

**EVERYTHING YOU NEED TO KNOW
ABOUT BECOMING A STRICKLAND
BROTHERS FRANCHISE OWNER**

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INTRODUCTION LETTER

Dear Prospective Strickland Brothers Franchise Owner,

On behalf of myself, my family, and our other Franchise Owners, thank you for taking an interest in bringing a **Strickland Brothers franchise** to your community. We're thrilled you're considering becoming a member of our franchise family. Whether you're a new entrepreneur or an experienced investor, we welcome and thank you for taking the time to learn more about this exciting opportunity.

Family owned and operated, Strickland Brothers is a one-stop-shop for a fast and friendly oil change plus maintenance services. Although we are well-known for our drive-thru 10-minute oil change, we also offer a variety of professional automotive maintenance and repair services.

Over the years, I worked for several quick lube companies and heard complaints from customers about slow service, high prices, dirty facilities, and unskilled employees. So I set out to right these wrongs and create a new standard of high-performing locations that don't sacrifice high-quality service.

Thank you for allowing us the opportunity to share the benefits of franchising with Strickland Brothers. Our team looks forward to answering any questions you have about your entrepreneurial journey. I wish you the best of luck and can't wait to meet you!

All the best,

Justin Strickland

FOUNDER, CEO & PRESIDENT





UNDERSTANDING FRANCHISING

Starting a business is one of the most important and life-changing decisions you can make. But you may not be prepared for some of the more challenging aspects of beginning at ground zero. No matter how much time, effort, and money you put into your concept to get it off the ground and make it successful, there's always a chance of failure.

BUSINESS CHALLENGES

Entrepreneurs in various industries say there are three main challenges to contemplate when starting a business:

- Having a viable idea that will solve an unmet customer need
- Making sure your new business has adequate financing
- Investing the time it takes to launch a new company

OWNERSHIP MODEL

If that sounds like too much to take on, you have other options when it comes to entrepreneurship.

- Building your business from scratch involves the most risk.
- Buying an established business has less risk than starting from scratch, but there may be serious issues you're not aware of.
- Buying a franchise carries the least risk and comes with a road map plus ongoing guidance and support.

WHAT TO LOOK FOR IN A FRANCHISE

As a Franchise Owner, you should expect the best possible guidance and support needed to build a successful and scalable business. This includes startup and ongoing training, consistent communication, and effective marketing.

You want the franchise to be a good fit. It should match your background, interests, personality, and goals. You need to consider the initial costs, demand for the service, and track record of success. With Strickland Brothers, you'll find a recession-resilient business model that's simple, scalable, and, most importantly, proven.





OUR MISSION AND CULTURE

Our mission at Strickland Brothers 10-Minute Oil Change is to exceed the expectations of every customer by setting and meeting service standards that are innovative and centered around the highest level of service—every time.

We aim to provide dependable services and quality products at a fair price in a friendly, honest, and accommodating environment. We will never pressure anyone to buy any service or part, or recommend any service that is not immediately needed.

At Strickland Brothers, we take pride in providing our customers with exceptional customer service.. We understand how important family is and that's why we are dedicated to protecting our clients' vehicles and keeping them safe.

HOW WE GOT STARTED

Strickland Brothers 10-Minute Oil Change was **established in 2016** in Thomasville, North Carolina, and named after Justin's two young sons, Tate and Beckett Strickland. However, our roots go back a few years earlier.

After working in various quick lube shops and getting feedback from customers, Justin Strickland wanted to do things differently. With a solid business model in hand, he tried to get a loan in 2012—only to be denied time and time again.

HOW WE GOT STARTED (CONT'D)

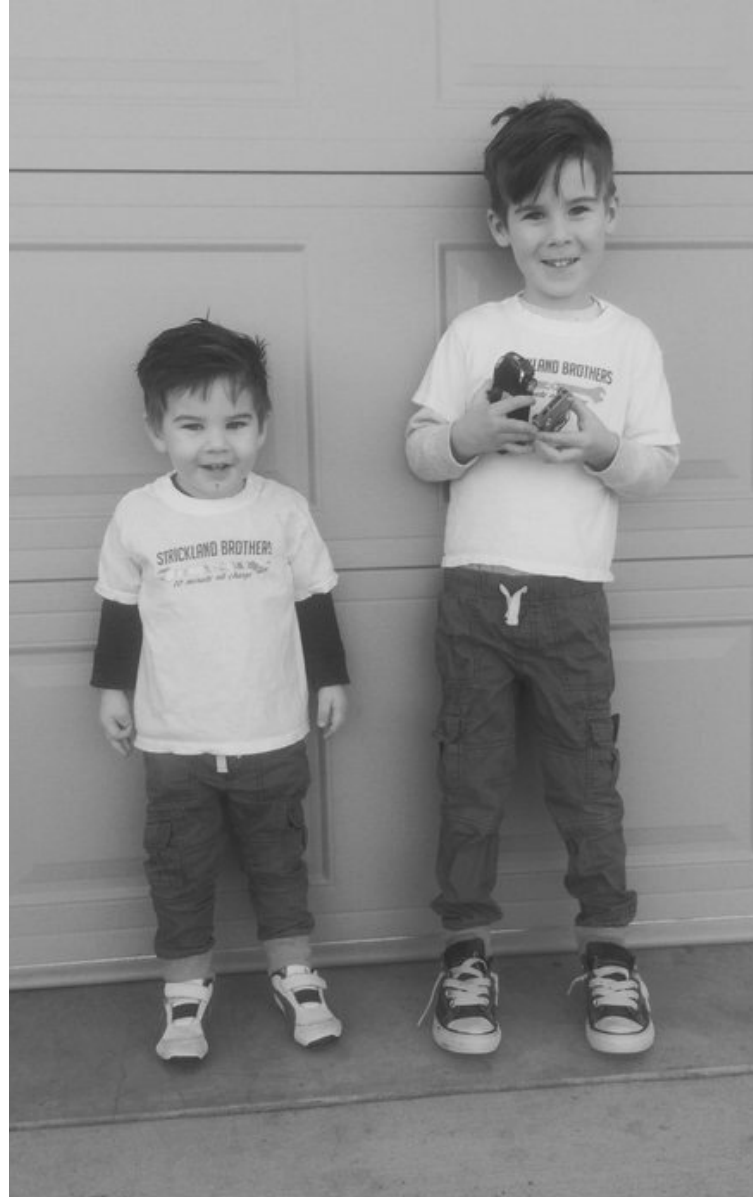
It was during this time that Justin's grandfather, Paw Paw, stepped in. As a tobacco sharecropper and long-time meat butcher, Paw Paw believed in his grandson's vision and decided to put his house up as collateral in order to get a \$35,000 loan.

Justin was able to take that money and start Tater Bugs Drive-Thru Oil Change, which was named after his first son, Tate. One location quickly became three, and the young entrepreneur was able to pay back the loan to his grandfather in full.

After four successful years in business, Justin decided to sell all three locations and build a company that was even more competitive and scalable. Strickland Brothers 10-Minute Oil Change became a breath of fresh air in the quick oil-change industry and very popular with raving fans.

This drew attention from several outside investors and that original \$35,000 loan was turned into 14 corporate locations across five states bringing in nearly \$8 million in annual revenue in just a few very short years.

Regardless of success, the core values of Justin, his family, and the company remain the same. Paw Paw's bench is located at every location in honor and memory of C.W. Strickland who passed away on July 19, 2014.



ABOUT THE INDUSTRY

Before there was a quick-lube industry, most gas stations had a garage attached to them for car maintenance and repairs. That's the reason they were often called "service stations." But, for the most part, those days are long gone.

Nowadays, customers are looking to get their vehicle's oil changed quickly, often in 30 minutes or less! In addition to fast, affordable oil changes, they are also looking for a variety of other services that are offered, including vehicle maintenance inspections, tire rotations, fluid replacement, windshield wipers and more.

Quick lube automotive is an \$8 billion industry¹ with more than 230 million licensed drivers in the U.S. At some point, every vehicle requires ongoing maintenance to keep it functioning properly, making this a high demand and recession-resilient industry. In fact, the industry averages 3.2 oil changes per car per year and currently has 287 million registered vehicles² in the U.S.

Quick lube businesses make it easy, convenient, and affordable for vehicle owners to take care of this essential need while saving time and money.

¹ "Oil Change Services in the US - Industry Data ... - IBISWorld." Accessed 15 Jul. 2020.

² "US VIO Vehicle Registration Statistics, Fast Quote on Car Data." Accessed 15 Jul. 2020.



What Makes Strickland Brothers Different?



QUICK AND CONVENIENT

Our signature 10-minute oil change is quick, convenient, hassle-free, and always includes checking and topping off under-hood fluids. Our drive-thru bays allow our technicians to guide clients in so they can stay in their car and see the job done correctly right before their eyes in 10 minutes or less. No appointment is necessary.



FAIR PRICING

We never use high-pressure sales tactics to increase our revenue. That makes us professional and dependable. We also use our window stickers to give customers an automatic \$5 coupon on their next visit.



CUSTOMER SATISFACTION

Customer satisfaction is our top priority. We invite our guests to discover the difference in friendly, hometown service. This starts by greeting each and every customer with a complimentary bottle of cold water upon arrival.



HIGH QUALITY

Whether clients come to get an oil change, have their vehicle inspected, or their tires rotated, we provide fast, friendly, and convenient **service** in a timely manner. We are proud to offer Valvoline motor oil and track individual updates through CARFAX. Our inventory is neatly kept, fully stocked, and never outdated to ensure the best parts are always used on vehicles.



FAMILY ORIENTATION

Family is at the very core of what we do. Customers get a sense of that in the high level of service we provide and how we treat our employees. We truly value the importance of family.



CORE VALUES

Our four core values are speed of service, servant leadership, customer satisfaction and professionalism. We strive to provide dependable services and quality products for a fair price in a friendly, honest, and accommodating environment.

WHY STRICKLAND BROTHERS 10-MINUTE OIL CHANGE?



INCLUSIVE INVENTORY MODEL

One of the most difficult aspects of this industry is inventory. In most competitor models, the Owner is solely responsible for counting, ordering and stocking inventory. What do you order? How much? When? Strickland Brothers' vendors run demographic reports that show registrations of vehicles in a given radius of your specific location, which tell them how much product to stock.

Unlike our competitors, our vendors do not require master packs, which are packs of filters that have to be sold in quantities of 6 or 12. Without the need for master packs, dead stock, tied up capital, or inventory headaches our Owners take advantage of stronger profit margins.



MAINTENANCE FREE OIL SYSTEM

Our oil system simplifies our business model (less training and less equipment) so owners can focus on scaling the business. In our model, you will have stackable totes for oil storage. With this, you still get the national buying power bulk price without having to have pumps, guns, and air regulators.

In the traditional lube shops, if an air compressor breaks, you're done for the day. At Strickland Brothers, you don't need to be concerned with leaky oil lines, gun calibration, pumps dying, or an air compressor going down reducing headaches and maintenance costs.



WHY STRICKLAND BROTHERS 10-MINUTE OIL CHANGE? (CONT'D)

LOW BUILD OUT COSTS

Our competitors' build-out costs are around \$650,000. Our costs are approximately \$250,000 due to our strategic designs that have optimized functionally ensuring the fastest oil change. With Strickland Brothers 10-Minute Oil Change there is no need for large traditional oil tanks, therefore a full basement is not necessary, saving hundreds of thousands of dollars per location while still staying efficient.

OUR STRATEGIC PARTNERSHIPS

Our pre-negotiated pricing with nationally recognized vendors ensures our **Franchise Owners** are getting the best prices in the industry. Our vendors also financially participate in marketing programs. Together, we earn our customers' trust in the products we offer. We have used our corporate leverage to ensure Franchise Owners will receive the best price possible.

FULL-SERVICE MARKETING

There are very few if any automotive franchises that provide full management of marketing. We provide proven new customer acquisition and retention campaigns, assistance with social media advertising, targeted ads, promotions, grand opening marketing, in-house graphic design and more!

INVESTMENT

At Strickland Brothers, the design of our buildings is strategic to allow and to ensure the fastest oil change. We have pre-designed prototypes with the full functionality of a quick oil change facility without the high costs so opening your Strickland Brothers 10-Min Oil Change doesn't cost as much as you may think.

We require candidates to have at least \$250,000 in liquid capital, a net worth of \$450,000, and a high credit score. The franchise fee for a single territory is \$54,900; however, commitments to developing multiple units in a specific timeframe can earn you a lower franchise fee per territory as stated below.



HOW MUCH WILL IT COST?

Franchise Fees

Single: \$54,900

2pk: \$89,900

3pk: \$114,900

5pk: \$164,900

LOW ROYALTY FEE:

5%



INITIAL INVESTMENT RANGE

\$221,400 - \$363,900

*All financials are obtained from our 2020 Franchise Disclosure Document (FDD)

MARKETING FEES:

2.5% local ad spend
& 2% brand fee



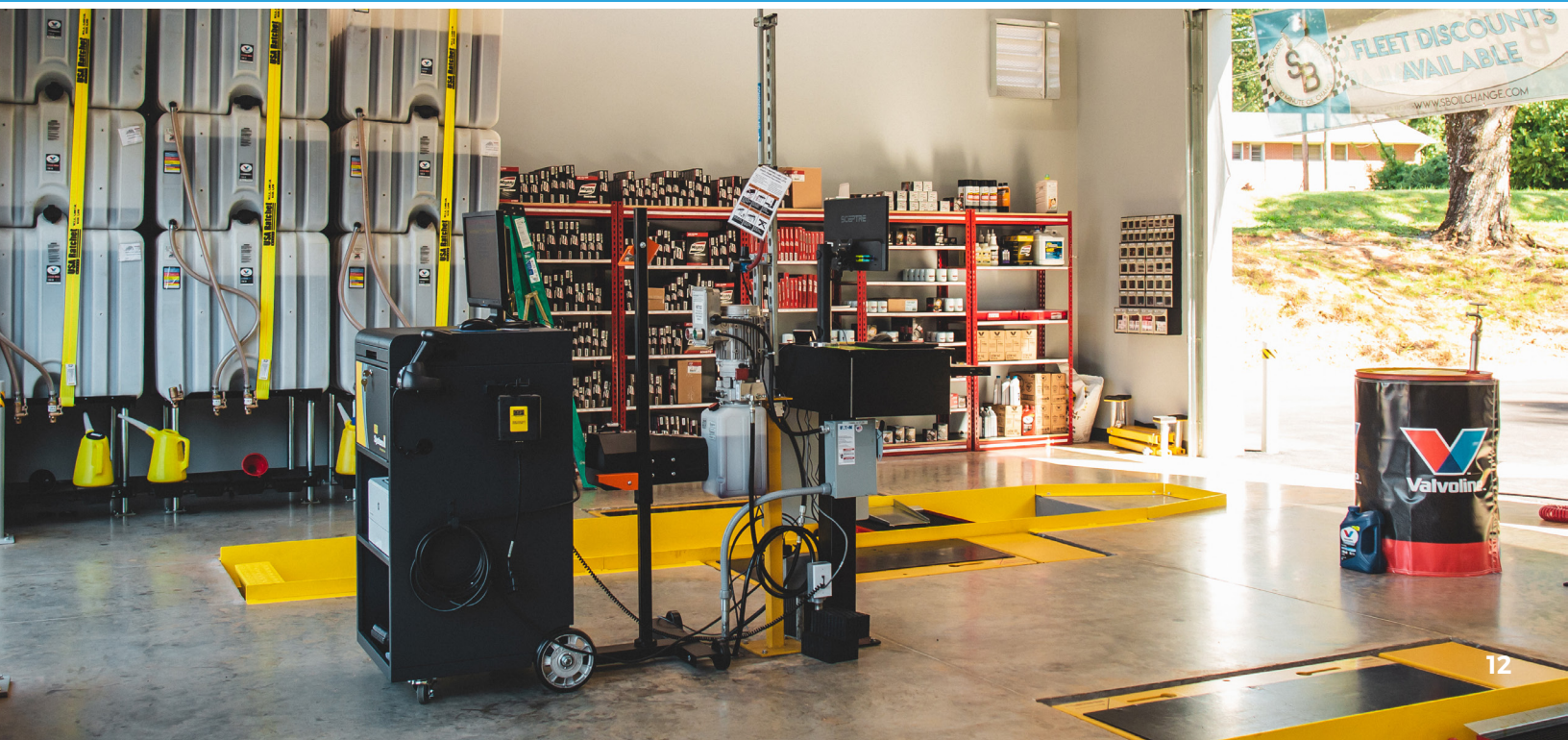
TOP EXPENSES A FRANCHISE OWNER SHOULD EXPECT

Established Locations

Cost of goods:
estimated 24.5 - 26.5%

Labor: 16.5 - 18%

Lease: 12.5% - 17%





HOW MUCH WILL I MAKE?

The Strickland Brothers business model is a simple, scalable model that has been proven in multiple states with very attractive EBITDAs. We are proud of our industry-leading unit economics and look forward to discussing those with you.

Unfortunately, we cannot legally disclose these numbers outside of our Franchise Disclosure Document (FDD). To obtain this document and review all the details, we will first need you to complete a [confidential questionnaire](#). For now, here's a sneak peak of our performance!



Top Performers Unit Volume

71 total vehicles daily
53.8 oil changes per day
\$1,044,012 in gross sales

ESTIMATED NET MARGINS

28% EBITDA

WHAT ARE THE OWNERSHIP MODELS?

OWNER-OPERATOR

Owner-operator franchise partners are involved in the day-to-day business at Strickland Brothers. They are in the location frequently, ensuring customer satisfaction at all times.

Owner-operators should expect the following tasks:

- Review sales reports and prepare feedback for store manager(s)
- Site visits to ensure the appearance and cleanliness of the store
- Address the needs of the staff and observe how well personnel is performing
- Manage the books and payroll
- Speak with customers and make sure they are pleased
- Work on building fleet accounts
- Train staff
- Assist in hiring/recruitment

Owner-operators have the option to be the primary manager and save themselves a manager salary.





SEMI-ABSENTEE

We always recommend semi-absentee franchise partners put more time in the store in the beginning, as you never get a second chance to make a first impression. Over time, they could work as little as a few hours per week per location.

Semi-absentee owners should expect the following tasks:

- Stay in contact with the store manager daily in the management of the business
- Monitor sales through the mobile app regularly
- Monitor customer satisfaction through our customer feedback loops
- Scale business by opening and managing multiple units

Semi-absentee owners should always have a manager.

FULL-ABSENTEE

A full-absentee investor must have a head of operations to do training, communicate with Strickland Brothers, etc.



OUR IDEAL FRANCHISE OWNER

Strickland Brothers Franchise Owners are not auto mechanics; they're business managers!

We're looking for individuals who want to focus on running an efficient operation. They are driven by success and want to grow into multiple units. Our Franchise Owners offer clients in their markets a service unlike anything they've ever experienced before.

Strickland Brothers Franchise Owners must love people, whether they're managing their team or providing great customer service. They are community and family-oriented and they think and dream big.

We're always interested in speaking with area developers, but we understand that some people start smaller and have a solid growth plan.

DESIRED QUALITIES & SKILL SETS

- Business acumen
- Approachable
- Management experience
- Strong leadership skills
- Community and family-oriented
- Outgoing, great people skills
- Passionate about providing excellent customer service
- Belief in intentional, positive culture
- Servant Leaders
- Multi-unit capable
- No automotive experience necessary

OUR SUPPORT

At the very core of what we do, it's all about family so we understand that setting you up for success is imperative in helping you meet and exceed your goals with Strickland Brothers so we've invested in an experienced team to assist with marketing, operations, training, employee retention, real estate and construction and more; we've got you covered!



TRAINING

We provide up to two weeks of extensive training before owners open a Strickland Brothers 10-Minute Oil Change Business. Initial classroom training, which is held in Winston Salem, North Carolina and virtually through Strickland Brothers University, is centered around on-the-job procedures, core values, management, marketing, technology, bookkeeping, KPIs, hiring, customer satisfaction, monitoring, and more.

Here are a few of our marketing features:

- Best local advertising royalties in the industry
- Online presence portals that are managed for you
- New customer acquisition campaign assistance
- Proven customer retention campaigns that are managed for you
- Community and family-oriented
- Social media advertising specifically for your location that is designed and promoted through targeted ads is also managed by our professional marketers



MARKETING

Strickland Brothers will handle all the marketing at the corporate level on behalf of our franchise partners. Owners just need to honor any coupons when they arrive at their locations. There are very few, if any, other automotive franchise companies that offer this.



REAL ESTATE & CONSTRUCTION

Having built over 20+ locations corporately we understand the ins and outs of the entire site selection and construction process so we've partnered with a few preferred vendors to oversee this process to find the best locations possible while keeping costs low.

OUR SUPPORT (continued)



ON-GOING

You will be assigned a dedicated Franchise Business Consultant (FBC) who will be your primary point of contact for ongoing support with Strickland Brothers. They will be very knowledgeable and able to assist your locations with training, reviewing KPIs, and offering suggestions and feedback.

Your FBC will also be your primary point of contact for field support. They will visit your store at least once a quarter to assist with ongoing support, training and compliance.



TECHNOLOGY

The proprietary technology at Strickland Brothers is industry-leading and fully integrated into every aspect of the business. This one platform provides our POS system, a back-office system that's linked to CARFAX, CRM, marketing, reviews, auto emails, reporting, and more. We also have a mobile setting to view daily stats in real-time.



STRICKLAND BROTHERS UNIVERSITY

Perhaps the biggest challenge the industry faces right now is finding, training, and retaining sufficient personnel. After all, most young people don't have much interest in cars these days, and they certainly don't wake up in the morning hoping to get a job at a quick lube shop.

At Strickland Brothers, we have been able to hire, train, and retain top-notch employees who want to grow within the company. Through our proprietary education platform, Strickland Brothers University, we make it easy to attract individuals from a broad applicant pool with no experience necessary.

Store-level training allows owners to shadow the area/store manager of a busy location that does 40-50 oil changes per day. Additionally, in-depth online training through Strickland Brothers University will be available to all employees to help bring them up to speed quickly. This is a college-level platform for employee and management e-learning that features 100+ modules, videos, quizzes, and mobile access.

MEET THE TEAM



JUSTIN STRICKLAND

FOUNDER, CHIEF EXECUTIVE OFFICER, AND PRESIDENT

Justin Strickland is Founder, Chief Executive Officer and President of Strickland Brothers 10-Minute Oil Change. He's also been Chief Executive Officer and President of our affiliate, Strickland's Enterprises, LLC, since December 2016. Justin and his wife have three children.

Besides the Strickland Brothers business, he also runs a farm where he raises livestock and crops.



MARK AGAN

VICE PRESIDENT AND CHIEF OPERATING OFFICER

Mark Agan is the Vice President and Chief Operating Officer of Strickland Brothers 10-Minute Oil Change. He was regional manager from June 2016 to September 2018. Mark's has in-depth knowledge of the industry and the Strickland Brothers business model. He also worked at Tater Bugs Drive-Thru Oil Change with Justin.



ASHLEY MAYNARD

DIRECTOR OF MARKETING

Ashley Maynard is the Director of Marketing at Strickland Brothers 10-Minute Oil Change. She is also a graphic designer and has designed invitations, logos, and marketing materials for the business. Ashley is the wife of Dustin and the mother of Finn and Rhys. She is an outdoor enthusiast and lover of all animals. The family has three sweet puppy dogs.



HEATHER VARNER

DIRECTOR OF HUMAN RESOURCES

Heather Varner is the Director of Human Resources for Strickland Brothers 10-Minute Oil Change. She handles daily customer and employee correspondence. Heather is the wife of Brad and the mother of Kinsleigh. Together, they love going camping and making memories as a family.

MEET THE TEAM



KRISTY PRUITT

DIRECTOR OF FINANCE

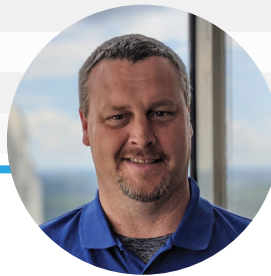
Kristy Pruitt is the Director of Finance at Strickland Brothers and oversees all aspects of accounting and the daily financial responsibilities of the business. Kristy is the wife of retired U.S. Army Sgt. R. Lyndon Pruitt, the mother of three sons and two stepdaughters, and the grandmother of a beautiful two-year-old granddaughter. She and her husband love to travel and go camping.



TANICIA IVEY

EXECUTIVE ASSISTANT

Tanicia Ivey is the Executive Assistant at Strickland Brother's 10-Minute Oil Change. She is currently an attendee of Southern New Hampshire University pursuing a Bachelor in Science for Business Administration. Tanicia has years of experience managing schedules in medical offices. She is engaged to Ryan and the mother of Zoey. She loves socializing and animals. Her family has two dogs and one cat.



WILL DODSON

FRANCHISE BUSINESS CONSULTANT

Will Dodson has been in the quick lube industry for 20+ years and has extensive knowledge in all facets of the business. As a Franchise Business Consultant, he will be directly supporting each Strickland Brothers 10 Minute Oil Change Franchise Owner in their operations and more!

Field consultants serve as liaisons between the Franchise Owners and the Executive Team. Your field consultant will provide various forms of support such as assistance with:

- Training
 - Operations
 - Lease negotiations
 - Business valuations
 - Marketing questions
 - Basic bookkeeping
 - Human resources
 - And more!
- for potential acquisition sites



WHAT'S NEXT?

Are you ready to **get started**? You're already one step closer to becoming a Strickland Brothers Franchise Owner by reading this content. Next, we'll take you through our education process to see if we're a good fit for each other. Once we've mutually agreed to move forward we will award you your very own Strickland Brother 10-Minute Oil Change and get the ball rolling on opening your new location!

EDUCATION PROCESS

- | | |
|---|----------------------|
| 1. Initial call | 6. Executive call |
| 2. Business overview webinar | 7. Discovery day |
| 3. Customer acquisition webinar | 8. Decision day call |
| 4. Training and support webinar | 9. Signing day call |
| 5. Franchise Disclosure Document (FDD) review | |

STEPS TO OPEN

Immediately following being awarded a franchise agreement, Strickland Brothers will turn the Franchise Owner over to our real estate team and one of our three development management companies depending on the territory.

Those companies will assist in all facets of your new location development and construction, including (but not limited to) running demographics to ensure the site selection has every opportunity to experience success as quickly as possible, permitting, horizontal and vertical construction, bidding work, managing contractors, obtaining permits and approvals, etc.

EXISTING QUICK LUBE OWNER ASSISTANCE

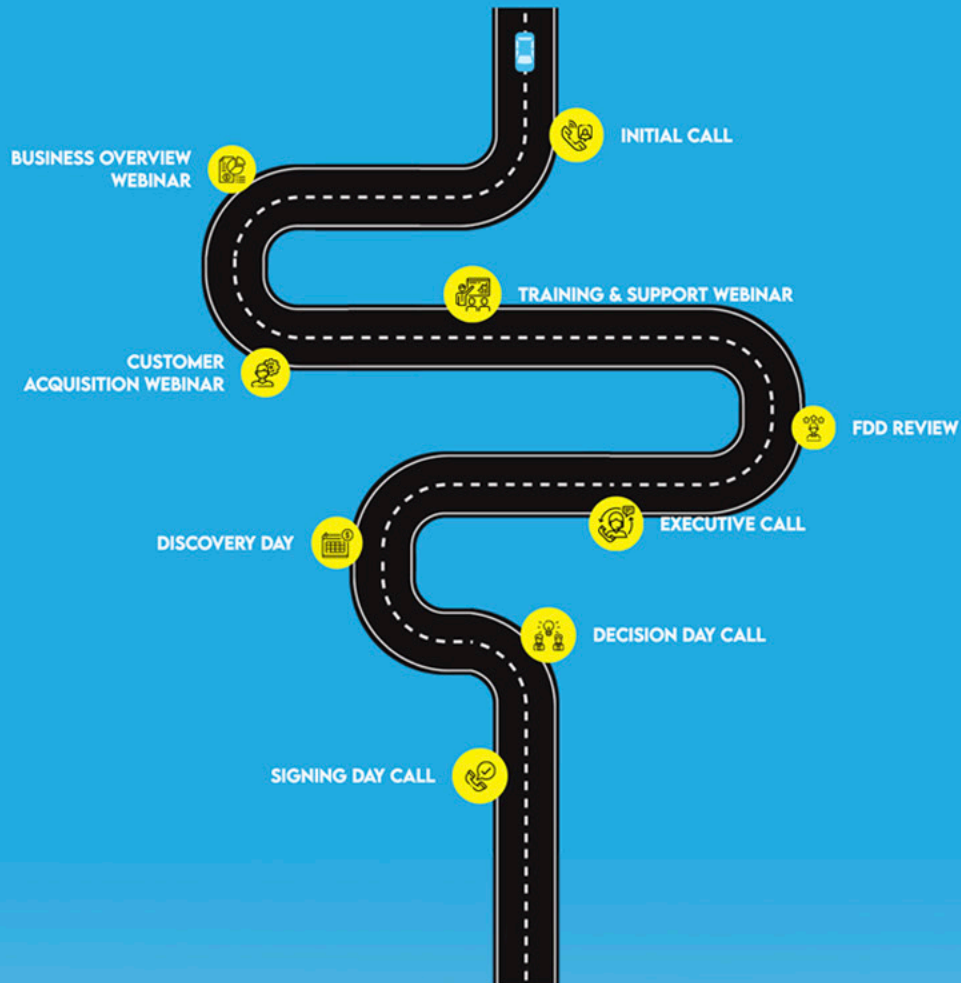
We will help existing quick lube owners convert their locations to Strickland Brothers franchises with signage, remodeling, and more. We would love to partner with you to elevate your culture and help ensure your quick lube is as profitable as possible.

GET STARTED!

Are you ready to **get started** and learn more about this ground-floor opportunity? Complete our **confidential questionnaire** to take the first step of our education process. We look forward to peaking with you soon!

THE PROCESS TO OWNING A STRICKLAND BROTHERS

To help us determine whether you will be a great fit to become a Strickland Brothers 10 Minute Oil Change Franchise Owner, we invite you to begin our Discovery Process. Over this 4-6 week process, we will help educate you on all aspects of the our simple and scalable business model, while simultaneously learning about you, your background and your business goals.





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