



## **VOLUME 2: SETTING UP A FLIP OUT**

Operations Manual

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## Attachments

### ASBESTOS POLICY

# 1 Site Selection

## 1.1 Location Selection Guidelines

### 1.1.1 *Selecting A Location*

Selecting an appropriate location for the Flip Out site is critical to its success. Location determines customer base and greatly impacts sales revenue. It is important that the selection of the site for a Flip Out franchise be conducted carefully. The following should be kept in mind when selecting a location. Flip Out will assist with finding a location. However, Franchisees need to do their own due diligence on the site to ascertain for themselves the suitability of the location.

### 1.1.2 *Customer Profile*

Customer demographics for Flip Out are between the age of 4 and 40. Most participants will be under the age of 18, with an over 18 year old guardian supervising or participating also.

### 1.1.3 *Traffic Flow and Potential Footfall*

Flip Out aims to be a destination rather than dependent on high pedestrian traffic. Due to the size of the premises, most sites are located in industrial areas or bulky goods centres. However, high local population is important. Except for special regional areas, locations with over 100,000 people in a 10 kilometre radius is recommended.

### 1.1.5 *Accessibility*

The location should be close to ample car parking. A minimum of 30 car spaces available for customers is advised, but final numbers are subject to council approval.

Public transport within walking distance will also boost business. A further advantage would be low parking charges or availability of free parking.

### 1.1.6 *Visibility*

The more visible the business is, the better. While street frontage is not a must, signage should be visible on near-by main roads. The building should also be identifiable as a Flip Out location. Head Office can assist with the branding, visibility and painting of your building.

### 1.1.7 *Size*

The ideal location size should typically be at least 1,750sqm to have sufficient space for:

- A large trampoline arena
- A junior trampoline arena
- At least one foam pit
- A café
- Reception
- Parkour and Ninja Warrior equipment
- Soft Play equipment
- Party rooms

### 1.1.8 *Location Specifications*

The internal stud height of the building needs to be at least 8 metres high. The building will most likely need to be zoned for indoor recreation use with resource consent. Each site must have an appropriate number of bathrooms in relation to its size.

**1.1.9 Security**

This applies particularly to outdoor locations, which do not have the additional benefit of a building. The primary concern is break-ins and some considerations include:

- Crime rate in the area
- Whether the location is in a well-lit area
- All locations should have a safe and an alarm installed to protect against theft.

**1.2 Location Selection Process**

Relevant information for potential locations, should include:

- A Demographic Profile
- A shortlist of potential sites
- A review of the location with the Australian Master Franchise

If the Franchisor approves the location, they will proceed to conduct final negotiations with the landlord. All lease negotiations are to be conducted by Flip Out unless authorised by the Franchisor. A memorandum of understanding will be sent to the respective lawyers.

## 2 Fit Out

### 2.1 Preliminary Procedures and Requirements

#### 2.1.1 Preliminary Design

Flip Out's preferred and experienced designer will work with the available site footprint to deliver the franchisee preliminary plans.

#### 2.1.2 Management and Regulatory Approvals

Appropriate Flip Out management personnel will be involved in the later design decisions to ensure the site will satisfy network expectations. Necessary legal and regulatory approvals will be coordinated by the Flip Out Operations team to ensure the process is smooth and efficient.

#### 2.1.3 Budget Considerations

Budget considerations will be constantly addressed and considered throughout the process. Flip Out can provide a per metre fit-out estimate once the site is confirmed.

### 2.2 Location Layout Planning

#### 2.2.1 Overview

Determine the staffing, trampoline area and retail expectations of the site.

#### 2.2.2 Layout Plan

The Flip Out designer will consult with the franchisee to determine their expectations and complete a preliminary floor plan for further discussion and fine-tuning.

#### 2.2.3 Process

Work will continue in consultation with all parties until a design is reached that satisfies the franchisee. At that point, Flip Out management will be required to give approval for final plans and seek a quote from the panel of approved Shopfitters. This process will be coordinated by the Flip Out team in collaboration with the franchisee.

#### 2.2.4 Franchisee Deposit

After the design has been approved and quotes received, the Franchisee will be required to pay a deposit prior to the equipment being ordered.

### 2.3 Engagement of Contractors

A panel of Contractors offered for the fit-out process are all well known to Flip Out and understand the industry and the needs of the network. Head Office will engage appropriate contractors as required.

Any request to use other contractors must first be approved by Head Office. Any alternate contractor used by franchisees must have their building certificate and relevant documents verified by Head Office.

If during building, it is discovered that there is asbestos on the site, Franchisees and their staff are expected to follow the Flip Out **ASBESTOS POLICY**. This can be found as an attachment to this Manual.

### 2.4 Location Design Specifications

#### 2.4.1 Promotional Signage

Flip Out provides the Flip Out Brand Guidelines to assist with the creation of promotional material. This can be found as an attachment to Volume 5. All signage must comply with these guidelines. Flip Out Head Office can supply some promotional signage.

**2.4.2** *Safety Signage*

Safety signs must be visible prior to equipment use. These signs must be sourced from or preapproved by Head Office.

**2.4.3** *Artwork and Brand Appearance*

Graffiti and artworks forms a part of Flip Outs identity. Every arena should have at least one hero artwork and the logo prominently displayed. All artwork must be approved by Head Office.

**2.4.4** *Reception Area*

The reception area must reflect the brand guidelines. POS devices, linked with Roller, must be in use and accessible in the reception. A waiver kiosk for customers is highly recommended. The reception must meet relevant standards. Space must be available for merch and promotional materials.

**2.4.5** *Trampoline Area*

The main trampoline area is to be built to Manufacturers Specifications (this is site specific).

**2.4.6** *Café*

The café must be built in compliance to relevant state governing body standards and legal requirements. This includes food safety equipment, food preparation areas, a hand washing and dish cleaning sink, among other areas.

**2.4.7** *Furniture and Fittings*

All furniture and fittings must satisfy the design characteristics of Flip Out. Individual characteristics are permitted provided they fit within the brand guidelines of Flip Out and have been approved by Head Office.

**2.4.8** *Colours*

Customers should be able to recognise a Flip Out arena by observing the colour pallet of the site. Colours are specified in Flip Out Brand Guidelines.

**2.4.9** *Lighting*

All entertainment areas must be adequately lit. Installing disco and party lights is highly recommended and will assist in maintaining a high energy and high fun vibe. Arenas must ensure lighting remains at a safe level at all times.

**2.4.10** *Music and Sound System*

Arenas must be fitted with a fully equipped music and sound system. Speakers should be evenly distributed to ensure that no area is too loud or quiet. A microphone must be available for public announcements.

**2.5 Security Installation Requirements**

**2.5.1** *Intrusion Alarm System*

All sites should be fitted with appropriate intrusion alarm systems including, but not limited to, movement sensors, door sensors, window sensors and glass breakage sensors. All sites must have an approved "back to base" alarm system.

**2.5.2** *Surveillance Cameras*

All sites must have a CCTV monitoring system approved by Flip Out. Prior to the installation of the CCTV monitoring system, Flip Out must be contacted with its model. CCTV must have a recordable back up device and all footage must be kept for a period of 24 months. CCTV must be compatible with the Franchisor's systems and enable the Franchisor to connect remotely.

Where a franchisee is unable to provide a compatible CCTV system or which system is not approved by the Franchisor, the Franchisor shall supply such approved CCTV system at the Franchisee's expense.

**2.5.3** *Security Personnel*

Generally there will not be a requirement for specific personnel dedicated to a security role.

All security requirements for Flip Out sites will be discussed by Flip Out management and the franchisee to determine the appropriate individual design parameters.

Flip Out will supply the standard specifications of such a design and can introduce the franchisee to speciality security consultants if requested for customising the individual needs of the site.

## **2.6 Equipment Requirements**

**2.6.1** *POS System*

POS systems must be approved by the Franchisor as stated in the Franchise Agreement. Flip Out locations use Roller, which allows for seamless integration across online bookings, in store bookings, POS and check-in processes. Roller will undertake all training with the Franchisee during set-up. Further training will be provided in the Online Learning Management System, when released.

**2.6.2** *Booking System*

Roller must be in place and operational prior to opening. It must be set up in accordance to the Flip Out Australia template.

**2.6.3** *Trampolines and Equipment*

All structural equipment must be ordered from Head Office based on the agreed-upon designs. A 50% deposit must be paid prior to any equipment being ordered. The remaining amount will be paid in full prior to the equipment leaving the supplier. Delays in paying for equipment will result in delays in receiving the equipment.

### **3. Before Opening Day**

Franchisees should contact Head Office regularly to ensure that all necessary actions have been completed prior to Opening Day.

#### **3.1 Test Equipment**

The franchisee shall inspect all products promptly after receipt and shall notify the company in writing of any claims, including claims of breach of warranty within fifteen (15) days after receiving the products. Failure of the buyer to give written notice of a claim within the inspection time period, shall be deemed to be a waiver of claim for defective products, a waiver of right to reject the goods, and conclusive proof that the product(s) were received by the franchisee without defect(s).

#### **3.2 Stock up the Location**

Each centre will require sufficient stock to cope with the initial demand. This stock will include but is not limited to the following:

- Grip socks
- Spare Springs
- Spare Trampoline Mats
- Entry bands
- Merchandise
- Back-Up Paper Waivers

#### **3.3 Staff Recruitment and Training**

Flip Out Operations department will assist the franchisee with advertising, interviewing and selecting new employees. Advice on the optimum staff numbers needed to run the business effectively is provided in Volume 7 of this Operations Manual. All franchisees are to adhere to the local employment laws where the site is located. Initial training will occur for all staff using the online training system created by Head Office. This will be launched in June 2019. It is expected that the franchisee will conduct regular and ongoing training and will organise training with current employee for all future employees.

#### **3.4 Marketing**

The Flip Out marketing department will liaise with the franchisee and Flip Out management to design the appropriate grand opening local area marketing (LAM) campaign. This will be tailored to suit the unique position the new Flip Out site will present.

It is expected that each Flip Out opening will differ to best reflect local factors. All advertising, such as LAM collateral will be created and coordinated by Flip Out marketing department.

## 4. Trampoline Warranty

Flip Out trampoline Arena offer a limited repair and replacement warranty. Flip Out agrees and warrants only that the products, identified by category below, will be fit for their intended purpose, merchantable, and without material defect in workmanship and materials for the period and types of products specified below as follows:

- Trampolines are guaranteed to be free of defect for a period of three (3) months from the date of receipt of product. Any defect in the manufactured product(s) resulting from negligence, improper usage or unusual wear and tear caused by excessive usage is excluded from Flip Out warranty Coverage.
- No warranty is offered on foams, vinyl or springs.
- No warranty is offered on mats.

Warranty repair work will be provided by Flip Out or by an authorised repairer in the country of use in consultation with Flip Out. Modifications and repairs from unauthorised repairers or persons or work carried out by franchisees or businesses other than Flip Out shall void any warranty.

All warranty claims are subject to any claim or warranty being returned to Flip Out or their nominated authorised repairer if available in the country of use. All freight to and from Flip Out is to be paid by the Business or Franchisee.

No warranty exists where the equipment has been used in breach of the Operations Manual.

Normal wear and tear is not covered by Flip Out's warranty.

Misuse, improper handling or storage, improper repairs, improper maintenance, and care, or accidental, abusive or negligent treatment of equipment will invalidate this warranty.

Flip Out's warranty is not a guarantee that these product will not through use, handling and storage develop tears, breakages or punctures from time to time, the repair of which is the responsibility of the Franchisee.

If a returned product is evaluated and found to be defective, and the warranty for such product is in force, Flip Out will bear the cost of shipping the repaired or replaced product to the Franchisee or customer, otherwise all shipping costs will be borne by the Franchisee.

All warranty claims, repairs or replacements shall be at the sole discretion of Flip Out. All warranty for Flip Out equipment is per the conditions as outlined in this manual. No other warranty shall exist.

No claims for warranty shall be considered after 3 (three) months from the date of purchase.