

e-mail Correspondence

From: Steve Marsullo, (President, Canteen)
Sent: Monday, August 07, 2006 8:30 AM
To: John Devecka, (Fastcorp Sales Director)
Subject: Canteen Franchise Testimonial

Put 2 FCE [Z-400 Food Court Express Vendors] in an account that has 2 separate break rooms. Both had cold food machines, stale rates of 20% and sales of \$75-100 per week. He approached the account with IC [ice cream]; obviously they really wanted ice cream. He said he would pull the fresh food and replace it with the FCE. It was difficult, but once the sales person got past *not offering milk*, they put one in the main break room.

For morale/kick-off they sat in the lunchroom for a couple of hours the first day giving away free product and observing the machine. People went nuts! First week it sold \$300 with no throw-aways. Second & third week it did \$250 a week. Next we placed the second machine in the other break room with a blue-collar clientele of 500 people between the ages of 19-25 years old. It went from \$100 in sales, with 20% waste and low margin, to \$250 a week in sales, high margin with no waste. It allows them to compete with the lunch truck! The milk issue was resolved by placing a Nesquick in the bottle drop.

The 2nd account had a blue-collar clientele with 350 people, mostly Hispanic. Their cold food machine generated \$180 a week, with low profit margin and the same percentage of stales. After adding the FCE, the FCE did \$240 a week, cannibalizing \$80 in cold food sales (which was what he was hoping for). This was a big hit to the employees, generating lots of excitement!! In short, the account loves the machine: makes the boss look good for taking care of the employees, makes GVR look good for taking the initiative to bring them something new.

The 4th account had a blue-collar clientele with 400 people, in a business that specialized in custom stonework. It generated \$180 per week in sales. They added a FCE to the existing cold food machine and saw a drop in cold food sales. This was great since it did not take from snack sales, buffering him from the competition.

What finally drove him to take one was when a key account with \$40,000 in annual sales asked for Ice cream and they wouldn't give it to him. The location pulled the account and gave it to a USI Blue Sky operator. He thinks he will get it back with the FCE.

GVR services- Steve Marsullo-President 916-429-6048 Sacramento

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