to enroll their child.
- **How do I know if this is the model I need to follow?**
If you can bring children three hours per day, four to five times a week, you may follow this model. You can also choose to offer one month worth of materials, if they come four times a week or two months worth of materials, if you choose to bring them five times a week.
- **How do I implement this model?**
If you choose to offer classes four times a week, three hours a day, you can take the content of four lessons and teach one lesson per day. Our Franchisees typically offer a snack in the middle of the three-hour sessions and may add FasTrackKids activities or some recreational activities at the end. If you choose to offer five times a week with three hours per day, you can take the content of eight lessons and condense it into fifteen hours, by skipping certain sections that will not affect the outcome.
- **What lessons should I offer?**
Since the summer is so long, Franchisees have chosen two different options or a combination of both. Some Franchisees choose to offer subjects typically taught during those months as summer camps and offer these camps more than once during the vacation. In this case, parents can choose from more than one date for the same subject. Other Franchisees offer the same subjects as indicated in the FasTrackKids calendar plus theme-based camps.

Camp Model III

- **What is this model?**

This model is similar to Model II. The main difference is FasTrackKids lessons will be combined with other types of activities. By adding other activities the children can participate in a program offering more hours per day.

- **How do I know if this is the model I need to follow?**

If the Enrichment Center is located in an area containing other children's activities, they may offer a package including FasTrackKids and another activity (e.g. My Gym). In this case, each location would charge the fee for their own activity, but children can be transferred from one activity to the other by staff. If the Enrichment Center is located within a health club, they may have access to sports facilities and can combine FasTrackKids lessons with tennis, swimming or other activities. If the Enrichment Center has plenty of space, FasTrackKids lessons can be offered in the classrooms while other areas are used for drama, computer classes and art classes, among many options. This model has been used by some Franchisees to expand the FasTrackKids concept by offering additional activities based on lessons. Some Franchisees also offer recreational activities. Parents know their children are going through an early childhood education program and are having indoor/outdoor fun as well (this depends on the location and available facilities).

- **How do I implement this model?**

The first step is getting approval from us. To do so, you must include a detailed description of the activity, the company involved and the logistical and financial arrangements. Many Franchisees hire personnel just for the summer who have experience in the areas being offered. They prepare the program and make sure the logistics follow the needs of the program. This model also depends on local laws regarding how long children can be in the academies per day or week.

- **What lessons should I offer?**

Following Model II, Franchisees can offer either theme-based programs or subjects indicated in the FasTrackKids calendar.

There is not one marketing plan that is going to work for every Franchisee. Successfully marketing your franchise will take time and dedication on your part to create a profitable franchise. The more time and research you put into marketing may be directly correlated to your success.

Chapter 13 – Sales

WHAT IS FASTRACKIDS?

FasTrackKids is an early childhood program that helps children develop their potential and gives them the tools they need to be successful in life. FasTrackKids was founded with the vision to build key leadership and communication skills in children and provide the tools to form good habits for learning. We provide an educational advantage by encouraging children to discover a love of learning in a fun, interactive, academic setting. Children are able to acquire knowledge, not only through theory, but with discussions and hands on experiences using our revolutionary technology. During this time, they learn how to focus, speak with confidence in front of peers and utilize the power of their creative brains while learning reasoning skills. This unique curriculum is designed to increase a child's imagination and aptitude by focusing in on the three C's: creativity, critical thinking and communication. Research has shown that the small window of opportunity for a child's brain to develop at an optimal level has already passed by the time traditional education begins. FasTrackKids is a way to reinforce children's innate love of learning and maximize their learning potential.

FASTRACKIDS SELLING PROCESS

At FasTrackKids, we strive to provide our customers with the highest level of service. In order to provide this excellence, we encourage all our franchises to employ our sales process when working with customers.

1. Relationship Phase: Put the Customer at Ease

The purpose of this phase is to begin building a relationship with the customer. Doing so will help build credibility in your service and understanding and trust in your franchise. Start by introducing yourself, asking for their name and thank them for calling your Enrichment Center. After completing this phase, the transition to the next stage will begin by informing the customer of the agenda and questions asked so you can recommend the best program to suit their needs.

2. Discovery Phase: Determine the Customer's Needs

Completing this phase will help you to identify your customer's needs, desires and what they're hoping to gain from the relationship. At times, the parent's and child's needs will be different, but the customer will only imply what their needs are. Asking open ended questions (requiring multiple word answers) and listening carefully is crucial to the selling process. As a general rule, try to do 20% of the talking and 80% listening to the customer. Be sure to find out about academic and emotional needs of both the parent and student, as well as scheduling and financial needs.

3. Presentation Phase: Suggest Recommendation

The purpose of this phase is to provide the customer with a solution that is tailored to their specific needs. Present the solution to them explaining why it will help, how it will help and what will take place. Determine what type of parent they are, so you can focus on the specific selling points that address their concerns. Then, focus on the features and benefits of the specific program you will be recommending. After presenting information, gauge their response by being presumptive with closing the sell.

4. **Close Phase: Address Questions & Concerns**

Some parents will be sold on the program and not have many concerns or questions. All that will be required is completing the paperwork and accepting payment. On the other hand, you'll have parents who are hesitant to enroll. At this point, you'll want to implement E.A.R.S.

- E** – empathy: builds trust and validates customers concern
- A** – ask question to clarify: uncover more hidden needs
- R** – reframe: demonstrates your understanding the concern
- S** – solve: collaborate with the parent to find a solution

This will allow you time to problem solve with the customer and address any concerns they may have with the FasTrackKids program. This step is crucial in ensuring the customer's expectations are met. When dealing with the customer's concerns, be sure to use your E.A.R.S.

5. **Follow Up Phase: Gain the Customers Approval**

The conclusion of this phase of the selling process is where you gain the customers' approval of your recommendations. You will then plan the subsequent steps and determine who will be responsible for each step. If the parent is still hesitant to make a commitment, try either inviting the parent and student for a tour of your Enrichment Center and introduce them to the Learning Station. Also, try inviting them to observe a class already in session or offer a no obligation free trial class. Having potential customers observe the operation of your franchise may help settle any uncertainties they may have.

If they have already completed these steps, keep their information on file so you can schedule a follow up phone conversation. Make sure to schedule it as if it were an appointment so they know when you will be calling. Continually follow up with them on a monthly basis for approximately 3 months as finances and academic events may have changed and they are now ready to enroll.

TYPES OF PARENTS

Some parents will fall into more than one category, but the majority of the time they will be classified in just one. Our main goal as FasTrackKids representatives is to identify which category a parent represents in order to address their concerns based on their particular needs.

- **Paula Problem**

The problem parent is concerned their child is behind. They believe their child is shy, hyperactive and lacks concentration and possibly the local school systems are not offering the academic support their child requires. Paula Problem is looking for validation as a parent and what they have provided in their home thus far. They also believe FasTrackKids could address some of their child's problems.

- **Betty Busy**

This parent is concerned their child is bored in their current pre-school. This parent and child are always involved in many activities and want to continually try new ones. They believe their child needs to be in a fast paced curriculum to retain their attention. This parent may also choose to enroll due to "social status"; everyone is doing it, so will we. This parent may have a constantly changing attitude regarding your services, which can

vary from highs to lows. These parents tend to remove their child from the program without much notice or explanation. It can be difficult to persuade them to stay.

- **Genie Genius**

This parent understands the importance of their child receiving an early childhood education. They want their child to be “gifted” and “advanced” and will do what it takes to accomplish this.

- **Cathy Curious**

The curious parent learned about the FasTrackKids program from a friend, marketing tactics or the Internet and wants to learn more. The first step is to determine if this parent is Paula Problem, Genie Genius or Betty Busy.

POINTS TO COVER WITH EACH PARENT

- **Paula Problem**

- Progress reports
- Parent/teacher conferences
- 8:1 ratio
- 2-way mirror/video feed to classroom
- Educational Zigzagging
- Student/Parent Website
- Teamwork and individual work

Be sure to ask: “Do you have any concerns for your child educationally? Socially? Emotionally? Tell me more.”

- **Betty Busy**

- 12 subject areas in Core
- Multiple programs to choose from
- Ability to enroll in more than one program
- Summer/Winter camps
- Educational Zigzagging
- Differential learning styles (auditory, visual, hands on)

Be sure to ask: “What are the three main objectives you would like to see reached in the potential of your child?”

- **Genie Genius**

- 12 subject areas in Core
- 2 year program (Core)
- 8:1 ratio
- Videotaping opportunities
- Progress reports
- Parent/teacher conferences
- Application and transfer of knowledge
- Speaking and communication skills
- Goal setting
- Student/Parent Website

Be sure to ask: “What about your child makes you smile?”

- **Cathy Curious**

- Listen carefully to questions
 - Give detailed answers
 - Ask a lot of questions
 - Listen closely to their answers to determine which parent type she will become
 - Use your E.A.R.S.
 - Focus on the “why” before the “how” of FasTrackKids
- Be sure to ask: “What are your child’s strengths? Where would you like to see your child improve?”

PROGRAM SELLING POINTS

• FasTrackKids

- Specifically designed for children age three to eight
- Encourages creativity and brain development by utilizing a child’s most productive period of intellectual growth
- Fun as well as educational
- Hands on learning
- Provides accelerated, early education
- Educational zigzagging
- Multi-faceted learning
- Appeals to young minds and short attention spans
- Modular curriculum
- Innovative approach and use of technology
- Focus on creativity, communication and critical thinking
- Promotes leadership skills
- Small class ratio promoting individual attention
- FasTrack Learning Station
- Videotaped presentations given by FasTrackKids
- Wide variety of subjects
- Interaction with other children, group oriented projects
- Horizontal approach

• FasTrack Tots

- Fundamentals of FasTrackKids program in a developmentally appropriate environment
- Provides good foundation for FasTrackKids program
- Develops concentration, communication, self-esteem and social skills
- Helps children learn to become independent
- Provides children with a fun, safe and supportive environment
- Highly interactive
- One hour instead of two
- Flexible; will stay in as long as they need
- Starts to develop self esteem at an earlier age
- Introduces technology at an earlier age
- Allows for leadership skills and teamwork skills to begin developing
- Transition into school with a love of learning
- Encourages the inherent inquisitive nature of children

- **FasTrack Music (Ages 2-4)**

- Award winning program
- Combines planned curriculum with group activities to foster self-esteem and develop social skills
- Singing, dancing and storytelling elements involved
- Introduction to a wide variety of multi-cultural music
- Learn about rhythm, beats and melodies
- Introduced to a variety of instruments
- Parents take home kits with materials to reinforce the FasTrack Music experience at home
- Stimulates learning, advances memory and brain development
- Develops language skills, expressiveness, confidence, coordination, self-control and listening skills
- Serves as an outlet for innate creativity
- Enhances fine motor skills through instrument exploration

- **FasTrack Music (Ages 4-6)**

Provides all of the FasTrack Music selling points in addition to:

- Curriculum centers more on a full musical education; an introduction to notation, new instruments and music vocabulary
- Keyboard component
- Introduces children to low and high notes, white and black keys and more complex music concepts such as largo/presto and legato/staccato
- Parent kits to encourage continued learning at home including home CD
- Emphasizes a different area of a child's development including confidence, coordination, vocal expression, careful listening and early exposure to reading skills
- Introduction to different composers

- **FasTrack Signing**

- Having the ability to sign in combination with spoken words greatly reduces the frustration that comes from misunderstanding the child's spoken attempts
- Discovered that signing with young children has a dynamic impact on language development
- Fun for both parents and children
- Signing children begin communicating at a much earlier age
- Uses gross motor skills; no need to wait for fine motor skills
- Signing increases the self-esteem and confidence of children
- Significant increase in the intimacy and attachment between signing parents and children
- Signing develops meaningful connections and fosters longer interactions
- Signing children show enhanced vocabulary, spelling and reading skills that will last a lifetime
- Learn how to produce many signs and have plenty of starter signs to use at home
- The signing movement causes a reaction. The response from the parent let the child know there is a meaning attached to the movement

- FasTrack Signing was developed by two doctors of developmental psychology that are both certified American Sign Language signers
 - Their research spans a five year period with the focus on effectiveness of this program on hearing infants and toddlers
 - Studies assessing the IQ of four year olds through second grade showed a 12 point advantage over non-signing students
 - FasTrack Signing employs the use of tools for adapting signs and attracting the child's attention to signs
 - Enrichment Centers are hands on learning opportunities to introduce signs and play with your child
 - Signs and rhymes encourage the use of signs and encourage children to participate in Play Classes
- **FasTrack Explorers**
Provides all of the FasTrack Music and Tots selling points in addition to:
 - Multi-day program providing socialization opportunities
 - Math and Phonics portions
 - Daily creativity and art projects
 - Monthly student observation evaluations
 - Broader exposure to multiple subject areas
- **FasTrack Discoverers**
Provides all of the FasTrack Music and Core selling points in addition to:
 - Multi-day program providing socialization opportunities for older children
 - Communication and language skills activities
 - Literacy, phonics, math and music lessons
 - Much like Explorers, there are Academic Stations, Music, and Creative time sections that provide different learning styles for the themes of the day.
- **FasTrack Camps**
 - Offered during times when kids are out of school (vacations, summer, etc.)
 - Winter camps are designed to last one week, summer camps are designed with 4 different themes.
 - There are week and day camp options (depending on your Enrichment Center's schedule)
 - Week camp programs include: "Young Scientists, Old Bones", "Ready, Set, Travel", "Destination Constellation", and "Anatomy of Me".
 - Day camp programs include: "Discovering Snowflakes", "Our Wonderful Earth", "Your Creative Imagination", and "High Up In The Sky".

INQUIRIES

An inquiry is anyone who makes contact with your Enrichment Center either through a telephone call, e-mail or by visiting your Enrichment Center to find out about the services offered. This inquiry provides you with your first opportunity to talk with a prospective client and your only chance to make a good first impression. The goals of an inquiry are simply to establish credibility, determine initial needs and potentially register a student for a free trial class. Be sure to take detailed notes and record all personal information on the inquiry sheet provided on our website. If the parent doesn't agree to register their student, try sending an information packet or offer to discuss further options with them. Remember to record any follow-up activities on the inquiry sheet.

With the constant increases in technology, a large number of inquiries will be done over the Internet. An important thing to remember when responding to e-mail inquiries is how customers' think of this mode more like instant messaging and are expecting an immediate response, so responding promptly is crucial. Be sure to check your e-mail inbox several times a day and respond to inquiries within one business day. In your response, answer simple questions, but encourage the inquirer to speak with you to receive a more detailed response. Request a convenient time to call and discuss their child's specific needs. Be patient and flexible with the inquirer as it may take several attempts to get them on the phone. FasTrackKids International has provided some sample scripts in what verbiage may be utilized during a Phone Inquiry, Walk-In, and Email. You can access these scripts on our website. Please feel free to adapt them as you see fit to accommodate your cliental and region.

START SCHEDULING PARENT PRESENTATIONS

Schedule at least five presentations at area preschools and daycare centers. This will increase knowledge of your business within your local market. Details on how to present FasTrackKids are found in **Phase II**, under **Group Parent Presentations**.

PHASE II – SOFT OPENING

45 - 30 DAYS PRIOR TO OPENING

GROUP PARENT PRESENTATIONS

Inviting parents to a group parent presentation in your FasTrackKids Enrichment Center or conducting them out of your Enrichment Center 45 days prior to opening will help answer any questions and settle any uncertainties parents have about enrolling their children. Before opening your Enrichment Center, consider conducting presentations to local mothers' groups, area daycares and pre-schools within your community radius. You should also host interested parents in your Enrichment Center if your build out is complete before officially opening your Enrichment Center. Research has shown an audience will determine whether or not you've made a favorable impression in seven seconds. While making a good first impression won't guarantee you a sale, making a bad impression will almost certainly guarantee no sale. The importance of thoroughly planning and rehearsing your presentation is critical. When parents arrive with their children, take them both into the classroom where a teacher or assistant can introduce the children to the Learning Station. You should then take the parents to your presentation meeting spot. Connecting with parents is the most important thing you can do in your presentation. We recommend giving each parent a nametag with their name on the top and their child's name written below. This will enable you to speak directly to each parent, using their name and mentioning their child by name. Also, give your presentation a sense of urgency and a reason for parents to act now (i.e. gift certificate). FasTrackKids headquarters can provide you with a parent presentation PowerPoint that reviews the concepts of FasTrackKids. Video clips

are embedded and you may also alter the content to specifically meet the requirement of your Enrichment Center (i.e. fees and class schedule).

The Relationship and Discovery Phase

Ask each parent to take a minute and state the name and age of their child and to tell the rest of the group why they decided to attend this session. Thank the parents for investing their time to visit your Enrichment Center and set the expectations for the time of the meeting.

The Presentation Phase

You'll then walk through the parent presentation slides and the pre-talk. Explain to parents the purpose of the presentation is for them to make a decision at the conclusion of the parent presentation. The decision is whether or not to enroll their child in a one-week, no obligation free trial. At the end of the one-week trial, the parents will know whether their child has enjoyed the program and more importantly, we'll have had the chance to assess whether the child is suitable for our program. Then tell participants you're going to show them a short video, which you'll pause from time to time, which will explain the FasTrackKids process.

The Close Phase

After the final segment, review the logistics (time and places of classes) and give them a specific date for "new" students to enroll, this will help overcome procrastination. Escort the parents to the viewing area, pointing out things such as zigzagging and the learning station. Solicit the children to come back to their parents and ask if they had fun. Build excitement into the atmosphere so children will encourage their parents to sign them up. Before the parent leaves, be sure to answer any questions and concerns and gain feedback on your presentation. If possible, agree to a class schedule and get paperwork signed.

The Follow Up Phase

If the group is too large, arrange to contact them within 48 hours to begin the enrollment process. Send them home with financial documents, class schedules, policy requirements, student information, and other forms you wish to have completed before the child enrolls. It also gives a parent the opportunity to show their spouse documentation before making the decision to enroll. Be sure to collect their contact information so you can follow up with them shortly.

1:1 PARENT PRESENTATION/FREE TRIAL CLASS

1:1 Relationship Phase

The main goal of the trial class is building a relationship with the parent and the student. When they first arrive for the class, greet the student and the parent to help put them at ease. Make sure all the staff is in FasTrackKids uniforms and that your Enrichment Center looks like a clean,

friendly and safe environment. Introduce the teachers and staff and give the parent and student a tour of the Enrichment Center. Give the student a FasTrackKids shirt so they can participate with the other children and after the child is settled, invite the parent to your office to begin the discovery phase. This will help in determining what type of parent you have.

1:1 Discovery Phase

During the discovery phase, have the parent fill out a questionnaire and information sheets. Be sure you understand the parent's objectives and determine what they know about the FasTrackKids program and early childhood education. Be sure to ask open ended and probing questions to figure out as much information as you can. Also, be sure to ask about other activities the child is involved in that may conflict with classes. Their answers should help you determine what type of parent they are.

1:1 Presentation Phase

Once you have determined the parent type, headline the selling points of the program the child is suited for. Once you have shared the selling points, go into more detail regarding the benefits of the selected program. Make sure to discuss the benefits first as this explains "why" we do what we do. If you have time and the resources, share the 8 minute parent presentation with the parents. You may also choose to open the FasTrackKids brochure and highlight the pie graph to explain the breakdown of a typical two-hour FasTrackKids session. You'll also be able to discuss the timeline and subject content as well. Have an enrollment packet ready with brochures, class schedules, pricing information, policy sheets and your business card. As parents have questions, reassure them by answering with a positive spin to each concern. This should feel more like a conversation than a formal presentation. It's your opportunity to connect with the family. Escort the parents to the viewing area, pointing out things such as Educational Zigzagging and the Learning Station. Give parents time to view the class independently and return a few minutes later to answer any questions. Offer them a beverage and let them know you will be checking on them periodically.

1:1 Close Phase

At the end of the class session, invite the student and parent back to your office. Speak with the child regarding what they thought. Build excitement with the child so they encourage the parent to enroll them. You may want to offer the parent an incentive for signing today before they leave. If the parent hesitates, remember to use your E.A.R.S. in figuring out what is keeping the parent from completing the process of enrolling. Once you gain their agreement, have them complete all the necessary paperwork and take either a deposit or registration fee from them. Studies show that when parents exchange money the day they commit to a program, they typically remain in the program longer than other families. Send them home with a copy of all signed paperwork.

1:1 Follow Up Phase

Place a confirmation call the day before the child's session starts. State that you look forward to seeing them tomorrow. After the child's first class, attempt to greet the parent in the lobby and inquire how the child enjoyed their first official day. We also recommend you periodically check in with the parent throughout the first two months of sessions. We suggest a variety of methods: phone calls, at the Enrichment Center, emails, etc...Studies show that parents that are

dissatisfied with the program and/or customer service typically leave within the first 2-4 months of instruction.

PARENT OBJECTIONS, CONCERNS & FAQ'S

Family Comment: “FasTrackKids is too expensive” or “We can't afford to enroll our child in FasTrackKids at this time”.

Director Response: (Use E.A.R.S)

Empathize: “I want you to feel comfortable with what I am recommending.”

Ask questions to clarify:

- “You say that it is too expensive. Can you tell me more about what concerns you with the cost?”
- “Is it the monthly cost or overall cost that you feel is too expensive?”
- “How much would your family be able to invest per month to get (child's name) the help that he needs?”
- Have you thought of a budget in regards to (child's name) educational future?

Reframe: “So it sounds like you're ok with (use priority need – example: getting John the help that he needs so he's starting pre-school on the right track) and you want to make sure that this is something that your family can afford. Is that right?”

Solve:

- “We have several payment options available to you. Let me assure you that the Director will work closely with you to find the option that will be best for you family's needs.”
- “You will be happy to know that our most popular payment option is extremely affordable.” (use payment chart to explain options)
- “Most parents have found that the long-term benefit has far outweighed their initial investment.”
- “By investing in your child's future now, you will be helping him start his educational future on the right foot. We personalize your child's program, specific to his needs which will minimize the length of time and money that you have to spend in the long run.”

Close: “Let's go ahead and get him scheduled. I have an opening _____ or _____. Which would work better?”

Family Comment: “My child is too busy at this time.”

Director Response: (Use E.A.R.S.)

Empathize: “I understand. This can be a very busy time of year for many families.”

Ask questions to clarify:

- “Tell me more about what concerns you?”

- “Is your concern with scheduling on a certain day of the week or the time of the day?”
- “Is it your schedule or the child’s schedule that is packed with activities?”
- “Where do you find the best availability in your schedule?”
- “Are there activities that you capable of rearranging in order to make time for his/her education here at FasTrackKids?”

Reframe: “So it sounds like you’re ok with (use priority need – example: helping Jane get the educational advantage to make her a more well-rounded individual) and you want to make sure that this is something that will fit into your family’s schedule. Is that right?”

Solve:

- “We have very flexible schedules for instruction, starting as early as (show parent the class schedule and refer to different times and days you have openings). We also have classes on Saturdays/Sundays to fit your scheduling needs.”
- “By attending now, we can start filling in the life skills and working on the areas you are most concerned about (use priority need – example: attention deficit issues).
- “We want to see (child’s name) develop their potential in every area to make them a well-rounded child that can succeed at anything they attempt. By providing a strong educational foundation, we know this will carry over into so many other aspects of their life. Let’s give her the advantage now, so she can continue to climb to her goals in the future.”

Close: “I have an opening tomorrow at _____ or _____. Which one of those times works better for you?”

Family Comment: “I need to talk to my spouse.”

Director Response: (Use E.A.R.S.)

Empathize: “I want you and your spouse to feel comfortable with what I am recommending.”

Ask questions to clarify:

- “Have you talked to (husband/wife) about FasTrackKids? (If yes), How does he/she feel about it?”
- “How do you feel about what we have discussed so far?”
- “Is there anything that you can foresee that (husband/wife) might have concerns with?”

Reframe: “So it sounds like you’re ok with (use priority need) and you just want to talk to your husband/wife before you commit to the program. Is this right?”

Solve: “It sounds like you and your spouse are ready for a change and a challenge that will last with (child’s name). Here’s what I recommend: Let’s get (child) in for a (free trial class if telephone inquiry or one prepaid module if in enrollment conference) right away. Remember, viewing instruction and your child’s attitude will be a critical step for you and your spouse to find out if this really is a great fit for (child’s) needs.

Close: “I have an opening Tuesday at 4 p.m. or Saturday at 10 a.m., which would you prefer?”

Family Comment: “I want to think about it.”

Director Response: (Use E.A.R.S.)

Empathy: “I understand. This is a very important decision to make.”

Ask questions to clarify:

- “Can you tell me more about what you are uncertain about?”
- “Is it the program or the financial details that you need to think about?”
- “What specifically are you looking for in a program for your child?”
- “What will help you make your decision? Have I left anything unanswered for you?”

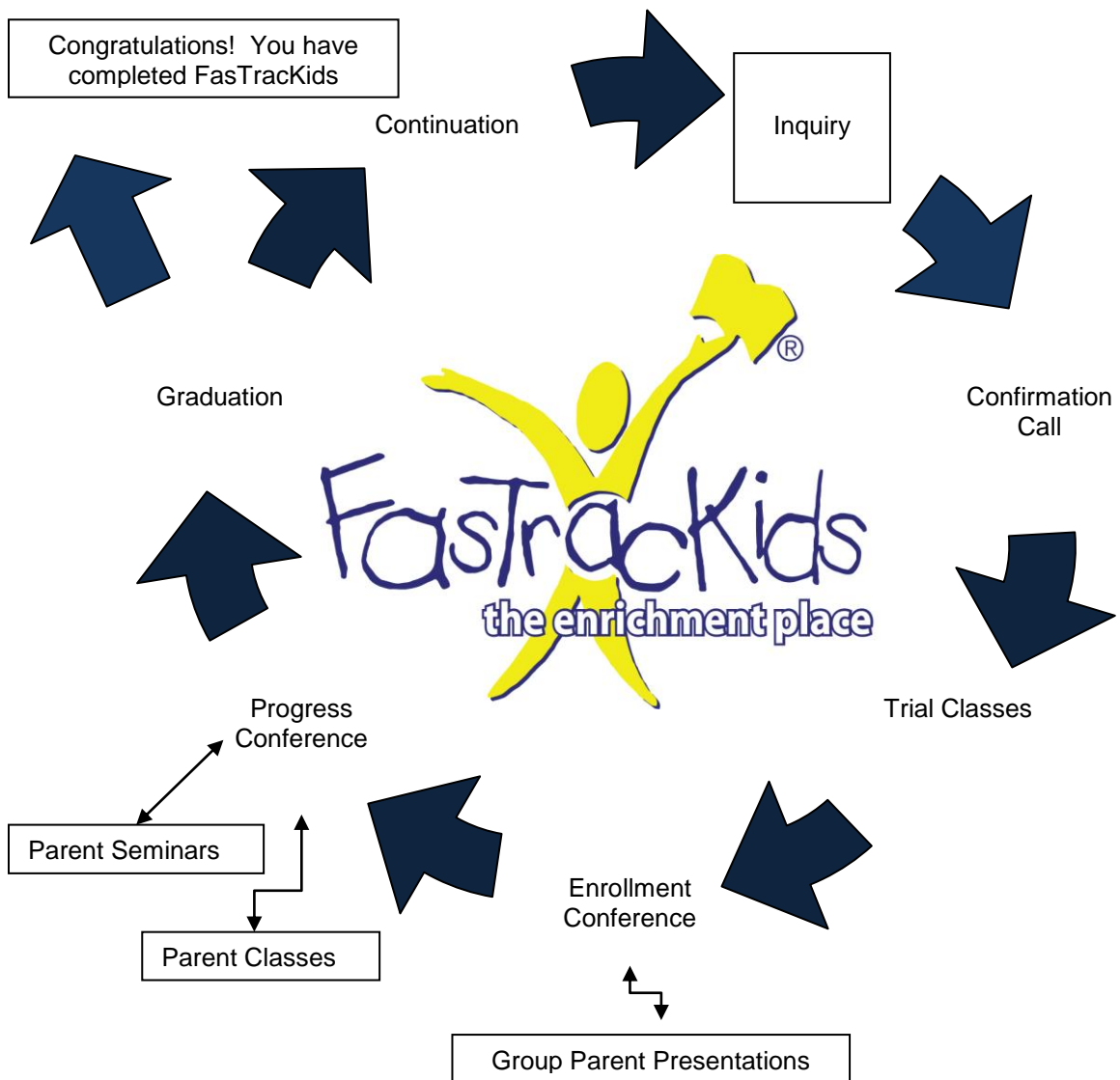
Reframe: “So, it sounds like you’re ok with (use priority need) and you want to make sure that this is the right program for Jane and the family. Is that correct?”

Solve:

- “The FasTrackKids program is a proven process and is personalized to cater to (child’s name) style and personality. We will focus on filling in the exact life skill gaps they need to a successful and confident student.”
- “We are confident in our programs and believe passionately in capturing the window of opportunity with children now. We believe in a proactive approach to empowering (child’s name) to further her educational development before it becomes a problem.”
- “Keep in mind that scheduling a free trial class does not obligate you to enroll in the program. You will receive the answers to your questions that you are unsure of.”
- “I know you are concerned about (parent’s concern). I have seen situations not improve with time and I don’t want to see that happen with (child’s name).”

Close: “I can get you in as soon as tomorrow at _____ or _____. Which of those times would work better?”

CUSTOMER LIFE CYCLE



Chapter 14 – Customer Service

SERVICE & COURTESY TO CLIENTS

Your customers deserve the same level of quality, efficiency, value and professionalism you would expect. The table below outlines customer service recommendations on catering to their needs:

C.A.T.E.R- The definition of *cater* means to provide or supply what is desired, especially to support; provide comfort and pleasure; to serve others.

C ommunication	We will communicate with our customers often. We want them to know how much we appreciate their commitment. By giving specific attention to individual needs, it reflects the attitude, “We care about your family”. By conducting progress conferences, parent classes, and any additional communication methods to remain connected to the family, we are showing the value of our services which sets us apart from our competitors.
A nticipation	We will be proactive in anticipating a customer’s wants and needs. We will also anticipate how the customer will respond. We want to handle your needs <u>before</u> they become an issue or a concern.
T rustworthy	We want to be seen as credible, reliable, and trustworthy of your business. This means creating authentic relationships with the family members. It’s not about what you can do for me, but what I can do for you! The important thing is to provide and proactively create positive relationships so I am perceived as a trusted and honest resource to the community.
E xcellence	We will guarantee our service meets or exceeds customer expectations. We’ll be courteous, respectful, responsible and professional at all times and take responsibility for providing answers to customer requests to the best of our ability. We will provide customers with choices and satisfaction surveys to assess their needs and contentment.
R esponsiveness	We’ll respond promptly to all customer requests, compliments, and complaints in accord with our resources and capabilities. We’ll acknowledge receipt of an e-mail, fax or telephone call within 24-hours. We’ll cover the telephones at all customer-contact points during normal business hours, from 8:00 a.m. to 5:00 p.m., Monday through Friday. We’ll investigate and act to resolve customer complaints within two working days.

FASTRACKIDS CUSTOMER SERVICE

FasTrackKids customer service begins with three important staff members. Listed are some questions to ask yourself about your staff:

1. The person who answers your telephone

- Does he or she have a pleasant voice?
- Does their voice reflect a smile when answering the phone?
- Does he or she sound helpful?
- Are they helpful?
- Can they supply answers to question, even ones not related to your business such as directions, recommendations of a good tutor for their 12 year old child, etc?

2. The person who meets with your parents

- Are they approachable, outgoing, and easy to converse with?
- Do they have a high degree of professionalism in their appearance, poise, and communication skills?
- Are they authentic in building relationships with parents?
- Are they organized and can handle multiple things at once without being stressed in front of customers?
- So they know the FasTrackKids product inside and out?
- Do they have strong sales capabilities?
- Are they centered on what they can do for the parent, not what can the parent do for us?

3. The person who is teaching their children

- Are they empathetic, caring, positive, and happy?
- Can they keep control of the children, yet maintain a fun learning environment?
- Do they build an amazing rapport with all of the children?
- How are their communication skills?
- What does their body language convey?
- How is their professionalism in regards to dress, poise, and speech?

CUSTOMER SERVICE & RETAINING ENROLLMENT

Based on people's direct experience with your Enrichment Center or based on the experience they have heard from others, good customer service not only makes parents and kids happy, it also encourages them to recommend your business to their friends, ultimately building profitable long-term relationships and creating a positive "buzz" about your Enrichment Center. The key is to create trust. FasTrackKids provides a fun and exciting, innovative, educational experience. When your Enrichment Center reinforces this with exceptional customer service, you'll establish this trust. This can create a snowball effect that will keep parents and kids coming back and drive new business to maximize enrollment potential. Your ultimate goal is to sell your program in a way that not only satisfies parents based on their child's progress, but also makes them happy so

they will share their results with others and continue to enroll in the program. The key is in serving your customers. Know your children and parents by name. Communicate with them regularly; know what they want and need and give them what they want and more! If the customer doesn't feel like they are getting the highest quality of service they may withdraw from the program. The following are some of the reasons why parents may discontinue their child attending classes:

- Parents move or transfer to another city.
- Parents go on long vacations or holiday breaks
- Children don't want to come and give parents a hard time
- Separation anxiety
- Can't keep up on payment
- Parents get lazy about taking child on regular basis
- Parents expect results right away and get impatient
- Parents forget why they are coming to FasTrackKids
- Bad teaching or service

The following may prove to be beneficial in retaining your students and successfully recruiting new enrollments:

- **Hire the right staff.** Your staff has a tremendous impact on your business. Make sure they have strong interpersonal skills, a good attitude and will treat both the parents and children with respect. Make sure your staff is well-trained before you open and consider an incentive program for your employees to reward excellent customer service. Train and retrain staff on the importance of exceptional customer service and the specific techniques to make each customer's experience a positive one. All staff members should be trained on how to properly answer the phone, how to greet parents and students, and how to incorporate the FasTrackKids Brand Descriptors into their verbiage. Refer to [Chapter 7](#) of this manual for additional staffing details.
- **Stay in touch with your customers.** Ask each parent what brought them to FasTrackKids and use your customers as a compass to help you determine the direction of your marketing programs. Be sure to make personal observations about what is and isn't happening, what you wish was happening and what you can do to make a difference. Talk with your best customers to get their feedback.
- **Communicate.** Once a parent has enrolled their child in your Enrichment Center, immediately send them a welcome letter. Then, maintain a solid and consistent relationship with your customers and keep in touch with them both personally and through regularly scheduled customer newsletters or e-mail programs. These tools inform them of any special promotions, offers or new program at your Enrichment Center.
- **Customer comment cards.** Whenever you have questions or concerns, or want to boost performance, the first thing you need to do is talk with your customers. We recommend that you schedule customer care calls in between parent conferences. Also, you could use a simple customer comment card as a way to measure the effectiveness of programs and to determine what is and isn't working. You might want to email to parents or place them in your lobby.

- **Testimonials** from satisfied parents can be a very powerful sales tool. Ask your best customers for their endorsements. Then, put together a series of testimonials and use them in your sales. Consider videotaping the parents and uploading videos to your website.
- **Handling** problems when things do go wrong in a professional manner is crucial. If possible, don't wait for the parent to call you; call them instead to explain the situation. Be serious about how you handle your parent/child concerns or complaints. Listen to what they have to say and then be sure to take measures to correct the problem.
- **Parent classes.** Hold classes for your parents before each module of FasTrackKids. It becomes a way for the parents to know each other and also understand better what their children will be going through in the next eight weeks.
- **Parents seminars.** Hold a quarterly seminar for your parents on a topic that is of interest such as children's literature, nutrition, fashions, etc. Invite a speaker from your community who has expertise and would also like the exposure for their business or interests.
- **Parents' Night Out.** Offer to watch your FasTrackKids on a Friday night-make it a movie night and pizza. Parents can enjoy a night out for a couple of hours alone.

HANDLING TYPICAL COMPLAINTS & PROBLEMS

Customer Complaints

All complaints should be handled with professionalism and control. Clear communication and updating clients on changes will go a long way towards avoiding complaints. If a complaint is made, quickly address the issue.

Suggestions when dealing with an upset customer:

- First, be empathetic. Try to fully understand the customer's complaint and see it from their perspective. If a mistake has been made, apologize immediately. If the complaint comes from a miscommunication by both parties, explain the situation and apologize for your part.
- Determine what their specific concern is by asking questions. The more information you know, the better you can meet their needs to rectify the situation.
- As good customer service, you should present solutions that will appease them while still retaining the integrity of your business goals. If they are not satisfied with your recommendations, then solicit suggestions if needed. Try to compromise so both parties feel content with the agreement.
- Implement the agreement immediately to reinforce their satisfaction. Remember, action is stronger than words. They are looking to see if you follow through with your word and are trustworthy. Make sure to thank them for this opportunity. You need to walk away with an understanding that you and your Enrichment Center can grow from this learning opportunity to improve your customer service.

Experience has shown us that when a FasTrackKids customer becomes dissatisfied in some way, one of several things may happen:

- They will call your Enrichment Center to complain
- They will call FasTrackKids International Headquarters to complain
- They complain to family and friends, but do not report the complaint

Complaints can be viewed in two ways, either as a gift or as an annoyance. Research suggests that we should look at these complaints as gifts, a place to look at the root causes of customer departures. When a customer confronts you with their frustration and displeasure, they are crying out to tell you what is wrong with your customer service, so why not let them? They are giving you a gift that will enable you to increase your customer service for other customers and they are giving you a chance to fix their experience. More importantly, you can take measures to look at your operations and service to prevent similar issues in the future.

Consider the following accepted basic principles about customer service:

- Customer service is the key issue in business survival. If we go out of our way to care for our families, word of mouth will take care of us.
- It is everyone's responsibility to keep the customer happy. We must train our staff to represent our attitude about serving our customers.
- Dissatisfied customers tell 8 out of 10 people about their displeasure and then 1 in 5 of those people will tell 20 people not to use your service and they weren't even a customer!
- Bad news travels fast and good news rarely compensates because of it.
- It costs 6 times as much to attract a new customer then to keep an existing customer.
- Sixty percent of customers say that a company does not pay enough attention to them and does not value them.
- Studies show that 7 out of 10 complaining customers will do business with you again if you resolve the complaint quickly and in their favor.

Common Types of Customer Complaints, Suggested Resolutions, and How to Prevent in the Future:

Type of Complaint -The program didn't meet my expectations:

1. Not seeing improvement
2. Not retaining information
3. Not what I signed up for

Suggested Resolution - Look back at the parent information paperwork and your notes during the enrollment. Have their original goals been met? Review parent conference paperwork and notes. Were there concerns mentioned during the parent conferences that we've addressed or were not followed through with?

What to Say – “Mrs. Smith, I'm so sorry that you feel FasTrackKids did not meet your expectations. Let's schedule a time to meet and talk about your concerns...”

How to prevent in the future - Clearly define expectations from inquiry to enrollment conference to ongoing parent conferences. Always put goals in writing. Have parent's signature as well as director meeting with the parent. Make sure goals are communicated to the teachers. Continually verify parental needs and goals.

Type of Complaint - Confrontation with Director:

1. Treated rudely by staff
2. Felt coerced into staying

Suggested Resolution – Isolate the parent from public areas. Take written notes. Listen actively and attentively. Give them your undivided attention.

What to Say – “Mrs. Smith, let's sit down in my office so I can hear your concerns. If it's alright, I'd like to take notes to be sure I understand completely and can assist in rectifying the situation.”

How to prevent in the future – Control your emotions. Stay cool, calm, and collected at all times. Make sure that Directors and staff have role-played various situations and have effective tools and communication skills. Coach and retrain.

Type of Complaint – Upset regarding make up policy:

1. Unable to reschedule class
2. Didn't know they would be charged

Suggested Resolution – Empathize with the parent and apologize for the misunderstanding. Offer to make a one-time only exception. Have parent sign a second copy of the Policies and/or Agreement used during the enrollment conference.

What to Say – “I know how much information we cover during the enrollment conference and I'm sorry for the misunderstanding. I'd be happy to make a one-time only exception. Please sign this copy so we're all clear on the policy from now on.”

How to prevent in the future – Provide written policy statement when parents sign up. Make sure all items are initialized next to each paragraph rather than one place for parents to sign at the bottom. Director should have a place to sign at the bottom of the document as well stating the items were not only read by the parent, but verbally discussed. Positively and periodically remind parents of the policies.

Type of Complaint – Asked to pay a different price than originally quoted or had been paying

Suggested Resolution – Apologize for the misunderstanding. Honor a one-time only exception. Provide parent with a written confirmation of prices.

What to Say – See above box.

How to prevent in the future – Provide payment options in writing. Explain clearly during the inquiry and enrollment conference. Always document in writing.

Type of complaint – Doubts regarding staff's teaching ability

Suggested Resolution – Apologize that the match is not working. Determine if there was a specific incident that caused the parent's concern that may have been caused by a misunderstanding. If the complaint is more widespread, agree to change immediately and follow up.

What to Say – “Our staff is highly qualified and thoroughly trained. However, sometimes matches don't work out. I will change Ana's assigned teacher immediately. Does that

sound like it will work for you?”

How to prevent in the future – Observe your staff frequently to ensure consistent quality. Hire excellent teachers who want to make a difference, can relate to young children, and train them thoroughly and continually. Have teacher meetings before each module and discuss at risk, attention challenged, or problematic children. Teachers may be able to offer one another suggestions on how to handle certain behaviors or offer to rotate extremely difficult children for awhile.

Type of Complaint – Receiving bills after stopping classes

Suggested Resolution – Confirm number of attended, make up, and missed classes; total tuition paid; and exit date.

What to Say – “I’m sorry for our error. I will resolve it immediately. Thank you for taking the time to bring it to our attention. “

How to prevent in the future – Use an effective software system to track. Communicate about students leaving the program at staff meetings.

ENRICHMENT CENTER APPEARANCE AND ENVIRONMENT

From the moment families enter the Enrichment Center and throughout each stage of the Customer Life Cycle, the environment and appearance of the Enrichment Center must be consistent with the FasTrackKids message. In particular, our customers continually tell us that atmosphere and appearance of the Enrichment Center that they experience at their *first* visit with us, as well as how they are treated at this first visit, are major factors in the decision to enroll. Therefore, it is highly important to prepare and maintain the Enrichment Center atmosphere before any customer interactions. Likewise, the staff members must be prepared to interact with families in a manner consistent with the way the FasTrackKids brand is portrayed.

The interior of your Enrichment Center must project a bright, clean, colorful, professional image. The image should reflect fun, warmth, confidence, caring, and expert personality of what you and your staff represent. In addition to the physical and aesthetic characteristics of the Enrichment Center atmosphere, another key component is the Enrichment Center’s days and hours of operation and instruction. Families want to be able to come to the Enrichment Center when it is convenient for them, so it is important to offer days/times of operation and instruction that meet family’s needs.

Suggestions to consider regarding the Enrichment Center appearance and environment:

- The entrance to your Enrichment Center and all common areas outside the Enrichment Center must be clean, well-lit, and well-maintained.
- The interior of your Enrichment Center must be clean and professional. The walls and flooring must be clean and in good condition.
- The reception area must be neat, clean, and professional. The paint, walls, and doors must be free of dirt, dust, and scuff marks.
- All windows should be clean and free of any smudges or fingerprints.
- We recommend high quality furniture and flooring to withstand the traffic and day-to-day use of a busy Enrichment Center. Furniture must be in good condition-clean, sturdy, and comfortable.
- Either one way viewing mirrors or closed circuit television is required as part of your Enrichment Center build out and to provide parents the opportunity to view instruction.
- No dead plants, dirty fish tanks, or very outdated magazines.
- Have educational toys and literature in the waiting room lobby to keep students occupied before attending class.
- Consider having water and/or refreshments to offer parents if they remain in the lobby for the entire instructional time. You may also want to offer this to parents whom are observing a trial class and considering enrolling in FasTrackKids.

EMPLOYEE APPEARANCE & HYGIENE

Dress, grooming and personal cleanliness standards contribute to the morale of all employees and affect the business image of FasTrackKids to customers and visitors. During business hours or when representing FasTrackKids, you're expected to present a clean, neat and tasteful appearance.

All employees should adhere to the following standards:

- Khaki pants and FasTrackKids shirt
- Hair should be clean, dry and neatly arranged
- Avoid excessive jewelry
- Body piercing/tattoos should be hidden
- Women's makeup should look natural and enhance appearance
- Always look your best and work with a smile!

VISITORS IN THE WORKPLACE

For the safety and security of the children, parents, employees and your Enrichment Center, only authorized visitors are allowed. Restricting unauthorized visitors helps maintain safety standards, protects against theft, ensures security of equipment, protects confidential information, safeguards employee welfare and avoids distractions.

All visitors should enter through the front door and authorized visitors should receive directions to their destination. You're responsible for the conduct and safety of visitors. Extra caution must be taken when visitors are near children and in equipment storage areas. It's a good idea to have parents list other authorized people to pick up their children. Always verify identification and check it against this list when someone other than the parent picks up a child.

Chapter 15 – Trademark Protection & Policies

BUSINESS NAME

You may not use the designation FasTrack, FasTrackKids, the abbreviation FTK or any variation of FasTrackKids as part of your business name. Also, you're not allowed to use any of these as part of a corporate name, electronic mail address, domain name or on any Internet site without prior written consent from FasTrackKids.

TRADEMARKS

Your Franchise Agreement grants you the nonexclusive right to use our Marks and various logos associated with your FasTrackKids Enrichment Center. The term "Marks" means trademarks, trade names, service marks and logos used to identify FasTrackKids. We have registered the following Marks with the United States Patent and Trademark Office:

- FasTrack / FasTrackKids
- FasTrack Learning Station
- Enrichment Education for Tomorrow's Leaders
- FasTrackKids and Design (Logo)
- Learning Cleverly Disguised as Fun
- Creative Potential Indicator
- FasTrack Signing and Design
- FasTrack Tots and Design
- FasTrack Tots
- FasTrack Signing
- The Enrichment Place

FasTrackKids claims common law service trademark rights for FasTrackKids Enrichment Center and Educational Zigzagging. You may not use these in marketing, promoting or operating your FasTrackKids Enrichment Center. These trademarks don't have any legal benefits and rights as federally registered trademarks since FasTrackKids doesn't have a principal registration for them. If our right to use these trademarks is challenged, you may have to change to an alternative trademark, which may increase your expenses.

We will protect you against claims of infringement or unfair competition involving trademarks when they're being used in compliance with your Franchise Agreement and if our counsel believes you warrant protection.

LOGO

The use of the FasTrackKids logo is permitted. Such use must include the words “Authorized Licensee” as per the following example:



PROPRIETARY MARK GUIDELINES

1. If FasTrackKids consents to your operation of another business with your FasTrackKids Enrichment Center, FasTrackKids' marks and logos may be used only to promote the FasTrackKids programs as a part of your business, not your business as a whole.
2. Franchisee may not use the words "FasTrack," "FasTrackKids," "International," or "FTK," or any other trademarks or service marks of FasTrackKids or any parties who have licensed programs to FasTrackKids, or variations or portions of those designations in the legal name of its corporation, partnership or other business entity, nor use any of these words or trademarks, or any portions or variations thereof, as part of an electronic mail address, on any sites on the Internet, or as a domain name, without the prior written consent of FasTrackKids.
3. The phrase FasTrackKids® is a registered mark of FasTrackKids International, Ltd. The register mark should be used the first time FasTrackKids appears in a document or an advertisement. In either the beginning or the end of the document or advertisement, the disclaimer "FasTrackKids® is a registered mark of FasTrackKids International, Ltd." must appear.
4. The phrase FasTrackKids® Signature Enrichment Program is to be used as the first mention of the 2-hour, 96 week curriculum. Future references may be shortened to FasTrackKids®.
5. If the FasTrackKids' logos are used (see below), they must appear in the same format and colors as provided to you on your FTK Artwork CD.





6. The phrase Fastrack[®] Signing is a registered mark of FasTrackKids International, Ltd. The register mark should be used the first time Fastrack Signing appears in a document or an advertisement.
7. If the Fastrack Signing logo is used (see below), it must appear in the same format and colors as provided to you on your FTK Artwork CD.



8. Fastrack[®] Music is a registered mark of FasTrackKids International, Ltd. The register mark should be used the first time Fastrack Music appears in a document or an advertisement. In addition, the first use of the phrase Fastrack Music in a document or an advertisement must be accompanied by the phrase “based upon the award-winning curriculum ABC Music and Me™.” In either the beginning or the end of the document or advertisement, the disclaimer “Fastrack[®] Music is a registered mark of FasTrackKids International, Ltd. and ABC Music and Me™ is a trademark of Kindermusik International, Inc.” must appear.
9. If the Fastrack Music logo is used (see below), it must appear in the same format and colors as provided to you on your FTK Artwork CD.



10. Fastrack[®] Tots is a registered mark of FasTrackKids International, Ltd. The register mark should be used the first time Fastrack Tots appears in a document or an advertisement. In either the beginning or the end of the document or advertisement, the disclaimer “Fastrack[®] Tots is a registered mark of FasTrackKids International, Ltd.” must appear.
11. If the Fastrack Tots logo is used (see below), it must appear in the same format and colors as provided to you on your FTK Artwork CD.



12. FasTrack® Explorers is a registered mark of FasTrackKids International, Ltd. The register mark should be used the first time FasTrack Explorers appears in a document or an advertisement. In either the beginning or the end of the document or advertisement, the disclaimer “FasTrack® Explorers is a registered mark of FasTrackKids International, Ltd.” must appear.
13. If the FasTrack Explorers logo is used (see below), it must appear in the same format and colors as provided to you on your FTK Artwork CD.



14. FasTrack® Discoverers is a registered mark of FasTrackKids International, Ltd. The register mark should be used the first time FasTrack Discoverers appears in a document or an advertisement. In either the beginning or the end of the document or advertisement, the disclaimer “FasTrack® Discoverers is a registered mark of FasTrackKids International, Ltd.” must appear.
15. If the FasTrack Discoverers logo is used (see below), it must appear in the same format and colors as provided to you on your FTK Artwork CD.



16. FasTrack® Camps is a registered mark of FasTrackKids International, Ltd. The register mark should be used the first time FasTrack Discoverers appears in a document or an advertisement. In either the beginning or the end of the document or advertisement, the disclaimer “FasTrack® Camps is a registered mark of FasTrackKids International, Ltd.” must appear.
17. If the FasTrack Camps logo is used (see below), it must appear in the same format and colors as provided to you on your FTK Artwork CD.



18. FasTrackKids, FasTrack Signing, FasTrack Music, FasTrack Tots, FasTrack Explorers, FasTrack Discoverers and FasTrack Camps should not be abbreviated.
19. The logos should not be distorted, stretched, or redrawn. The Logo colors should always remain consistent with what has been provided to you on your FTK Artwork CD. The logos should never appear over a pattern of any kind or placed within a shape.
20. In either the beginning or the end of any document or advertisement, the disclaimer “YOUR BUSINESS NAME is an authorized licensee of FasTrackKids International, Ltd.”

The phrase “FasTrack Learning Station®” is a registered mark of FasTrackKids International, Ltd. The register mark should be used the first time the phrase appears in a document or an advertisement. In either the beginning or the end of the document or advertisement, the disclaimer “FasTrack Learning Station® is a registered mark of FasTrackKids International, Ltd.” must appear.

PATENTS & COPYRIGHTS

FasTrackKids either owns or has been granted a license to use and sublicense the copyrighted materials. We’ve entered into an agreement with Kindermusik, the company that developed FasTrack Music, allowing us to sublicense this program to our Franchisees. Although this license can’t be terminated without breaching the agreement, if a violation occurs, you could lose the right to offer this program in your Enrichment Center.

If FasTrackKids ever chooses to add, modify or discontinue the use of any item or process, you must terminate use in your Enrichment Center. FasTrackKids has no obligation to reimburse for any costs incurred by this decision.

CONFIDENTIAL INFORMATION

The Operations Manual, FasTrackKids educational materials, marketing materials, student supplies and other related materials are confidential and only to be used according to your Franchise Agreement. The Operations Manual, educational materials, videos, DVD’S and other software related to FasTrackKids must be returned to FasTrackKids if a Franchise Agreement is terminated regardless of the reason. All reasonable steps should be taken to assure that the information contained within these materials remains confidential and only disclosed to appropriately qualified people.

ADDITIONAL RESTRICTIONS

As a Franchisee, you may not engage in any other business that is similar to FasTrackKids. You may not conduct or participate in any other educational programs conducted by DVD or other video transmitted method or operate/engage in any other type of business through your FasTrackKids Enrichment Center or within 100 yards of your location without prior written consent from FasTrackKids. Although, if consent is given and we later develop a similar program, you will be required to switch to our program and pay any fees associated with the transition.

In addition, you are not allowed to display any FasTrackKids materials via television, Internet or any similar method without prior written approval.

PUBLIC FIGURES

FasTrackKids doesn’t use public figures to promote our franchises. You’re allowed to use the names of a public figure or celebrity in your promotional efforts only if you acquire prior written consent from FasTrackKids.

WEBSITE

FasTrackKids will provide you with your own website landing page located on our website (www.fastrackkids.com). This page will have a default template that you can choose to keep or change at your discretion. This template includes a class calendar, programs offered, pictures and an information request field for parents to email you directly. You will also receive a username and password in order to login on the FasTrackKids Support Site. On the Support Site, you will find training videos with accompanying PDF documents to help you set up your class schedule, manage your website and change location information. You can find classroom support materials for the programs that you run and other documents you may need for your Enrichment Center or school on the support site. Also, you'll find a website locator form on our website that will show your center or school's location result based on your location information.

FasTrackKids reserves the right to change this policy and require Franchisees to discontinue their own websites in deference to the FasTrackKids website at any time **with ten days prior notice**.

Remember, a website is a form of advertising and must be approved by us before it's posted online. If you have a website and you have not received written approval from FasTrackKids to have it posted, contact us immediately so the website can be reviewed. Any changes/updates to your website will require additional written approval. Franchisee websites, once posted, are considered ongoing advertising and require continuous approval. We reserve the right to require modifications or may discontinue any website, even if previously approved. Please reference your Franchise Agreement for additional details.

Chapter 16 – Software Security Procedures

This chapter is designed to help you with the security system contained within your FasTrackKids program. This is an on-going process and you'll be prompted to update your security file on a regular basis as it will "time out" after a set amount of days assigned by FasTrackKids.

The chapter is divided into five sections:

- I. New Registration
- II. Registration Renewal
- III. Error messages and solutions
- IV. Registration Clearing
- V. QuickTime

Software Registration Information

Keep the following information handy as it will be needed when you register your FasTrackKids product. This is not a registration form. It is for reference purposes only.

Fill in the information below for your reference.

Membership ID number _____
Date of Purchase _____
Product ID number _____
Customer Name _____

Section I – Initial Registration

Each FasTrackKids Product comes with a built-in security system that prevents the product from being used until it is registered. This same security system also prevents the software from being registered on multiple machines. So if you plan on using your FasTrackKids product on more than one computer, you must contact FasTrackKids for authorization. Once the software has been registered, it will run normally for the duration of the authorization period. Two weeks prior to the end of the authorization period, you will be notified that it is time to renew your authorization. This procedure is covered in Section II.

To begin the software authorization process you must be using a PC which is connected to the internet. **Computer must have internet access for the registration process and subsequent renewals.* Insert one of your FasTrackKids disks into your computer and you will be prompted by the screen below.

1 - The first screen is screen '01' and it is the membership ID screen.



Please enter the 7-digit, numeric Membership ID number that was provided to you by FasTrackKids and select 'OK'.

2 – The next screen is screen '02' and it is the Product ID screen.



Please enter the 6-digit, numerical Product ID number that was provided to you by FasTrackKids and select 'OK'.

3 – If your computer is able to contact the server via the internet, you will see screen '05'.



4 – Once the connection to the internet has been made and your information is verified, you will see screen '15' which confirms verification and tells you how many days you have left until you have to renew your registration.



Your software registration is now complete and you may begin using your FasTrackKids software. For renewal procedures please proceed to Section II.

Section II – Registration Renewal

The FasTrackKids security system requires regular updates to continue using the FasTrackKids software. The duration between update periods may change, **but 14 days prior to expiration** you'll be notified that it is time to renew your registration. The renewal process is very simple and is explained in the following steps:

1 – Screen '10' will appear 14 days prior to your registration expiration date, telling you how many days you have left until the FasTrackKids software won't run. Each day thereafter, the number of days remaining will be displayed on the screen until your target expiration period is reached. At this point you may select the 'launch' button to continue using FasTrackKids software or you may press the 'Register Now' button to begin the renewal process. To begin the renewal process, please proceed to step 2.



If you continue to run the program and reach the expiration date, you'll see screen '11'. At this point you'll need to proceed to step 2.



2 – Prior to renewing your registration, please make sure your computer is connected to the internet and that an active connection has been established. By clicking ‘Register Now’ at screen ‘10’ or ‘11’, the registration process will begin automatically. If the registration has been processed, you’ll see screen ‘15’ confirming that your renewal was successful. If you receive any error messages or the software won’t launch, please proceed to section III.

Section III – Error Messages and Solutions

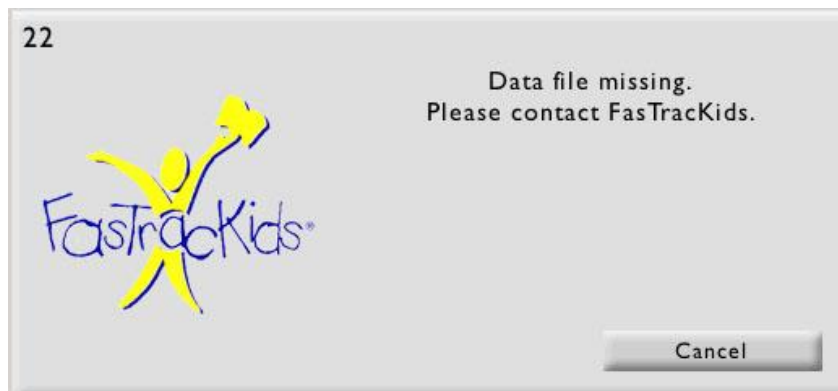
As with any software product, there are many possible errors that may prevent you from registering your product. Section III describes the various error messages that you may encounter and their possible solutions.

01 – Screen ‘20’



Screen ‘20’ is displayed if your computer has trouble connecting to the update server and it will also display the specific reason for the failure. Most of the errors will be caused by a bad internet connection so please make sure you are connected properly before registering/renewing.

02 – Screen ‘22’



Screen ‘22’ is displayed when the data file used for the security system is not found. Since all FasTrackKids disks come with this file, the only way this could happen is if the file was missed when copying the lesson onto the hard drive. If you are running the lesson off of the disk and encounter this error, please contact FasTrackKids.

03 – Screen ‘24’



Screen ‘24’ is displayed when the security program can’t access the information it needs from your computer. This is usually caused by the user having restricted access to the computer or no “administrative rights”. Please check your computer’s help file to make sure you have administrative rights.

04 – Screen ‘25’



Screen ‘25’ is displayed if the date on your computer does not match the date on the security server. Please check the date on your computer and adjust accordingly. If you continue to have problems, please contact FasTrackKids for assistance.

05 – Screen ‘30’



Screen '30' will appear if you are not connected to the internet or are having trouble with your connection. Please confirm that you have an active connection and try again. If you continue to have problems, please contact FasTrackKids.

06 – Screen '31'



Screen '31' will appear if your Membership ID or Product ID is not found on the database. This can be caused by either incorrectly entering the information provided to you by FasTrackKids, or the database not being updated properly. Contact your authorized FasTrackKids licensee to confirm your Membership and Product ID numbers and try again.

07 – Screen '32'



Screen '32' will appear if the Membership ID you entered has already been used to register a FasTrackKids' product. Please check your Membership ID number and try again or contact your authorized FasTrackKids licensee to have a Membership ID reissued if you continue to have problems.

08 – Screen ‘33’



Screen ‘33’ will appear if you are not authorized to renew your registration with FasTracKids or were never authorized to register in the first place. The reasons for renewal refusal are varied and if you feel that you have reached this screen in error, please contact your authorized FasTracKids licensee.

09 – Screen ‘34’



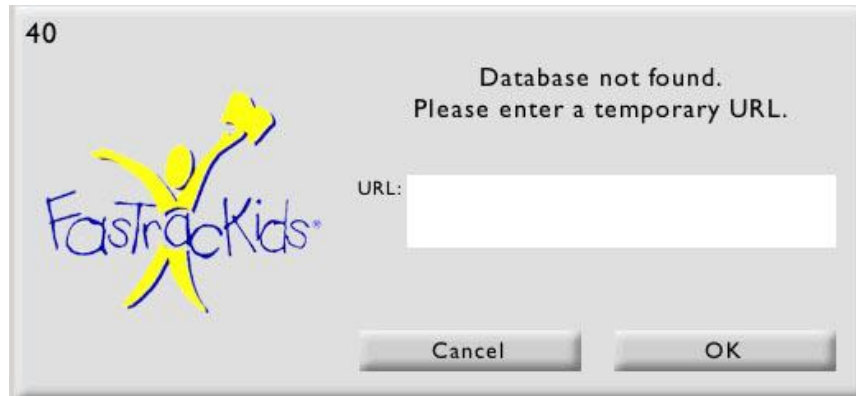
Screen ‘34’ will appear if there is an error with the database. If you encounter this screen, please contact FasTracKids immediately.

10 – Screen ‘35’



Screen ‘35’ will appear if there is a problem with the security file on your computer. The security file has a fixed format and if that format changes, then you will receive this error. It is possible at this point that you may need to proceed to step section IV.

11 – Screen ‘40’



Screen ‘40’ will be displayed if there is a problem with the database. If this screen appears there is a problem with the primary database. Please enter the following URL_____ and select ‘OK’. This URL will link the software to the mirrored database and registration will be completed. If you continue to have problems, please contact FasTrackKids.

Section IV– Registration Clearing

You may encounter situations where you want remove the FasTrackKids registration information from your computer. You may be having unrecoverable errors with your machine or you may be upgrading and want to remove any registration information from this computer. FasTrackKids has made this easy to do by creating a small program which will remove all FasTrackKids Security related files.

FasTrackKids will provide you with a disk (also available via download from the FasTrackKids web site) that contains a program called ‘reset.exe’. Simply double-click this executable program and all of the security information will be removed from your computer. If you plan to continue using FasTrackKids’ software, please notify the main office to make sure your registration is still valid prior to running the software.

Section V– QuickTime

In order for the lessons to run properly, you must have QuickTime installed on the computer. QuickTime is a plug-in that allows you to hear the audio on the lessons. If the lessons run very quickly without any sound, then the problem is most likely QuickTime.

QuickTime is a free download and you can find it here: www.quicktime.com/download. Once there, simply follow the on-screen instructions to download QuickTime.