TABLE OF CONTENTS FOR MANUAL

Preface for Manual  
The Manual Organization  
The Purpose of this Manual  
Keeping the Wave Energy Drink Franchise Operations Manual Current  
Submitting Suggestions to Wave Energy Drink Franchise Corporation  
Manual Disclaimer

INTRODUCTION

Mission Statement  
Welcome Letter from the Chairman  
Wave Energy Drink Corporate Biographies  
History of Wave Energy Drink  
Services Provided to the Wave Energy Drink Franchisee  
Responsibilities of the Wave Energy Drink Franchisee  
Visits from the Corporate Office

PRE-OPENING PROCEDURES

Introduction  
Pre-Opening Checklist  
Developing Your Route/Route Process  
Storage Requirements  
Building out your Territory  
Required List of Equipment/Initial Inventory/Signage and Logo Specifications  
Establishing Credentials with Insurance Companies  
Obtaining Required Licenses, Certifications, and Permits  
Setting up Bank Accounts  
Meeting Your Tax Obligations

ADMINISTRATIVE PROCEDURES

Introduction  
Software System  
Determining Pricing Structure  
Services

Wave Energy Drink Franchising Operations Manual

Products
Billing Procedures
Generating Reports
Weekly Reports/Monthly Reports
Managing Petty Cash
Inventory Management
Ordering Trademarked Wave Energy Drink Products
Using Designated and Approved Sources of Supply
Receiving Procedures
Conducting Inventory
Franchise Reporting Requirements
Royalty Payment

PERSONNEL

Introduction
Wage and Labor Laws
I-9 Form Requirement
Profile of the Ideal Wave Energy Drink Employee
Job Descriptions
Getting the Word Out
Reference Check Procedures
Background Check Procedures
The Interview Process
Completing the Interview Report
Training Employees/Use of Training Materials/Time-Tracking Procedures
Uniform and Dress Code
Conducting Performance Evaluations
Progressive Discipline Procedures
Separation/Termination Procedures

PUBLIC RELATIONS AND MARKETING

Promoting Wave Energy Drink in Your Area
Use of Media/Marketing
Guidelines for Using Wave Energy Drink Marks
Using Referrals to Build Business
Public Relations/Community Involvement
Obtaining Advertising Approval

OPERATING PROCEDURES

Introduction
Suggested Hours of Operation
Daily Procedures
Opening Procedures
Mid-Day Procedures
Closing Procedures
Use of Daily Task Lists
Customer Service Procedures
Customer Service Philosophy
Handling Customer Complaints
Handling Refund Requests
Required Cleaning and Maintenance
Safety and Security Issues
Emergency Procedures
Preface
The Preface of this manual serves to familiarize the user with all aspects of the 2010 Edition of the Wave Energy Drink Franchise Operations Manual. This operations manual covers key components of your franchise in relevant segments and offers helpful advice and generalizations for success in the marketplace.

It is the hope of Wave Energy Drink Corporate that you will take the lessons inside and incorporate them into your operation for a greater degree of success with your franchise.
The Manual Organization

The organization referred to in this manual is Wave Energy Drink, LLC

Wave Energy Drink, LLC
736 Brawley School Road
Suite D
Mooresville, NC 28117
Purpose
The purpose of this manual is to serve as a guide for actual and potential franchisees to get accustomed to the proprietary franchise operations of Wave Energy Drink, LLC.
Keeping the Wave Energy Drink Franchise Operations Manual Current

From time to time, there will be updates and even changes to the Wave Energy Drink Franchise Operations Manual. Any respective updates will be delivered to franchisees in a timely manner. The current edition covers the 2010 Calendar Year.
Submitting Suggestions to Wave Energy Drink Franchise Corporation
Suggestions and submissions are always welcomed for review by Wave Energy Drink. If these suggestions or submissions improve the existing franchise model, they will be included in subsequent versions of this operations manual.
Manual Disclaimer
The Wave Energy Drink Franchise Operations Manual is set forth as a model of proprietary business operations in the beverage industry and is not wholly responsible for the success of a particular franchise operation. Sections are subject to change as the franchise develops and grows. As changes occur, the corporate office sends instructions to update and maintain this manual and any other associated material, news or information necessary to improve your franchise.
INTRODUCTION

Mission Statement
“Wave Energy Drink was created to give consumers the best tasting, all-natural energy drink on the market today.”
Welcome Letter from the Chairman

To our valued Franchisee Partners,

Welcome to the future of energy drinks!

Wave Energy Drink was created to become the best-selling, best-tasting, all-natural energy drink on the market today. This beverage was created on a carefully-planned strategy to take advantage of the weaknesses in the competition—from taste right down to distribution techniques.

From our previous sales and marketing efforts, we know that we’re sitting on a winning formula. Our sales territory continues to grow not just with our individual franchisees, but our distribution partners, as well. Our corporate office has worked tirelessly to see that Wave Energy Drink become the household name that it deserves to become.

Our corporate office has achieved success in the areas of marketing, sales and public relations in order to give you, the franchisee, the right tools you need to succeed. And we’ll be here for you every step of the way.

We thank you for becoming part of the Wave Energy Drink Family!

Sincerely,

David W. Tomasello
Founder & Chairman
Wave Energy Drink, LLC

Wave Energy Drink Corporate Biographies

David Tomasello  
Chairman and Founder  
Wave Energy Drink, LLC

David Tomasello is the Chairman and Founder of Wave Energy Drink. A seasoned business professional with an extensive career in ownership and operation of multiple industry categories, Tomasello founded Wave Energy Drink after previously serving as a high-ranking executive in the beverage industry. From this inside position, he took a keen interest in all aspects of what made particular brands a success, and then founded Wave Energy Drink. Tomasello is responsible for representing Wave Energy Drink in an executive capacity with specific oversight of all national Wave Energy Drink franchise and distribution agreements.

Mr. Tomasello is an accomplished International business executive, successful entrepreneur, and industry leader with extensive experience in business mergers, consolidations and takeovers. In the past, Tomasello has specialized in textile mills and fashion lines and either owns or has owned some of the oldest and most internationally-recognized apparel brand names in the world. He has factories located in various countries overseas, as well as maintaining offices in the United States, specifically in New York, North Carolina, and California.

David attended both Northwood University in Midland, Michigan and Erie Community College in Buffalo, NY. He is actively involved with many community-related organizations, such as the nationally-recognized First Tee Foundation. Tomasello is from New York, is married with two children and resides in Mooresville, NC.
Steven R. Mendieta, CFP
Chief Financial Officer
Wave Energy Drink, LLC

Steven R. Mendieta serves as the Chief Financial Officer of Wave Energy Drink. His day-to-day functions include the rapid capture of global market share through providing a stable financial platform for the company. Mendieta directs all development of financial statements and acts as the liaison between financial professionals such as corporate bankers, attorneys and CPAs. Steven holds numerous financial certifications and licenses. He has extensive global economic experience and application.

Prior to joining Wave Energy Drink, Stephen worked as a Vice-President for Wachovia Securities and Smith Barney with a concentration in investment services and wealth management. He has achieved top rankings in assets and gross production in his time at Smith Barney, while being awarded the prestigious “Blue Chip Council Award” in each of his years at the firm. Steven’s specific experience includes acting as CFO for Atlantis Fuel, a multi-national petroleum company.

Steven received a Bachelor of Arts in Economics from the University of North Carolina at Chapel Hill and also obtained his Certified Financial Planning designation from Queens College in Charlotte, NC. Mendieta is married with three children and resides in Charlotte, NC.
Jason Wolter
Vice-President of Marketing
Wave Energy Drink, LLC

Jason Wolter serves as the Vice-President of Marketing for Wave Energy Drink. Wolter oversees a complex myriad of marketing programs designed to promote the highest level of brand awareness for the energy drink company. In addition, Wolter has extensive information technology and video production knowledge. He was instrumental in the creation of all concepts and design work for Wave Energy Drink’s corporate branding, including the logo, web design/development, NASCAR themes, premiums, promotional materials and can design. Jason’s core competencies in the realm of marketing, creative services and information technology keep Wave Energy Drink at the forefront of cutting edge design and corporate direction.

Wolter previously worked with CRM (Circle R Media) Studios on marketing programs while creating branding campaigns for GameStop, Lockheed-Martin, Northrop-Grumman and Ferrari World (Dubai).

Wolter graduated at the top of his class with a Bachelor of Fine Arts from the Art Institute of Dallas. He is married with no children and lives in Mooresville, NC.
Kevin Carter
Executive Vice-President of Sales
Wave Energy Drink, LLC

Kevin Carter serves as General Sales Manager for Wave Energy Drink. Carter oversees all and directs all corporate sales efforts for Wave. His responsibilities include, but are not limited to, developing customer account relationships, hiring/managing sales teams, and creating/developing/executing sales plans and objectives on local, regional and national levels.

Prior to joining Wave Energy Drink, Carter held several managerial positions during his eight years with Glaceau (Vitaminwater and Smartwater) Organization. He was one of the original employees in the organization and was instrumental in building successful infrastructure, product awareness and sales throughout the Southeastern United States.

Carter has had direct contact and experience with mass retail chains such as Wal-Mart, Costco, and Target Stores. In addition, he has built successful relationships with regional grocery chains such as Publix, Harris-Teeter, Lowes Foods, Piggly-Wiggly, Fresh Markets, Kroger and 7-11 Convenience Stores.

Kevin holds a Bachelor of Science Degree in Marketing from Clemson University. He is married with no children and resides in York, SC.
Jeffrey Cheatham
Corporate Communications Director
Wave Energy Drink, LLC

Jeffrey Cheatham serves as the company Corporate Communications Director at Wave Energy Drink. Cheatham spearheads all national media relations and publicity campaigns on behalf of Wave Energy Drink’s presence in both the beverage industry marketplace and its varied sponsorship entities.

Cheatham comes to Wave Energy Drink on the heels of a 10-year stint in NASCAR, having worked in an account management role for several teams, drivers and sponsors. In 2003, he was the Media Relations Manager for Roush-Fenway Racing’s No. 17 DeWalt Tools Team, which took home the coveted 2003 NASCAR Championship with driver, Matt Kenseth. He has also worked with the famed Wood Brothers Racing Team, Proctor & Gamble’s Tide NASCAR Program and various other Fortune 500 Company racing programs.

Prior to his time in the NASCAR ranks, Cheatham began his career as an account manager for several prominent advertising agencies such as The Integer Group, LMS/MARC USA and ScolaMartin. He graduated from the University of Texas at Austin with a B.A. in English. He is married with no children and resides in Mooresville, NC.
Cody Sommer  
**Director of Strategic Marketing**  
Wave Energy Drink, LLC

Cody Sommer serves as the Director of Strategic Marketing for Wave Energy Drink. Sommer has oversight of specific event and promotional programs utilizing the company “Street Teams” to drive sales through activation efforts. His day-to-day duties include the full account management and liaison activities with the Street Team, protecting a consistent image, employee responsibilities and interaction with Wave’s growing client list. Sommer also has management duties with Wave Energy Drink’s racing programs on a national, regional and local level.

Prior to joining Wave Energy Drink, Sommer was a Research & Development Specialist with Earnhardt Ganassi Racing’s Technical Department, functioning as a dual-role employee for four years. Sommer worked his way up through the NASCAR ranks in a short amount of time, handling duties in both the Auto Racing Club of America (ARCA) and NASCAR Camping World Truck Series. He also served as a Series Director and handled Marketing Promotions, creating several new series and integrating them with mutually-beneficial sponsorship opportunities at LaSalle and Bureau County Speedways in his home state of Illinois. His Illinois Valley Cellular (IVC) Series went on to become the most successful classes at LaSalle. Sommer also directed regional touring events for the World of Outlaw (WoO) Late Model, and Lucas Oil Late Model Series’.

Sommer attended Illinois Valley Community College. He is married with no children and resides in Mooresville, NC.
Greg Hart
Director of Transportation, Logistics and Off-Premise Accounts
Wave Energy Drink, LLC

Greg Hart serves as the Director of Transportation, Logistics and Off-Premise Accounts for Wave Energy Drink. Hart manages the off-premise account program in the Charlotte (NC) Region and oversees the entire fleet of vehicles managed by the company and handles all security and logistics for an extremely busy executive staff.

Prior to joining Wave Energy Drink, Hart served in the United States Army, completing a four-year tour with the 64th Brigade Support Battalion in the Operation Iraqi Freedom Theatre. Hart was stationed in the dangerous “Golden Triangle” of Sadr City, Balad and Tikrit, Iraq. He was awarded the prestigious Bronze Star for Valor—having saved the lives of two downed Kiowa Helicopter pilots, and later garnered three additional U.S. Army Commendation Medals.

Greg Hart received a Bachelor of Science in Human Resources Management from Western Carolina University in Cullowhee, NC, as well as a Bachelor of Science in Management Communications from Amridge University in Montgomery, AL. Hart was an Honors Graduate and a permanent member of the National Honor Society. He is married with three children and resides in Mooresville, NC.
Allison Barton
Event Marketing Coordinator
Wave Energy Drink, LLC

Allison Barton serves as the Event Marketing Coordinator at Wave Energy Drink, working directly with Cody Sommer. Barton helps Reid staff up and executes all types of promotional events on behalf of the company and also doubles as a de facto Office Manager in the process. Barton’s attention to detail is a key factor in how smoothly the company runs on a day-to-day basis.

Barton holds a Bachelor of Arts Degree in Strategic Communications from Elon University in Burlington, NC. She is single and resides in Huntersville, NC.
Danny Ramirez
Lead Designer
Wave Energy Drink, LLC

Danny Ramirez serves as the Lead Designer for Wave Energy Drink, where his designs can be seen daily on properties such as the No. 36 Wave Energy Drink Chevrolet in the NASCAR Sprint Cup Series to the trading cards for Wave Energy Drink’s professional angler, David Cooke, who fishes on the FLW Outdoor Tour. Ramirez has a keen eye for detail and is able to work quickly in bringing a consistent graphical image to all Wave Energy Drink properties from design concepts to packaging.

Danny holds a Bachelor of Fine Arts from the Art Institute of Charlotte, where his compiled work won the “Best Portfolio” Award in his final year of studies. He is single and resides in Charlotte, NC.
Ashley Cox
Administrative Assistant to the President
Wave Energy Drink, LLC

Ashley Cox serves as the Administrative Assistant to President, David Tomasello, but also handles all office management duties including shipping and receiving. Ashley keeps track of the corporate calendar and all appointment setting, as well.

With her background in public relations, Cox will assist the media relations department in areas of research, distribution list management and writing. Previously, Cox worked at Brownstein & Associates Entertainment Publicity in New York City, where she handled media, public relations and representation for select clientele.

Cox is a graduate of the University of South Carolina with a B.A. in Journalism/Mass Communications. She is single and resides in Charlotte, NC.
History of Wave Energy Drink
Wave Energy Drink was incepted in 2008, thus beginning a process that led the company to the current level of success. As previously mentioned, Wave Energy Drink was created by utilizing a complete evaluation process to take advantage of the competition’s mistakes. From taste, color, appeal, marketing, sales techniques and public relations, Wave Energy Drink has blazed a path by becoming a unique property in a crowded marketplace.

In May of 2009, Wave Energy Drink began bottling its formula in the original size of 16 oz. cans with two flavors—Regular and Sugar-Free. The company quickly enlisted three separate beverage facilities for production. Franchises were sold in specific territories and Wave Energy trucks began deliveries immediately.

In August of 2009, Wave Energy Drink joined up with the unlimited marketing power of NASCAR by signing on to become a primary sponsor in the Sprint Cup Series. Once in place and utilized, the program began to provide dividends to the name recognition and brand awareness needed to compete in the nationwide beverage marketplace. Wave Energy Drink branched out to other properties, as well, which include the FLW/Outdoor Fishing Series and other grass-roots marketing entities. Coupled with an in-house public relations department, these programs were vaulted onto the pages of magazines and on some of the most prestigious business programming on television.

In December of 2009, Wave Energy Drink was launched in New York City. With a partnership in place with one of the oldest beverage suppliers in the area, the drink quickly moved into the marketplace and in just four short months is now available in over 500 retail locations.

In January 2010, Wave Energy Drink continued to add to their corporate staff by introducing positions in strategic marketing and promotional events. A comprehensive sampling campaign was launched in cities across the established sales territory with great success. In addition, Wave Energy Drink was represented with success as the 2010 Nightclub & Bar Expo in Las Vegas, Nevada.

In recent months, Wave Energy Drink has redoubled their sales efforts in different states and expanded franchise opportunities likewise.
Services Provided to the Wave Energy Drink Franchisee
At Wave Energy Drink we look at services as any process, either formal or informal, that shapes the potential of our maturing business model. Informal, or ‘seat of the pants’ learning has strength in shaping some good business habits and cannot be overestimated. However, we are dedicated to providing formal education as a conscious effort to impart the skills and values that are essential for your Wave Energy Drink Franchise.

Wave Energy Drink Corporate will provide you with initial training before you open your business. Your business leader and training director will be asked to attend a detailed training class at our location. Initial franchisee education is comprised of classroom as well as on-the-job training.

Even if you are familiar with business practices or even running a business, you may not understand the “ins and outs” of franchising. One of the most important factors for your success is education. We are dedicated to providing you with the formal training necessary to build a solid Wave Energy Drink franchise. It is important to know the industry and business you are getting into. We believe in hands-on learning. This means that learning takes place through our formal process and not ad hoc. Much will be learned on the job, but we want to give you the background necessary for success. Wave Energy Drink is dedicated to your continued success. To that end, we offer ongoing education. In today’s world of rapid business environment change and growth, it is important to stay on top of your game. Wave Energy Drink provides continual support by providing a dedicated liaison between the Franchisee and Corporate—our team provides you with ongoing support.
Responsibilities of the Wave Energy Drink Franchisee

Each Wave Energy Drink Franchise is independently owned and operated. Each franchisee is responsible for upholding local, state and federal laws and regulations. The corporate office is not responsible for the operation of individual franchises.

This manual includes references to certain regulatory requirements that may affect individual franchises. While this information is provided to assist in the management and implementation of the services and products Wave Energy Drink offers, it does NOT provide complete information regarding federal, state and local tax, employment or other regulatory requirements. Franchisees are required to consult with an attorney to ensure that the franchise is operated within full compliance of all federal, state and local laws and regulations.

Each franchisee recognizes that this manual is not intended for legal purposes, and that he, or she, is responsible for compliance with all federal, state and local regulation governing operations, including (but not limited to) taxes, employment and OSHA compliance.
Visits From the Corporate Office
From time to time, visits from the Corporate Office of Wave Energy Drink may be required in order to assess operations, profitability or to address a particular concern of the franchisee. Each time a corporate visit is required, the Wave Energy Drink franchisee will be notified in advance.
INTRODUCTION

Starting and managing a franchise takes motivation, desire and talent. It also takes research and planning. Like a chess game, success in a franchise starts with decisive and correct opening moves. Regardless of your level of capital investment, the start up phase is important in establishing a solid foundation of operations.

This section is intended to serve as a roadmap for starting your Wave Energy Drink franchise. Typically, a franchise start up road map will focus on specifics like site selection and location. And while we have included some of that information here, it may not apply to your specific operation. The Wave Energy Drink business model creates opportunity without egregious start up cost. It offers greater potential to the Franchisee wanting to dedicate more time and money, yet offers a great opportunity for the Franchisee starting with a lower level of capital investment.
Pre-Opening Checklist
The dedication and drive of the successful franchisee is very important. The shared vision of business success and personal improvement can be easily translated to Wave Energy Drink’s vision of growth and success. Use the checklist below to help you develop your franchise.

Establish a Business Entity
A business entity is an individual, association, or organization that engages in economic activities. A structured business entity allows franchisees to separate personal and business finances. One or more persons may own a business. Businesses are classified according to who owns them and the specific way they are organized. Three types of ownership structures are (1) Sole Proprietorship (2) Partnership and (3) Corporation. Within these three entity structures are an array of organizational forms in which you can operate your business. Legal advice is highly recommended.

- General Partnership
- Limited Partnership
- Limited Liability Partnership
- Limited Liability Company (LLC)
- Several Types of Corporations (“S” and “C” Corporations for example)

Corporations and Limited Liability Companies (LLC) are formal legal entities, which are formed by filing articles of organization and various registrations, as well as paying fees to the appropriate state agencies. In addition, sound business planning dictates that a buy-sell agreement and an LLC operating agreement or shareholder agreement are entered into as well, even where the law does not require it.

NOTE: Deciding on which type of business entity works best for you is complex and has many legal and tax ramifications. Consult with an attorney, or certified public accountant to determine which business entity makes the most sense for your situation.

Write a Business Plan
To increase your success, explore and evaluate your business and personal goals up-front. Use this information to build a comprehensive business plan that will help you reach these goals. The process of developing a business plan will expose important issues that you may not have considered. Your plan will become a valuable tool as you set out to raise money for the business. It should also provide milestones to gauge success. Before writing business plan, consider these four questions:

- What service or product does your business provide and what needs does it fill?
- Who are the potential customers for your product or service and why will they purchase it from you?
• How will you reach your potential customers?
• Where will you get the financial resources to start your business?

The following outline of a typical business plan can serve as a guide. Adapt it to your specific business. Breaking down the plan into several components helps make drafting it a more manageable task. What goes in a business plan? The body can be divided into four distinct sections:

1. Description of the business
2. Marketing
3. Finances
4. Management

Although there is no single formula for developing a business plan, some elements are common to all business plans. They are summarized in the following SBA suggested outline:

1. Cover sheet
2. Statement of purpose
3. Table of contents

I. The Business
A. Description of business
B. Marketing
C. Competition
D. Operating procedures
E. Personnel
F. Business insurance

II. Financial Data
A. Loan applications
B. Capital equipment and supply list
C. Balance sheet
D. Breakeven analysis
E. Pro-forma income projections (profit & loss statements)
   1. Three-year summary
   2. Detail by month, first year
   3. Detail by quarters, second and third years
   4. Assumptions upon which projections were based
F. Pro-forma cash flow
III. Supporting Documents
A. Tax returns of principals for last three years’ personal financial statement (banks have these forms).
B. For franchises, a copy of franchise contract and all supporting documents provided by the franchiser.
C. Copy of proposed lease or purchase agreement for building space.
D. Copy of licenses and other legal documents.
E. Copy of resumes of all principals.
F. Copies of letters of intent from suppliers, etc.

[All of the following sections will be discussed later and in detail in this operations manual]
- Setting up bank accounts
- Procure EIN and Tax ID numbers
- Procure insurance
- Select viable location (territories)
- Wave Energy Drink franchise training
- Hire & train staff
Developing Your Route/Route Process
Because you have already purchased a Wave Energy Drink franchise in a particular area, you may not need much assistance in setting up the route you will follow. That being said, we have many qualified professionals on staff to answer questions and offer advice in this regard.

From the Wave Energy Drink business plan, you already understand that our beverages are sold, where applicable, and include convenience stores (80% of all energy drink purchases go through this channel), grocery stores/chains, restaurants, coffee shops, bars, nightclubs, gyms and tanning salons.

You will need to develop a specific route that allows you, the franchisee, the maximum number of coordinated visits in a particular time frame.

Some stores will require frequent re-orders, whereas other locations may not. Keep these factors in mind as you develop a route that allows you to continually adjust for maximum profitability.

Above all, secure the type of relationship with store owners that will lead to dependability and accountability.
Storage Requirements
In the case of some franchisees, storage of Wave Energy Drink will be necessary. Though we have no specific guidelines on the type of storage a franchisee selects, the understanding that this is a food and beverage product should factor into your decision. Cleanliness is important!

Wave Energy Drink is pasteurized for a longer shelf-life and does not need specific cold storage. As a franchisee, always keep a careful record of products and dates handy when dealing with storage facilities.

Some Handy Facts:
- Wave Energy Drink comes in a 16 oz. can
- Wave Energy Drinks are packaged into cases of 24 16 oz. cans
- A pallet of Wave Energy Drinks equals 80 cases
- Each pallet will require approximately 17 square feet of space
Building Out Your Territory

In purchasing your Wave Energy Drink Franchise, you, the franchisee, were given an associated territory to sell product. While remaining in this particular territory and achieving success, the time may come for you to expand your operation. As long as the territory of operation is not breached, you are within your right to build up your area as large as possible.
Required List of Equipment/Initial Inventory/Signage & Logo Specifications
The following is a list of equipment necessary to begin your Wave Energy Drink Franchise Operation. Equipment may vary from territory to territory.

Raw Equipment
Delivery Vehicle 2009 Cab Chassis*
Wave Custom 13’ Box
Custom Wave Truck Wrap
Compartments (with shelving)
Handheld Computer (with software) *
Portable Printer (with paper)
Hand Cart (mounted to back)
Inverter 750W (mounted)

Display Items
LT3 3 Shelf Cooler 5
RBC Refrigerator Barrel Cooler 5
DDS Dry Display Stand 4
WH5 Window Holders 5 Plus Sticker 20
WH6 Window Holders 6 Plus Sticker 20
WH6s Window Holder 6 Sideways Plus 12
Flash Flasher Sign 3

Stickers/Decals
DD-Sm Door Decals 6x9 250
PS-Lg Pole Sign 18x28 250
Stk Sticker 250
ST Shelf Talker 12x6 250
TT Table Tents 500
BN Banner 10
CC Counter Cards 100

Uniforms
WS1 Work Shirt Style 1 3
WS2 Work Shirt Style 2 3
PTS Promo T-Shirts 24
PH Promo Hats 48
BC Business Cards 300

Product
94101 Wave Regular Pallets 1
94102 Wave Sugar Free Pallets 1

* - denotes a separate owners’ manual, available in the addenda section.
Establishing Credentials with Insurance Companies

Your Wave Energy Drink Franchise will have to comply with all of the numerous local, state and federal regulations. Avoid the temptation to ignore regulatory details. Doing so may avert some red tape in the short term, but could be an obstacle as your franchise grows. Taking the time to research the applicable regulations is as important as knowing your market. Below is a list of common requirements that may affect Wave Energy Drink, but it is by no means exhaustive. Being out of compliance could leave you unprotected legally, which leads to expensive penalties and jeopardizes your business.

Business Licenses
There are many types of licenses. You need one to operate legally almost everywhere. If the business is located within incorporated city limits, a license must be obtained from the city; if outside the city limits, then from the county.

Certificate of Occupancy
If you occupy a new or used building for a stand-alone facility, you may have to apply for a Certificate of Occupancy from a city or county zoning department. For more information, contact the county or city office in your area.

Business Insurance
Business insurance protects the contents of your business against fire, theft and other losses. Contact your insurance agent or broker. It is prudent for any business to purchase a number of basic types of insurance. While law requires some type of coverage, other forms of coverage just make good business sense. Select an insurance agent with a firm understanding of your business. Explain your operations in detail to ensure you are purchasing the appropriate coverage. Always compare proposals to get the best coverage at the best price. The types of insurance listed below are among the most commonly used and are merely a starting point for evaluating the needs of your business.

Liability Insurance
Businesses may incur various forms of liability in conducting their normal activities. One of the most common types is product liability, which may be incurred when a customer suffers harm from using the business product. There are many types of liabilities related to our specific industry, and laws are constantly changing. Specific liability insurance needs can be determined by your insurance professional.

Property
There are many different types of property insurance and levels of coverage available. It is important to determine the property you need to insure for the continuation of business, and
the level of insurance needed in the event you must replace or rebuild. Understand the terms of the insurance, including any limitations.

**Business Interruption**
While property insurance may pay to replace damaged or destroyed equipment or buildings, how will you pay taxes, utilities and other continuing expenses between the period when the damage occurs and when the property is replaced? Business Interruption or “business income” insurance can provide sufficient funds to pay fixed expenses during a period of time when the business is not operational.

“**Key Man**”
If you or any other individual are critical to the operation of the business and it cannot continue in the event of illness or death, consider “key man” insurance. Banks or government loan programs frequently require this type of policy. It also can be used to provide continuity in operations during a period of ownership transition caused by the death or incapacitation of an owner or other “key” employee.

**Automobile**
A vehicle owned by your business must be insured for both liability and replacement purposes. What is less obvious is that you may need special insurance (called “non-owned automobile coverage”) if you use your personal vehicle for company business. This policy covers the business’ liability for any damage that may result from business use.

**Office and Director**
Under some circumstances, officers and directors of a corporation may be personally liable for their actions on behalf of the company. This type of policy covers this liability.

**Home Office**
If you are establishing an office in your home, it is a good idea to contact your homeowners’ insurance company to update your policy to include coverage for office equipment. If employees are using your home office, they will need to be covered for injury and liability. This coverage is not automatically included in a standard policy.
Obtaining Required Licenses/Certifications/Permits
The Wave Energy Drink franchise will have to comply with all of the numerous local, state and federal regulations. Avoid the temptation to ignore regulatory details. Doing so may avert some red tape in the short term, but could be an obstacle as your franchise grows. Taking the time to research the applicable regulations is as important as knowing your market.

Below is a list of common requirements that may affect your franchise, but it is by no means exhaustive.

Being out of compliance could leave you unprotected legally, which leads to expensive penalties and jeopardizes your business.

Business Licenses
There are many types of licenses. You need one to operate legally almost everywhere. If the business is located within incorporated city limits, a license must be obtained from the city; if outside the city limits, then from the county.

Certificate of Occupancy
If you occupy a new or used building for a stand-alone facility, you may have to apply for a Certificate of Occupancy from a city or county zoning department. For more information, contact the county or city office in your area.

Setting Up Bank Accounts/Meeting Tax Obligations

As a Wave Energy Drink Franchisee, you will need to establish control over day-to-day cash management activities. The first step is to start a working relationship with a financial institution that provides a wide range of business banking services. Work closely with an established banker to determine the types of bank accounts your Wave Energy Drink business will need. Be aware that “free checking” is often accompanied by higher and more numerous fees for other services.

Setting up a business bank account can be easy. Start by selecting a small, business-friendly bank to establish a relationship with. Call to arrange an appointment to review options and open an account. There’s not much more required than that. You will need:

• Personal identification (driver’s license, or valid passport)
• Business name registration papers (Secretary of State Registration and Tax ID number)

The next step is to deposit funds into the new account. If your credit is sound, ask the bank to attach a line of credit to your account, which can prove very useful when making purchases for the business or to cover overhead during slow sales periods until business increases. Ask about a credit card merchant account, debit account, and other small business services. All accounts should begin with “Wave Energy Drink”.

Good business practices and effective controls require a basic separation of duties related to the operation of a bank account. To achieve adequate controls and a timely reconciliation process, responsibilities should be assigned to a custodian, reconciler, reviewer, and a monitor.

The account custodian is responsible for the bank account. This person must determine that all disbursements from the account are made only for an official Wave Energy Drink business. The account custodian must also determine that paid receipts, invoices, vendor statements, and other supporting documentation are maintained to substantiate each disbursement. If possible, someone other than the custodian should reconcile the account to the bank statement each month.

Tax Information

Business owners are required by law to withhold the following from the wages paid to employees: federal income taxes, state income taxes and FICA (Social Security) Insurance. The federal and state governments will also levy income taxes on earnings of any business. Therefore, each business must file an income tax return with both agencies. Businesses may be required to file estimated tax returns and pay estimated taxes on a quarterly basis.
Sales Tax Number
In your state there is a percent sales and use tax which applies to the retail purchase, retail site, rental, storage, use or consumption of tangible personal property and certain services. In other words, sales tax must be collected on just about every tangible item sold. A sales tax number is required for each business before opening. The number, plus instructions for collection, reporting and remitting the money to the state on a monthly basis, is available through your state revenue service.

Unemployment Insurance Tax
Businesses are required by the state to pay unemployment insurance tax if the company has one or more employees for 20 weeks in a calendar year, or it has paid gross wages of $1,500 or more in a calendar year. The taxes are payable at a rate of 2.7 percent on the first $8,500 of annual wages of an employee. Unemployment insurance must be reported and returns made to the state.
ADMINISTRATIVE PROCEDURES

Introduction
Wave Energy Drink Corporate has a set way of doing business on a particular level; however that may not have any bearing on how you may operate your individual franchise.

The following are some guidelines for establishing a set of administrative procedures to help you be a successful franchise.
Software System – The “Mobile Field Companion”
The software system that your franchise will utilize is a proprietary program built into the handheld computer devices (“Mobile Field Companions”). Software comes pre-loaded and you will receive training on the proper implementation of all applications therein.

A full guide for the Mobile Field Companion is listed in the addenda of this franchise operations manual.
Determining Pricing Structure

Wave Energy Drink Corporate maintains an aggressive pricing structure to assist you in competing in a crowded marketplace, but with plenty of profit still built in to the business model.

Per Corporate Pricing, Wave Energy Drink has the following pricing/profit numbers:

**Gross Margins:**
- Wholesale Case Price: $33.80
- Cost/Case: $27.00
- Profit/Case: $6.80

**Retail Pricing:**
- Restaurant: $2.49 ($1.09 profit)
- C-store: $2.25 ($0.84 profit)

Wave Energy Drink Corporate is always available to assist the franchisee in determining pricing structure for maximum sell-in potential.
Services
Wave Energy Drink Corporate offers an array of services to all franchisees for the purpose of making each individual business a success. They include, but are not limited to support in the following areas:

- Marketing
- Public/Media Relations
- Promotions
- General Business Guidelines
Products
Wave Energy Drink offers two specific beverage products (SKU’s), as follows:

- Wave Energy Drink Regular

- Wave Energy Drink Sugar-Free

In the future, Wave Energy Drink Corporate reserves the right to make additions to our product line or serving sizes. In any case, all franchisees will be notified prior to launch dates.

Wave Energy Drink also maintains an array of both hard and soft point-of-sale items, which adhere to a strict brand image quality and can assist in the sell-in portion of your business model.
Billing Procedures
Wave Energy Drink Corporate relies on a billing structure that works for our sales efforts; however the same principles may not apply in each individual franchisee business model.

It is customary to invoice your customers and clientele at the time of delivery, while also determining the payment terms you can accept in order to operate a profitable business.

Should you need additional advice or have other questions related to this topic, Wave Energy Corporate is available to assist you whenever necessary.
Generating Reports
It will be necessary for each individual Wave Energy Drink franchisee to generate sales reports for their own recordkeeping, as well as to track profitable progress.

Make certain that you keep careful records in any event, as these will come in handy later when determining modifications to your sales/route efforts.
Weekly/Monthly Reports

All Wave Energy Drink Franchisees should generate weekly and monthly sales reports. These documents will prove vital in setting up the structure of your future sales efforts and the ability to maximize profit centers without ignoring smaller accounts.

Wave Energy Drink Corporate will always be available to review these reports/numbers with you in order to assist your sales efforts and goals.
Managing Petty Cash
It is a good idea to have petty cash on hand to deal with simpler monetary requests, such as office supplies, fuel and meals.

Make sure that your petty cash supply is in a secure location and that you also keep careful records of amounts taken in and out of this expenditure supply.
Inventory Management
Once you have completed your purchase of a Wave Energy Drink franchise, you will immediately have inventory to keep track of on a daily basis.

Inventory is the total amount of products, goods and/or materials contained in a Wave Energy Drink Franchise at any given time. You need to know the precise number of items on your shelves and in your storage areas to place orders, control losses, and to fill customer orders.

It is a good idea to implement an inventory system that can be easily monitored. As your business grows, new systems will emerge, replacing the older, less efficient and less effective ones. Judgment must be used when establishing, using and updating your inventory systems.

This inventory will range from transportation to product supplies. Make sure that your franchise has a specific system in place to keep track of all types of inventory.

Inventory management includes:

- Determining how much inventory to carry
- Inventory to be kept ‘on the shelf’
- Inventory in repair
- Inventory used in facilities

Effective inventory management enables Wave Energy Drink to meet or exceed our clients’ expectations of product availability while maximizing net profits and minimizing costs.
**Ordering Trademarked Wave Energy Drink Products**

When the time becomes necessary to order Wave Energy Drink products, please contact Wave Corporate in order to facilitate the needed items.

Wave Corporate maintains several key vendor relationships that help keep overall costs down for the benefit of all Wave Energy Drink partners.

Trademarked Wave Energy Drink Products may include, but are not limited to:

- Product (Regular & Sugar-Free)
- Hard POS
- Soft POS
- Apparel
Using Designated and Approved Sources of Supply
Whenever applicable, please notify Wave Energy Drink Corporate if your intention is to order trademarked Wave Energy Drink Products.

While as a local franchisee you may have a specific vendor in mind, Wave Corporate must always be in the position to ascertain whether or not materials and production meet our brand standards. Please defer to corporate for the approval process prior to moving forward.
Royalty Payment

As per the franchising contract with Wave Energy Drink, LLC, the royalty payment structure is set as follows:

- 3% of the gross net, or:
- $300 minimum monthly payment for rural territories, or:
- $400 minimum monthly payment for metro territories
PERSONNEL

Introduction
Employee relations are the most difficult part of the job, and the most rewarding. Unlike products or systems, people are human and can be inconsistent or unpredictable. Many personnel problems begin with an employee’s lack of understanding about the job and their responsibilities. Your employees are the public face of your business—how they treat people directly affects your bottom line.

It is essential that you provide a sound orientation of Wave Energy Drink’s culture to any new employees you hire. This chapter introduces a variety of employee-related issues, and provides details of the successful procedures Wave Energy Drink has developed and learned over time. This chapter is your complete guide to working with and managing your most important business resource: employees. The Human Resources function provides critical support and advice. The attraction, retention, and development of high caliber employees are a source of competitive advantage for our business.
Wave Energy Drink Franchising Operations Manual

Wage and Labor Laws
According to the Equal Employment Opportunity Commission (EEOC), it’s each franchisee’s responsibility to provide fair and equal opportunities to all applicants and employees; and equal access to jobs, pay or career advancement regardless of class, group, sex, race, color, religion, national origin, disability or age. You must provide a hostile-free work environment where no form of harassment is tolerated.

The information in this section is designed to provide a general overview of responsibilities and is not comprehensive or guaranteed to comply with every local, state, or federal law or regulation. This section also does not cover all legal matters, which should first be discussed with an attorney.

Each Wave Energy Drink franchise is responsible for adhering to all local, state and federal laws. Franchisees and managers are responsible for the employees’ adherence to these laws. Wave Corporate recommends teaching all employees how to ensure compliance with such laws and to create a positive working environment.

Federal, state and local governments each have a variety of requirements, which must be followed to remain in compliance with employment laws. Although this section discusses some employment requirements, check with an attorney for advice concerning the laws in the resident state of the franchise.

It is your responsibility to provide fair and equal opportunities to all applicants and employees and equal access to jobs, pay or career advancement regardless of class, group, sex, race, color, religion, national origin, disability or age. The following is a list of federal and state laws that you should be familiar with:

**ADA**
Americans with Disabilities Act (ADA) prohibits employment discrimination on the basis of disability. The Americans with Disabilities Act (ADA) prohibits employers from discriminating against qualified individuals with disabilities in job application procedures, hiring, firing, advancement, compensation, job training, and other terms, conditions, and privileges of employment.

**OSHA**
Occupational Safety & Health Administration’s (OSHA’s) mission is to assure the safety and health of America’s workers by setting and enforcing standards; providing training, outreach, and education; establishing partnerships; and encouraging continual improvement in workplace safety and health. It is required that employers post OSHA information in an area visible to all employees. These postings tell employers and employees about their right to work in a safe and healthy environment.

MINIMUM WAGE
The minimum wage is the minimum rate a worker can legally be paid (usually per hour) as opposed to wages that are determined by the forces of supply and demand in a free market. In most cases, the minimum wage acts as a price floor. Virtually all business entities are subject to the federal minimum wage, overtime and child labor laws.

WORKER’S COMPENSATION
If a business employs three or more people, workers’ compensation insurance must be carried to provide protection to those injured in ‘on the job’ accidents. The State Board of Workers’ Compensation aids people who need claim assistance.

EEOC
The U.S. Equal Employment Opportunity Commission (EEOC) promotes equal opportunity in employment through administrative and judicial enforcement of federal civil rights laws. It is the primary federal agency charged with protecting workers’ rights. They set policy and are required to investigate all employment discrimination charges. More information about the EEOC can be found at www.eeoc.gov. It is illegal to discriminate in any aspect of employment including:

- Hiring and firing
- Compensation, assignment, or classification of employees
- Transfer, promotion, layoff, or recall
- Job advertisements
- Recruitment
- Testing
- Use of company facilities
- Training and apprenticeship programs
- Fringe benefits
- Pay
- Retirement plans
- Disability leave
- Any other terms and conditions of employment

Discriminatory practices under these laws include:

- Harassment based on race, color, religion, sex, national origin, disability, or age
- Retaliation against an individual for filing a charge of discrimination, participating in an investigation, or opposing discriminatory practices
• Employment decisions based on stereotypes or assumptions about the abilities, traits, or performance of individuals of a certain sex, race, age, religion, or ethnic group, or individuals with disabilities
• Denying employment opportunities to a person because of marriage to, or association with, an individual of a particular race, religion, national origin, or an individual with a disability
• Title VII also prohibits discrimination because of participation in schools or places of worship associated with a particular racial, ethnic, or religious group

Employers are required to post notices to all employees advising them of their rights under the laws EEOC enforces and their right to be free from retaliation. Such notices must be accessible, as needed, to persons with visual or other disabilities that affect reading.

Sexual harassment prevention policies are an extremely important part of protecting an organization. It is not, however, enough just to have a policy in place. Recent court decisions place a lot of responsibility on making sure a harassment policy is implemented effectively. Franchisees must be active in enforcing sexual harassment policies properly within the business.

There are two definitions of sexual harassment:

1. Quid pro quo is when sexual acts are required for employment, promotion or other benefits, or when such a refusal to take part in sexual acts results in being fired, denied promotion or having benefits withheld.
2. Hostile environment is defined as the work atmosphere being intimidating, hostile or offensive and could include nude pictures, off-color jokes or vulgar language.

According to recent court decisions, in order for a sexual harassment prevention policy to be “effective,” it must have the following features:

• Training program for employees
• Complaint and resolution procedures
• Promotion of positive employee relations
• Cover all forms of harassment — not just sexual harassment

The Civil Rights Act prohibits discrimination and harassment in the workplace, including sexual harassment and discrimination. Unwelcome sexual advances, requests for sexual favors and other verbal or physical sexually inclined behavior constitute harassment when:

• Submission to such conduct is made either explicitly or implicitly as a condition of an individual’s employment.
• Submission or rejection of such conduct is used as a basis for employment decisions affecting such individuals.
• The conduct has the purpose, or effect, of unreasonably interfering with an individual’s work performance or creating an intimidating, hostile or offensive working environment.

First, it is important to have a written sexual harassment prevention policy. To prevent liability within the franchise, it is a necessity to have a policy. Recent court decisions and the EEOC guidelines show decreasing an employer’s liability for a “hostile work environment” absolutely depends on maintaining and enforcing internal policies that prevent and deal with harassment.

In cases where a supervisor is involved and tangible employment action (like discipline or termination) is taken, the employer is always liable. If no such action was taken, showing care has been taken to prevent and correct sexual harassment will ease liability. Liability may also be decreased if the employee who was harassed did not take reasonable advantage of the preventative and corrective opportunities that were provided by the employer to stop harassment.

In order to create a productive work environment, it is necessary to have a sexual harassment policy. Harassment has a very negative effect on production, morale and employee turnover. Dealing with these issues up front helps defend against these destructive forces.

Appropriate measures to prevent sexual harassment in the workplace:

• Have a written policy against sexual harassment.
• Educate all employees on the policy.
• Standardize the complaint procedure, including investigation and documentation of the complaint.
• Communicate disapproval of any harassment to employees, and take appropriate and immediate action when an incident occurs.
• Document all incidents of harassment and keep records on file.
Tax Forms & Requirements

I-9 Immigration & Naturalization Forms
Employers are responsible for obtaining solid verification that the potential employee has the legal right to work in the United States. Obtain the appropriate identification showing both identity and, if not a U.S. citizen, authorization of the right to work. Every employer is required by federal law to complete the Immigration and Naturalization’s (INS) I-9 form appropriately.

Employees unable to produce the appropriate identification by the third business day should not be allowed to work until they provide this documentation. However, it is a good rule of thumb not to allow the employee to begin work until all the proper INS and tax information is gathered. The I-9 form is only to be filled out by new employees. Applicants never fill out this form.

Carefully examine the documents provided by the employee. The I-9 form lists the acceptable documents required by the federal government. It is important to record which documents were examined and their expiration dates, if any. If the employee’s work authorization has an expiration date, verify his or her eligibility on or before that date. Sign the statement certifying under penalty of perjury the documents provided by the employee were examined, the documents listed appear to be authentic, and to your best knowledge that the employee is eligible to work in the United States. This form needs to be kept on file for three years, or one year after termination. This form is not to be filed in the personnel file. It must be kept in a separate file and location from the personnel files.

It is important to read the directions given to employers on this form carefully and fill out all required areas of the form appropriately. Each error made on the form can have a fine of $100–$1,000 per violation. The fines can be even greater for hiring unauthorized aliens or failure to properly maintain required records.

W-4 Tax Forms
Obtain a completed W-4 Form for taxable deductions that are to be taken from the employee’s paycheck each pay period. The new hire fills this out to give to the payroll provider to ensure the proper taxes are removed from each paycheck. The W-4 can be obtained by using the IRS website, or by calling the IRS. These documents must be kept on file for seven years.
Profile of the Ideal Wave Energy Drink Employee

The depth of talent available in the employment marketplace is unmatched in recent times. Employers have the opportunity to review and select potential employees who often times have direct in-category experience with specific food & beverage delivery capabilities. Many times, these applicants will have their own list of past clientele that can be utilized to create initial success in the marketplace.

Wave Energy Drink employees should be intelligent, creative, energetic, enthusiastic and above all—have the drive and outward appearance/personality one expects to possess in a sales environment.

Employers should be wary of applicants with numerous employers in a short period of time. Nothing short of careful consideration should apply when selecting ideal talent to represent Wave Energy Drink.
Job Descriptions

There will be two types of positions in every Wave Energy Drink Franchise: the franchise leader and the sales employee. In most cases, the Franchisee will handle all of the business operations and act as business leader. The sales employee will need to have specific experience relevant to the category.

Wave Energy Drink Corporate maintains a generous database of Job Descriptions that should fit any position you need. Please contact us for any samples necessary.
Getting the Word Out

If your Wave Energy Drink Franchise has a specific employment need, you will need to get the word out in an efficient manner to attract top-talent. Word of mouth or recommended employees are often your best best—provided they have in-category experience. Placement of ads should be carefully considered, especially as it pertains to cost. There are numerous outlets that offer free publication and have proved successful for Wave Energy Drink Corporate.
Reference Check Procedures
Always take the time to ask applicants for three current references with telephone numbers. Call their references. Even if you don’t have time or don’t intend to call, always ask for them. You can learn a lot just by their reaction to this request.
Background Check Procedures
Wave Energy Drink recognizes the importance of maintaining a safe workplace with employees who are honest, trustworthy, qualified and reliable. For purposes of furthering these concerns and interests, Wave Energy Drink reserves the right to investigate an individual’s prior employment history, personal references, educational background, and other relevant information that is available. Under certain circumstances, Wave Energy Drink may review an applicant’s or an employee’s credit report and criminal background, if any exist. In the event that a background check is conducted, Wave Energy Drink will comply with the federal Fair Credit Reporting Act and applicable state laws. Consistent with these practices, job applicants or employees may be asked to sign certain authorization and release forms. Consistent with legal requirements, Wave Energy Drink reserves the right to require job applicants or employees to sign the forms as a condition for employment. Background checks are a must! Not to mention, it is a great marketing tool when all employees have gone through background checks. It simply reassures our customers that their children are in safe hands when it comes to our employees.

You will want to conduct the following background checks:

- Credit check
- Sex offender list check
- Criminal background check
The Interview Process

Discrimination laws don’t just cover current employees. Many of the protections extend to job applicants as well. It’s a fact of the interview process: You cannot make a decision to hire a candidate without asking a lot of questions. But, if your questions are not worded properly, or if you ask applicants potentially sensitive questions, you may be setting yourself up for legal trouble.

The Equal Employment Opportunity Commission (EEOC) and most courts assume that every pre-employment question is asked for a purpose, and any answer will then be used to influence hiring decisions. Thus, the simple act of asking about an applicant’s age or national origin could be used as evidence of discrimination, unless you have a legitimate job-related reason for asking. Follow the basic “dos” and “don’ts” for collecting information during the interview.

First Interviews

The purpose of the first interview is to get a feel for the applicant and decide if they are qualified for the position they have applied for. During the first interview, focus on two different aspects of the conversation: tone and ability to use words to motivate others. Tone tells us the emotional state of a person. For example, when people lie, they often stammer. Listen for the way the interviewee speaks. Do they raise their voice when discussing personal information? Do they sound excited to work for you? Or do they sound bored, or desperate? Listen to the level of speaking skills the person exhibits. Wave Energy Drink needs people who project professionalism at all times.

Second Interviews

The purpose of the second interview is to get better acquainted with the applicant and determine if they are a good fit for the Wave Energy Drink environment. By the second interview you have already determined their certification and education levels, so the focus is on compatibility with Wave Energy Drink’s business philosophy. A typical second interview lasts between 15-30 minutes. The objective should be to ask questions in order to gather information, which will aid in deciding which candidate should be hired. Interviewees commonly try to tell the employer what they want to hear, so ask questions that will bring out the truth in a person’s answers. Always arrange for an interruption-free interview. Schedule interviews outside of facility hours or during the day when traffic is slow. Conduct interviews in a quiet location and be prepared with pre-written, legally appropriate questions. Know what traits Wave Energy Drink is looking for in an applicant. Gut instincts alone can lead to disaster as can hiring a “warm body” due to a shortage of employees. Remember that even though someone may perform well in an interview, they may not be the right candidate for the job. It is important to check references and past employers.

Ask your attorney to help you create a list of legally approved questions.

Completing the Interview Process
Once you have selected the desired applicants that you wish to bring on board and you have completed a thorough background check, you will want to validate their references. The Wave Energy Drink screening process determines the applicant’s honesty, reliability, work ethic, and in some cases, the possibility of drug use.

Making an Offer
So, you’ve made an offer and the perspective new employee has accepted. You are in the final stages of the hiring process and well on your way to creating a dynamic team of qualified, enthusiastic and willing team members. These are the crucial steps to follow after you have made an offer and the applicant has accepted.

1. Be sure to discuss and CONFIRM rate of pay
2. Be sure to discuss availability and scheduling
3. Pay every two weeks
4. Evaluation schedule (30-60-90 days)
5. Set up specific time for orientation and training sessions
6. Tell them to bring social security card, drivers’ license, and vehicle insurance card to orientation. You will make a copy of all three for their file.
Training Employees/Training Schedules/Use of Training Materials

Employee training is the surest way to increase profitability. After all, employees represent Wave Energy Drink to the public. The more they know about the business, products, sales and service, the more the company will benefit. Cutting corners only results in cutting profits. When lost production time and staff time is calculated, training costs a lot of money per person. Proper training increases job performance and employee retention because the sales staff will be more competent in handling different types of situations. Poor training increases costs, mistakes, customer service problems, and leads to aggravation with other staff members. Proper training helps to reduce the need for re-training and recovering from bad customer experiences. Keep the training organized and systematic to ensure consistent quality of training for each employee. Maintain training records in each employee’s personnel file to be used for performance evaluations, disciplinary action, and promotions.

A wise man once stated: “If you think training your employees and having them leave is expensive, try NOT training them and having them stay.” Making sure employees are well trained is a key to any franchise system. When training employees, there are several guidelines to remember that will reduce the time spent in the training process and improve the trainees’ performance. A simple training process...

Training Tips:

- State your expectations up front.
- Teach the skills right the first time to save time and money.
- Budget money for training; don’t skimp because the company will end up paying for it in lost sales and unhappy employees.
- Create a consistent training plan for all employees.
- Select one or two top people as the official site trainers to ensure consistency.
- Review the newly learned skills with the trainee throughout the first week of employment to identify additional training needs.

Wave Energy Drink is highly skilled in conducting both employee and procedure training for our product and service. We will work with individual franchisees to conduct such training, both internal and external.

Uniform and Dress Code
All Wave Energy Drink employees should project a professional image while on the job. Uniforms and management wear should be clean and pressed, where applicable. Wave Energy Drink logoed apparel wear is available through Corporate.

If a particular franchisee has its own apparel vendor, the digitizing tape (vectored artwork) of the Wave Energy Drink logo can be forwarded, as needed.
Conducting Performance Evaluations
At Wave Energy Drink, we suggest that franchisees implement a quarterly review system, which will help you measure success and give you the opportunity to coach, train, and promote those people who will make a difference. Use these reviews regularly to ensure consistency and to show no favoritism exists between people.

Quarterly Reviews
The best performance reviews let managers and employees communicate -- share ideas, opinions, and information. Each employee’s performance is to be reviewed quarterly. These evaluations are to be done not only for raises, promotions, or bonuses, but also for growth, development, and communication. The most important aspect in every review is communication between the employee and other people, instead of one-way communication, for higher performance.

Instructions for Manager:
• Assign and discuss your quarterly ratings of each Performance Factor with each employee.
• Add any additional comments. The manager and employee are to sign and date the review, sending one copy to employee’s Personnel File.

Rating Scale:
A: Clearly exceeds job requirements: Performance is consistently superior to the standards of performance for the position.
B: Meets and exceeds most job requirements: Performance is consistently above the standards for the job, and superior in many areas.
C: Meets job requirements: Performance meets the standards of performance for the position.
NI: Needs Improvement: Performance does not consistently meet the standards of performance for the position. Serious effort is needed to improve performance.

Performance Factors:
Manager rates each Performance Factor during the quarter, adding comments as appropriate:

• Integrity & Ethics
• Decision Making
• Quality of Work
• Interpersonal Skills
• Communication Skills
• Teamwork
• Customer Success
• Attendance & Punctuality

Annual Reviews
A Wave Energy Drink employee review may help managers, employees, and peers to gain a mutual understanding of what we mean by “good performance.” This may improve the work of everyone involved, while clearing up disputes.

Review Performance Definitions:

**Integrity:** Models the Wave Energy Drink values and expectations; shows a high degree of personal integrity when dealing with others; accountable, dependable, committed.

**Technical Skills:** Consider job knowledge, problem analysis, suggestions for improvement, and ability to follow safety procedures.

**Quality of Work:** Consider accuracy, thoroughness, neatness, reliability, responsiveness, follow-through, judgment, and decision-making.

**Interpersonal Skills:** Consider customers, co-workers, supervisors, and vendors.

**Communication Skills:** Consider oral, written, presentation, tact, willingness to share information, and ability to listen.

**Teamwork:** Consider team commitment, initiation, participation, and contribution.

**Customer Success:** Consider Wave Energy Drink’s Customer Success Standards.

**Attendance & Punctuality:** How punctual is the employee? Does the employee miss many days of work?

**Manager Summary:** Consider how well the manager works through conflicts between employees.

**Employee Strengths:** Employees want to know where they’re doing well, so lead with their strengths. Follow up with their weaknesses and areas of improvement.

**Areas for Improvement:** Praise good behavior in public and reprimand poor behavior in private. Be specific when discussing these issues by citing clear-cut examples.

**Employee Overall Rating:** Score employees based on a rating system you devise. Ensure that it is used consistently with everyone; this will ensure a fair and balanced evaluation.

**Comments on Discussion:** Make sure to explain your evaluation to the employee and invite comments and/or discussion about each point.
Progressive Discipline Procedures

Unfortunately, there will come a time when you will have to discipline your employees. The goal of discipline is to teach and guide, not to punish. We have developed a positive, effective approach to discipline that is reinforced with teaching, firmness, and reminders. The key to properly disciplining employees is to document everything. Keep personnel files on each employee for all such documentation. These documents may be used in a court of law, so they should be as detailed and organized as possible.

What to do when disciplining or terminating an employee:

- Document disciplinary steps by using the performance appraisal, or disciplinary action sheet.
- Discipline in private.
- Use constructive feedback in order to give the employee the opportunity to improve.
- Complete and exit interview (if possible) to assess the environmental conditions of the site.
- Complete the proper documentation for termination.
- Notify the payroll provider as to which individual has been terminated.

What not to do:

- Do not take out your anger on an employee.
- Do not fire an employee for something someone else did.
- Do not fail to keep adequate records as proof of disciplinary steps taken.
- Do not discuss the employee’s shortcomings with other employees.
- Do not leave confidential employee information where others might have access to it.
- Do not assume supervisors and staff will always understand the policies and procedures.
- Do not tolerate racial, sexual, lewd, or age-related remarks.
- Do not become soft on employee evaluations in order to avoid hurting someone’s feelings.
- Do not ignore problems until it is too late.

Written Action

Before terminating an employee, make sure you write them up with a written action first. This can be used to prevent poor behavior, and protect you legally from unwarranted discrimination claims. The form is then reviewed with the employee during their regularly scheduled review, or used as a basis for termination.
Separation/Termination Procedures
People will be terminated for a variety of reasons. It is therefore important to follow a consistent and well documented process. For further questions regarding this, contact your attorney.

Dishonesty
This is a big category and is the foundation that all policies, our code of conduct, and our mission statement were founded on. Honesty is a value that can be defined in multiple ways. In the context of general policy at Wave Energy Drink, we want all employees to tell the truth and avoid hiding what they know or think. In addition to being truthful, honesty also involves abstaining from unfair behavior, such as stealing or cheating on the job. Stealing or fraud of any kind will not be tolerated. This includes but is not limited to: taking money or food, giving away free products to friends, or abusing the employee discount. Dishonesty is grounds for termination.

Intolerant Behavior
Intolerant behavior includes alcohol use while in Wave Energy Drink attire or on company time, any use of illegal drugs, use of profanity or abusive language, and failure to train properly, according to Wave Energy Drink requirements and standards. Such incidents must be reported to Wave Energy Drink Corporate so we may determine if it is detrimental to our brand and image. Any of the following behaviors are grounds for immediate termination:

Violence in the Workplace
Wave Energy Drink is committed to providing a safe workplace for employees and a comfortable and secure atmosphere for customers and others with whom we do business. Wave Energy Drink has zero tolerance for violent acts or threats of violence. Wave Energy Drink expects all employees to conduct themselves in a non-threatening, non-abusive manner at all times. No direct, conditional, or veiled threat of harm to any employee or company property will be considered acceptable behavior. Acts of violence or intimidation of others will not be tolerated. An employee, who commits or threatens to commit a violent act against any person, while on Company premise, will be subject to immediate discharge. If an employee, while engaged in Company business off the premises, commits or threatens to commit a violent act, that employee will be subject to immediate discharge if the threat or violent act could adversely affect Wave Energy Drink or its reputation in the community.

Specific examples of conduct that may be considered threats or acts of violence include, but are not limited to the following:

- Hitting or shoving an individual
- Threatening an individual or his/her family, friends, associates, or property with harm
- Intentional destruction or threat to destruct company property
• Making harassing or threatening phone calls
• Harassing surveillance or stalking (following or watching someone)
• Unauthorized possession or inappropriate use of firearms or weapons

**Human Resources**
Employees within Wave Energy Drink share the responsibility in identification and alleviation of threatening or violent behaviors. Any employee who is subjected to or threatened with violence should immediately report this information to a member of management at Wave Energy Drink. Employees must assume that any threat is serious. If an individual feels threatened and needs protection, they should not hesitate to report the situation. Wave Energy Drink Corporate will carefully investigate all reports, and employee confidentiality will be maintained. Violations of this policy by any individual on company property will lead to disciplinary action, up to and including termination and/or legal action as appropriate. The key to properly disciplining and terminating employees is to document everything. Keep personnel files on each employee for all such documentation. These documents may be used in a court of law, so they should be detailed and organized.

**Theft**
Theft will not be tolerated at Wave Energy Drink and is grounds for termination. While even a small amount of theft may not seem like a big deal financially, you are risking your employment—as you can no longer be trusted with more responsibilities.

**Conclusion**
Employees are the key component in operating a sound Wave Energy Drink Franchise. Understand the necessary state and local labor laws. Take time to get to know each applicant, and after they’re hired, train them well and motivate them to continue learning about the business. Keep employees happy while promoting hard work, and the result will be increased efficiency, better service, and happier employees. This will all add to your bottom line.
PUBLIC RELATIONS AND MARKETING

Promoting Wave Energy Drink In Your Area
The promotion of Wave Energy Drink in your area is tantamount to your success. While we all agree that our beverages have the necessary “sell-in” qualities, it takes both quality marketing and public relations efforts to assist your efforts.

Wave Energy Drink Corporate is here to assist your operation in these endeavors because we know what it takes to create successful programs. The use of our knowledge and sponsorship tie-ins gives the franchisee the leverage necessary to make impactful messages of brand awareness.

As we mentioned before, the importance of word-of-mouth advertising cannot be over stated. A glowing customer testimony is worth more than an advertisement. A compelling customer testimony validates the claims you make about how great Wave Energy Drink tastes—and sells.

Quality customer testimonials help to create excitement and buzz about your Wave Energy Drink Franchise. All potential buyers have some distrust when evaluating claims stated in advertisements. Adding testimonials to your marketing mix provides an important outside perspective on your customer satisfaction and quality of service.

While one of the most significant benefits of customer testimonials is the added credibility and believability to Wave Energy Drink product claims, other benefits exist to help grow your business including:

• **Customer Feedback:** Customers are your most valuable source for feedback on how your business is doing. They can provide real-life examples of why Wave Energy Drink is truly the best in the marketplace.

• **Close More Sales:** Customer testimonials give you a way to overcome buyers’ fears, doubts or objections. Testimonials are a way to validate your business from an outside prospective.

• **Gain Customer Loyalty:** Satisfied customers willing to sing Wave Energy Drink’s praises will become repeat customers and will purchase products and services regularly. Loyal customers are the lifelines of word-of-mouth advertising. Not all customer testimonials are created equal. For a testimonial to penetrate the buyer’s wall of skepticism, it has to be honest and believable. Raving customer testimonies are real and effective.
Public Relations
Public relations is the art of staying in the public’s mind. Send press releases, where applicable, to newspapers introducing new routes and sales success stories. The object is to give them a taste of what you do to entice them to learn more about Wave Energy Drink and your franchise.

It should be noted that Wave Energy Drink Corporate can and will assist these efforts to a great deal. Our staff is committed to make sure that our brand stays “on message”.

Marketing
Marketing is the art of creating programs that elevate brand awareness for Wave Energy Drink with the goal of impacting sales in a positive way. There are many different marketing programs already created by Corporate that are proven winners. Our staff will help guide you to ideas and programs that work. We know because they’ve already worked for us.

Promotion
Promotion of Wave Energy Drink includes the “on the ground” programs which help drive sales of our beverage lines. Typically, promotions include sampling and event marketing. Once again, Wave Energy Drink Corporate can and will incorporate winning strategies and programs that have already proven to be successful.

Testimonials
Testimonials can be a critical part of the “proof” that the product is as good as we maintain. Initially, you can use some of the many corporate testimonials we have available. You should work to get your own testimonials as soon as possible adding them to your binder in front of the corporate ones.

Companies have effectively used testimonials to close sales when they give a thick binder of testimonials to a customer to review when making a presentation. Make it your goal to get 50 – 100 of your own as soon as possible. Make it easy for your customers to give you a testimonial by including the space on your feedback form for one. Include a spot for your customer to authorize its use at the bottom.

Remember that third-party testimonials can say things about you that, if you said them yourself, would sound like bragging. Ideally, testimonials should prove your competence on each of the different areas mentioned in the binder and be quantifiable, not general. The shorter and crisper they are, the better. Collecting customer testimonies can range from asking in a personal e-mail or letter, to using the latest technology such as “blogs”, which are online message boards.
Often times a simple letter will help build your customer testimonial database. Begin by thanking your customer for buying Wave Energy Drink products. Ask for their feedback and opinions. Be certain you include a request for permission to use their testimony.

Keep in mind to utilize the sales tactics that have proven successful to your franchise and the sky will be the limit.
Use of Marketing/Media
Utilizing marketing to help get the Wave Energy Drink message to the public is one of the most successful tools available for selling. Marketing and sales are the key drivers that push the business forward. This section focuses on the principles and methods for showing, promoting, and selling Wave Energy Drink products. This includes marketing strategy and tactics, product and service knowledge, and sales techniques. Franchisees have a wide variety of tools to use to market and sell. This is the most important aspect of your business; you can have the best trainers in the world, but if you can’t sell your services, they’re worth nothing. Here is some basic terminology:

Marketing: The activities of a company associated with buying and selling a product or service. It includes advertising, selling, and delivering products to people. To sell our products effectively, we must provide the right product, at the right place, at the right price, and with the right promotion. Each element must be in harmony with one another.

Sales: The act of meeting prospects and selling the services. Mastering sales is considered by many as a type of persuading “art”. Selling is a practical implementation of marketing and it often forms a separate grouping in a corporate structure.

Target Market: The specific group of people or businesses you are trying to sell to, or the clients or customers sought for our services. This is considered the group, or segment, of potential consumers who are selected for marketing.

Defined Target Market: A specific market that is small enough to market directly. A defined target market has specific criteria; for example: convenience stores within 5 miles of your office.

Undefined Target Market: An undefined target market is a target market too big to market directly. An example of an undefined target market would be every citizen in Virginia Beach, VA.

Prospect: A prospect is an individual or organization who is a possible buyer of a product. Someone who has a potential need for our services who has not yet bought is considered a prospect.

Marketing Campaign: A campaign is a connected series of activities designed to bring about a particular result or a strategy to market and sell the product and business. This includes planned advertising or marketing campaigns to increase our sales.

Marketing Strategy: The strategy is what you say, how you say it, and who you tell—and is the key to successful marketing campaigns. A strategy is a long-term plan of action designed to achieve a particular goal. The goal of marketing is to generate sales. Combining a tactical and
strategic approach is important when developing your marketing strategy. Tactical marketing is an approach taken to achieve the specific objectives of the plan.
Guidelines for Using Wave Energy Drink Marks
Like most major corporations, Wave Energy Drink has specific usage guides for their logo. This policy ensures that we keep a consistent brand image for the general public. For instance, we would never want to display our logos with colors not approved by Corporate. The Wave Energy Drink logos and marks were all carefully crafted to stay consistent, no matter what the application. This is why our trucks, our cans, our signage and our advertising all have the same consistent theme.

Below is a list of guidelines for correct usage of Wave Energy Drink Marks:
Using Referrals to Build Business
Growing your Wave Energy Drink Franchise takes work. The sales function is a time consuming task with a constant need to find fresh, qualified customers on a regular basis. Sometimes, finding the best-qualified leads can come from building a strong referral business. With our specialized target market, we rely on referrals to focus sales efforts on the most qualified customers. Referrals can build our number of satisfied customers. This is a self-perpetuating cycle! The more satisfied customers we have, the greater chance of generating positive word-of-mouth and referring others to Wave Energy Drink’s products.
Public Relations/Community Involvement
This segment is intended to give you an overview not only of our customer-relations philosophy, but how that philosophy extends to the entire community. At Wave Energy Drink, we strive to maintain quality relations with the entire community.

One aspect that characterizes communities is the nature of the social interactions between members of the community. People form communities to pursue shared goals or ideals. In the act of pursuing these goals and ideals, they form relationships. It is the nature of the social interactions through these relationships that sustains the community, or in the case of a community of learners, sustains learning. Who should know these aspects better than those franchisees distributing in their very communities?

Reach out to the community by giving back whenever possible. Volunteer with charitable organizations and become well known within those circles. This will help your business and overall image—and you’ll also find it to be a treasure trove of like-minded contacts for future reference. Wave Energy Drink Corporate is currently involved in local charities and the North Carolina Chapter Make-A-Wish Foundation.

Wave Energy Drink sales operations work best when the community is also involved with our work. Get out and about and be known by community leaders. As they get to know you and the services you’re offering, they’ll reciprocate and help you out. Being a community leader is what Wave Energy Drink proposes.

Obtaining Advertising Approval

When the time feels right for your particular franchise to engage in any sort of advertising, Wave Energy Drink Corporate is available to assist your operation. While most of our experience occurs on a national stage, we know what will work in regional and local markets as well. As a rule, rely on Wave Energy Drink Corporate to review your plans and approve advertising opportunities and expenditures. We want to make sure that we maintain a consistent brand image for our product line.
OPERATING PROCEDURES

Introduction
This segment covers basic operating guidelines for your franchise. Wave Energy Drink Corporate understands that each franchise and territory are different and various policies will be deferred to the individual franchisee for decisions.

Articles covered in this segment include hours of operation, daily tasks, customer service procedures and philosophy and time-reliant tasks. Lastly, this segment covers safety and emergency procedures.
Suggested Hours of Operation

Suggested hours of operation will vary territory to territory and you, perhaps, know best the times in which you will be out and selling Wave Energy Drink.

Sales operations should depend upon when the client normally takes delivery of stock.
Daily Procedures
Understand that daily procedures will become more evident as time goes on and you build out your franchising operation. Start simple and continue with the processes and procedures that save you the most time and maximize your profitability quotient.

In this segment, we explain how the business will be managed on a day-to-day basis. These include operational procedures that will keep your franchise running smoothly. It also touches on the skills needed to ensure successful daily operations. Finally, we focus on the procedures and tools necessary to operate a profitable business and create an environment that help to expand your franchise.

As the Franchisee, you control all management and daily operations. It is up to you to look for improvements in operational efficiency and reduce expenses in order to grow the bottom line. It is sometimes helpful to think of the daily business operations as a jigsaw puzzle that you must assemble.

To do well as a franchisee, you must make sure that all the components of the puzzle interconnect seamlessly. Everyone must understand and adhere to daily operations guidelines in order to anticipate and repair troubles. In other words, all the people involved with Wave Energy Drink must feel that they can accomplish their daily tasks without unnecessary impediments.
Opening Procedures
First and foremost, make sure you are always stocked up on product. See to it that your trucks are clean and functioning in proper order. Make sure your uniforms and appearance are neat.

Follow your planned route, as discussed in a previous segment and make your sales calls. Utilize the tools you have available to close sales and encourage repeat orders. As your process goes forward, you will find more efficient ways to spend your sales day. Make note of processes that save time and increase profitability.
**Mid-Day Procedures**

Once your calls have been completed, make careful note of your sales and log them into your inventory sheets. Always take time to call on new accounts as well as servicing existing accounts. Consider new sales as the pipeline to success for your franchise.
Closing Procedures
Secure your stock and equipment and be ready for the next operating day before you close up the night before. Notify Wave Energy Drink Corporate if you have any issues that need clarification. Our staff is here to assist your efforts and help make your franchise a success.
Use of Daily Task Lists
Once you have a procedure down that works for your franchise territory, use a daily task list to solidify your efforts. Many of your day-to-day tasks each week can and will become repetitive. As time goes by, the chances for lost opportunities will decline and your productivity and profitability will climb.
Customer Service Procedures

Customer Service Procedures should be second nature to the business that thrives upon sales. Customer Service can easily make the difference between which products end up on shelves and which ones don’t. Wave Energy Drink Corporate has made a habit of out-working and out-hustling the competition because we have to at this juncture. You should treat your franchise no differently. Barriers to entry in any sales outlet can be overcome by utilizing the value and essence of customer service procedures.
Customer Service Philosophy
Customer Service is the very foundation of our mission statement, purpose and focus. In short, customers are the livelihood of our business. Wave Energy Drink places a great deal of emphasis on ensuring customer satisfaction. Only by creating a memorable impression, will you establish loyal customers and generate repeat sales. Customers are your bread and butter; treat them like gold.

Wave Energy Drink is in the people business, a company that is designed to provide a superior beverage option to consumers. A significant part of our business is providing excellent customer service and creating positive community relationships.

Wave Energy Drink strives to look for ways to give the best service possible, often beyond our customers’ expectations. When we provide services that leave our customers with a feeling of respect and value, we are creating not only repeat business, but also a solid relationship with our community. When you are asked if you can go the extra mile to land new accounts, find a way to do so.

Customers return because they have developed a relationship with you. It is our goal to develop as many reasons as possible for customers to return and enjoy our product line. When our customers spend money, they want to feel good about it. Great customer service is not only profitable, but is helpful in building both customer and community relationships. Remember when we talked about the importance of word-of-mouth advertising? Impressing the customer also creates a strong market base and loyalty to the brand, which encourages positive word-of-mouth advertising.

Customers remain loyal to companies that treat them well. With all the choices people have today, it is important to create a loyal customer base by making them feel comfortable, important, and special. Cultivating solid relationships with each customer does this.

It is important to listen carefully to what customers are saying and pay attention to their concerns. Follow up by offering several solutions. Explain the benefits and value of the product and how it will solve the customer’s needs. Explain how the service is used and give examples of how it has worked successfully for other customers. The best way to impress a customer is to match their needs to our services. Listening is the key.

In business and in the workplace, we all stand to benefit from more effective communication skills. Effective communication is an essential component of organizational success. When you connect and communicate with your customers, you can deliver the service needed to create satisfied customers. When the word gets out through effective word-of-mouth and strong
referrals, you are creating the relationships needed for a strong and valued presence in your community. Each customer is a gold mine of information that can help you better meet their needs and exceed their expectations. This creates lifetime customers that generate repeat business. The more you understand your customers’ needs, the better equipped you are to provide the customer service necessary to fulfill their needs.
Handling Customer Complaints
How many times have you heard the customer service mantra: “The customer is always right”? At Wave Energy Drink, we believe that the customer is never wrong, but they are not necessarily right. Are we just playing with words? No. At Wave Energy Drink, we strive to create relationships where the customer never feels that they are wrong, but where you know that they are not always right. This means that you will need to develop skills to handle customers and customer complaints in a way that lets the customers feel that they are not wrong, and you maintain professionalism.

The ability to handle complaints in a cool, collected, and professional manner is the sign of great customer service. People tend to become emotional when a problem arises. Being equipped with the right tools and skills to handle complaints will reduce potential problems.

Empower every employee in the franchise to handle complaints by first teaching them the strategies to deal with a problem. Many times, the customer was more upset about how a problem was handled rather than about the problem itself. An effective way to reduce tension and recover a customer from a poor experience is the L.A.S.T. strategy. The L.A.S.T. method is an easy and excellent way to manage a problem.

LAST: A method used to manage and recover an unsatisfied customer. The L.A.S.T. customer strategy ensures that customers are treated well and that their concerns are dealt with quickly and efficiently. L.A.S.T. stands for LISTEN, APOLOGIZE, SOLVE, THANK:

**Listen**
- Give the customer full attention by maintaining eye contact.
- Give the customer cues that you are listening.
- Encourage the customer to talk and fully explain their needs.
- Don’t interrupt the customer: it’s rude and limits understanding.
- Have empathy.
- Ask appropriate questions.
- Listen until all frustration is vented; it calms customers down.

**Apologize**
- Be positive, pleasant, confident and calm.
- Restate what the person has said and ask if that information is correct.
- Stay focused: contain the situation within the parameters of the problem.
- Be sincere with the apology.
Solve
• Don’t pass the buck.
• Ask the customer how he would like the problem solved.
• Take immediate action to solve the problem.
• Exceed customers’ expectations.
• If the problem can’t be remedied immediately, assure them that the problem will be solved.
• Follow up with a phone call if necessary.
• Do whatever it takes, within reason, to make the customer happy.

Thank
• Thank them for bringing the complaint to your attention.
• Use the information to improve service, systems, or processes.
• Remain calm and polite.

Use the L.A.S.T. method as a strategy to handle complaints in an effective way to reduce tension and recover a customer from a poor experience. The L.A.S.T. method is an easy and excellent way to manage a problem. Remember--many times the customer can be more upset by how a problem was handled rather than the problem.

How complaints are handled is as important as addressing the problem itself. The ability to handle complaints in a cool, collected, and professional manner is the sign of great customer service. People tend to become emotional when a problem arises.

Small problems can grow into serious dilemmas if not properly handled in a systematic and routine way, such as using the L.A.S.T. strategy. Talk with your people about complaints and use the experience to improve customer service skills. Properly handling complaints satisfies customers and increases positive word-of-mouth advertising. Complaints allow the perfect opportunity to improve operations and keep the customer’s loyalty.
Handling Refund Requests
From time-to-time, you may have a customer or client that requests a refund on product sold. This can be a critical juncture in your relationship with a particular customer and thusly, the situation must be handled as professionally as possible.

First and foremost, obtain a complete understand of why the particular customer or account is requesting a refund. Is it something that is easily fixed? Then do so, if it protects your ability to continue a relationship with this client or customer. If the situation is more complex, or you feel as if your franchise is being taken advantage of, contact Wave Energy Drink Corporate for guidance. Our professional staffers have been through almost any scenario you can name and we will be available to assist you through the particular process. Above all, don’t be discouraged! Depending upon how the situation is handled, you may have just made a customer for life—so take all complaints of this nature in a serious manner.

If you find yourself in this situation, the best advice is to contact the refund request party immediately. Ignore this dilemma at your own peril.
Required Cleaning and Maintenance
As stated earlier, Wave Energy Drink expects its brand to be represented in the most professional way possible. This is achieved through hard work and a lot of common sense. The image you project to your customers goes further than you think. Don’t forget that you represent a product in the food and beverage category—of which the general public expects unparalleled cleanliness.

Make sure your uniforms are clean and pressed. Make sure that your trucks are clean and washed thoroughly whenever possible. Keeping up the maintenance of your vehicle is your responsibility. Familiarize yourself with your equipment and make sure that everything is serviced regularly according to owner’s manual and manufacturer suggestion.

It’s your image on display. See to it that it measures up to the proper standard.
Safety and Security Issues
Always review safety procedures with new hires to make sure that they understand the dangers and precautions necessary to work safely in this environment.

See to it that your Wave Energy Drink franchise personnel are familiar with all equipment necessary to operate this business model and refer to Corporate with any questions or concerns about particular policies.
Emergency Procedures
Emergencies can be a fact of life. But being prepared can make the difference between a measured response and a full-blown crisis.

Keep emergency contact information sheets on each and every employee of your franchise and make sure that they are up to date.

Should an emergency arise that goes beyond the scope of your franchise, please contact Wave Energy Drink Corporate as soon as possible for advice and direction. All departments are skilled in handling different types of emergencies and we remain vigilant about these possibilities at all times.