



THE TRUCKTAX FRANCHISE OVERVIEW

**THIS DOCUMENT IS DESIGNED TO ANSWER ALL OF YOUR QUESTIONS
CONCERNING THE EXCITING TRUCKTAX FRANCHISE OPPORTUNITY**

**IF IT DOESN'T; You are invited to contact us
at: - 905-479-6444 for further discussion.**

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REQUIRED BY LAW. THIS DOCUMENT DOES NOT MAKE ANY
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CLAIM REGARDING THE TRUCKTAX FRANCHISE.**



It's Not a Job It's Your Business.

Start your new Career with your own
Unique TruckTax

Joint Venture Franchise

A Franchise with the Service in the Name
Proven reputation with existing clients
Innovative service system and leveraged technology,
Full end-to-end bookkeeping support and systems

➔ *You never have to do any of the
bookkeeping or tax work, or hire
bookkeepers to do the work*

EXTENSIVE CANADA WIDE, ADVERTISING PROGRAM

WE HAVE CREATED A RARE BUSINESS OPPORTUNITY
AVAILABLE ACROSS CANADA DESIGNED TO HELP OUR
FRANCHISEES CREATE FINANCIAL INDEPENDENCE.

BOTTOM-LINE!

We make it easy for you to become your local
community/city or Town bookkeeping
and tax service provider for
Independent truckers and fleet corporations.

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1. Executive Summary

TRUCKTAX franchisees focus on helping Independent Truckers manage the business-side of Trucking. **From Bookkeeping with quarterly financial reports and analysis designed to bring more meaning to the business of trucking information, to management of the business tax compliance functions and all required tax reporting functions.**

The TRUCKTAX Mission statement has two key components that succinctly spell out our reason for being in business:

- (i) "Provide truckers with meaningful financial reports and analysis that will help the Trucker Entrepreneur better manage the business-side of their Trucking business."
- (ii) "To provide Truckers with an experienced outsource service that will consistently manage all of the Tax reporting tasks of the company, while providing Truckers with the opportunity to focus on driving and servicing the truck(s) while leaving the paperwork to Trucktax."

Why re-invent the wheel? TruckTax, with over 25 years of industry specific experience, has already seen the problems faced by Truckers and have developed a system and service to conveniently solve them. As a result, TruckTax brings a well-trying and proven system to the table.

Can you provide these services to Truckers without Trucktax?

Certainly you can, but remember TruckTax will be able to deliver everything that you need to be in business tomorrow without effort on your part. You will be able to open your office for business in the knowledge that you are, on day one, bringing over twenty-five-years of experience to the clients you wish to serve and that your staff is well trained to deliver all aspects of the Tax and Bookkeeping service you are ready to provide.

This credibility statement also helps to drive the number of new clients you will acquire from the referrals of each new client you acquire. Trucktax provides this very important base and makes it available immediately.

WHY A FRANCHISE?

A franchise provides you with a proven business and service delivery format and a complete system of doing business. It provides you with superior training, ongoing consistent support, and assistance through a central source.

Franchising in North America is 'here to stay'. The franchise marketplace is vast. A new franchise opens every 8 minutes of every working day, and \$1 trillion is spent each year on goods and services purchased from franchises in North America alone.

Currently it is estimated that there are over 320,000 franchises throughout the world. **You will be in great company!**

2. THE MARKETPLACE

The independent Truckers' industry is the fastest growing segment of the small business industry and is grossly overlooked by most accountants due to the lack of industry knowledge and the assumption that truckers are not very sophisticated so they get overlooked.

However, that is good news for Trucktax and Trucktax franchisees.

This industry is growing rapidly.

The main driver is the business bottom-line improvement decision being made by large trucking companies that are aggressively converting all of their company drivers to independent owner operators, so as to increase profits at their business bottom-line by reducing insurance and contingent liabilities and truck operating costs.

Similarly, trucking entrepreneurs are opting to take advantage of the opportunity created for them to become independent Owner/Operators leased to large trucking companies with on-going contracts.

There are some going all the way getting their own authority, recognizing that sizable profits can be made as independent owner operators, sourcing their own loads and contracts running Canada/U.S.

So the trend of the marketplace has created a Win-Win opportunity, for independent truckers and leased-to owner/operators as well as a growing and expanding market for Trucktax and Trucktax franchisees.

3. THE COMPETITION

Check your local newspaper, trucking news paper and various trucking magazines, and you will see a long list of companies looking for drivers and owner operators.

Yes, there are companies and individuals in the market that currently provide bookkeeping and tax service to some truckers; however, you will quickly notice that Trucktax provides Truckers with a more comprehensive level of service and support.

We at Trucktax have raised the bar by providing truckers with big-business bookkeeping and tax service on a fixed fee service system in an atmosphere of convenience, designed to blend well with the Truckers.

As a result, competition is indirect instead of direct. This means that once you have established your presence in your local town or community and the trucker or truckers become aware of your presence and the level of service and how it is delivered, you will gain many new clients who will come from other accountants, as well as many accounting firms that have truckers approach them for bookkeeping and tax will just as easily look to refer these to you, while maintaining the year-end work of tax preparation and financial statement preparation.

In addition, we bring to the industry a special on-line service system for those truckers who would like to utilize web technology to send their bookkeeping information to Trucktax.

4. THE TRUCKTAX HISTORY

TruckTax is a very mature player in the bookkeeping and tax reporting business. With over 25 years of hands-on experience and a growing client base in Canada and the United States, TruckTax is clearly the market leader positioned to be the fastest growing franchise serving a niche market, "Truckers"

The president and founder, Ron Johnson, founded the first truckers bookkeeping service company in Toronto in 1980 and grew the company to over 700 trucker clients before selling the company in 1987 to found a fuel tax service company to service the needs of independent owner operators and fleet operations needing to file fuel tax reports to comply with fuel and road tax laws in Canada and the United States.

The second company grew to over 450 employees with its head office in Dallas, Texas and a back-office data center located in Montego Bay, Jamaica. This company was sold in 1997 and the founder returned to Toronto, where in 2001 he combined the experience of both bookkeeping and Tax preparation with fuel tax compliance reporting into a new company TruckTax, Inc.

5. THE IDEAL CANDIDATE

Naturally, there is no such thing as a single description of a TruckTax franchisee. There are, however, several very important characteristics that all franchisees display. These are characteristics that we feel are very important in a franchisee's make-up as they contribute to the long-term success of the franchise.

First, we always look for individuals who have excellent communications and business development and/or service sales marketing and selling skills. TruckTax franchisees are charged with the task of having to acquire clients for their franchise to provide bookkeeping and tax reporting service.

The good news however, is that TruckTax franchisees can use the rifle shot approach to identify and sign-up new clients since knowing who the potential clients are is as easy as driving into any truck stop or gravel pit.

TruckTax clients, who are really small business owners, are by nature very entrepreneurial individuals who are striving to get their business venture up and running or running their business and usually will not have time to manage the sea of paperwork related to bookkeeping and tax compliance, so will see your Trucktax franchise as an opportunity rather than a cost.

Franchisees need to be able to effectively communicate with these individuals in order to obtain the required information and also to work with them on an ongoing basis. In the case of TruckTax Franchisees, working with the client means getting the monthly information to flow automatically to TruckTax corporate so that all required filings can be done on a timely basis.

Secondly, we seek to work with franchisees who are entrepreneurial in their outlook. We seek out people who have a vision for themselves and will have one for their TruckTax business.

Do you need to understand the numbers? - It certainly helps to have some 'number crunching' ability, but it certainly is not imperative because Trucktax provides its franchisees with end-to-end support designed to do all of their clients' bookkeeping and tax work.

In other words, we function as our franchisees' bookkeeping and tax back-office. This way, TruckTax franchisees can focus on building their client base without having to grow their staff or do any of the bookkeeping and tax work required.

6. BUYING A TRUCKTAX FRANCHISE

Buying a Trucktax franchise is not a complex matter. We will provide you with all of the appropriate disclosure information for your review.

The disclosure material will contain, among other things, a copy of the franchise agreement for your review.

7. HOME BASED OR PROFESSIONAL OFFICE?

The TruckTax franchise is designed to function in a home-based business environment or in a commercial office. A home-based office is usually more economical than renting office space. We do not, however, mandate that you must be home based. It is a matter of personal choice.

If you are comfortable working from home, and the home environment will lend itself to a professional office, then home-based it is. There are several advantages from a taxation point of view for a home-based office; you should always consult your professional advisors in this regard to ensure that you obtain maximum benefits or talk to one of the tax accountants at Trucktax.

If you chose to rent an office, then the options might consist of a fully furnished 'executive-suite' arrangement where all services, including a telephone message service, are available, or you might rent a small office in a professional building. You might consider a shared office situation with a professional firm. There are indeed many options.

What makes this franchise a good fit for a home based situation is the fact that clients do not come to your office - you always do business at their location. This is all part of the 'value added' service that Trucktax offers.

8. SHOULD YOU INCORPORATE?

There are many different vehicles that you can use from an incorporation point of view; it might be a regular corporation, a partnership, and so on. Or you may choose to take the franchise in your own name acting as a 'sole proprietor'. The choice is varied and the decision is yours.

It is advisable to seek appropriate advice from your professional advisors if you do not have a clear understanding of what is best for your business situation.

9. TRUCKTAX CLIENTS

TruckTax currently provides bookkeeping and tax service, including fuel tax reporting to a diverse group of independent truckers, residing in Toronto and other cities in Ontario and a few U.S. states.

This client group includes one truck owner/operators to small fleet operations with up to 10 trucks.

In addition, we provide large fleet operations with a unique fuel tax support service that processes the driver trip reports and prepare the applicable fuel tax returns and send these to the trucking company client for mailing.

For some fleet clients, we process the driver trip reports and provide them with the data for use in their in-house computer, so they can prepare the applicable fuel tax return and print as required fleet management reports.

Through our receivables management division, we provide freight bills management and collections services.

10. MARKETING

How do you get clients? Some clients will come as referrals by other truckers; some will come from direct marketing and promotion. However, since we know who our clients are and where they are and where they work, the job of client acquisition is relatively easy.

However, since in most cases you will meet with a potential client trucker on a one-to-one basis, we have created a professional visual service marketing presentation that basically does the service selling for you by showing the trucker what you offer and answering the question, why Trucktax?

In addition to referrals, the Trucktax franchisees will acquire clients through their communication skills, as they get involved networking. This area of growth might encompass such activities as becoming an active member of the local Chamber of Commerce and local Service Clubs.

There are also many networking clubs that exist specifically for the purpose of exchanging leads and generating business for the members. Trade associations and groups will also form the basis for other networking opportunities.

11. TERRITORY

The TruckTax franchise is unique in many ways, one of which is the fact that this is a portable franchise granted on a non-territorial basis.

As a franchisee you are literally free to do business anywhere in North America. However, having said that, certain natural constraints will come into play. In the first 2 years of operation, it is a TruckTax criterion that franchisees never do business with truckers and/or companies that they have not visited or cannot visit. This includes companies and truckers in the United States.

Reason! In most cases you will be going to the trucker to meet at his/her home to present the Trucktax services and sign-up the truckers as a Trucktax client. On some occasions, if your home or commercial office can accommodate client meetings, the potential clients will come to you.

Therefore, from a practical point of view, it is unlikely that you will want to service clients that are more than about a 90-minute drive from your location. That 90 minutes guideline will naturally be somewhat flexible as in some cities you can only travel across town in that time, in other areas you can travel great distances.

Portability is also a unique TruckTax feature. You may be initially located in Toronto, ON, and at some point in time you decide to relocate to Vancouver, BC - it's simple, just 'pick up' your TruckTax franchise and move it to Vancouver. Some quick re-printing and you are immediately in business again. Existing clients in the Toronto area can continue to work with you without interruption.

At a later date, the franchise is also portable across the board from Canada to the U.S.

12. STARTUP TIME

Every business takes time and energy to start up and get going. Fortunately, with a Trucktax franchise, you have a dedicated team of bookkeepers and tax accountants and a management team working with you from start-up to help get you to service delivery readiness within 15-30 days after contract signing.

We are serious about our support role and will work to help maximize your efforts in building your business and providing for the bookkeeping and tax service need of your clients.

In other words, your dedicated team guarantees to deliver the services you have sold, professionally and consistently.

13. YOUR CLIENT BASE

We have talked about building a portfolio of clients on a client-by-client basis. This proven approach will enable you to create a large client base that you will work with on a regular basis for many years.

The size of your client base in terms of the number of clients that you will service will be a product of the amount of time you choose to devote to your Trucktax franchise.

This franchise is a marketing and sales-driven business. This effort will drive such elements as: The size of your client base and the monthly/annual income you will earn.

14. TRAINING

Training is the essence of a good startup and Trucktax endeavors to have franchisees up and running in the shortest time possible. Training is normally completed and the franchise open for business within 15-30 days of signing the franchise agreement.

Much of the success of the training program is dependent on the franchisee's willingness to participate. Approximately one week after signing a franchise agreement, franchisees receive their TruckTax Franchise Operations Manual material. The manual is easy to understand and will become more of a refresher since all aspects of the operations manual is covered in the training.

During that time, we are customizing all of the relevant forms, service to client contracts, agreements, etc. that will be required for the franchisee to commence operations. Similarly, at this time all of the franchisee's printed material is prepared. This consists of:

- Letterhead
- Envelopes
- Business cards
- Marketing brochures.

Once all of that material is completed, we then conduct a one-on-one intensive training course in Toronto which the franchisee is required to attend.

After the training session, a senior member of the Trucktax management team will schedule a visit to the franchisee's city to spend one full day making calls on potential clients or pre-set appointments setup by the franchisee with the mission to sign-up one or more new clients for the franchisee and/or to demonstrate the "how to" of going from contact to close and setting up the client on the system to be serviced in auto mode.

During that visit, all of the material will be reviewed and questions answered. Procedures and systems will be further explained. Time will be devoted to helping the franchisee understand and develop a comfort level using the visual presentation system provided by Trucktax.

Much of the field trip time will also be spent on practical marketing. The Trucktax training professional will go with the franchisee and, by appointment (already made by the franchisee) will call on potential lead source or referral truckers. It is normal that during the one-day visit that we could see as many as 10 potential clients and visit with one or two accountants who could become referral sources.

15. ONGOING TRAINING

Training never stops. As a result, on an annual basis, Trucktax will host a training convention for franchisees at a Caribbean resort destination for the sole purpose of strengthening the franchisees' client acquisition skills and developing some new techniques for up-selling and expanding the service offerings to trucking firms and small business clients.

This is also an opportunity for franchisees to meet with other franchisees and exchange ideas.

16. SUPPORT

We know from experience that a bookkeeper entrepreneur (singleton) can at the maximum service about 10 or 12 clients on a monthly basis. This means that a singleton bookkeeper cannot build a successful bookkeeping and tax service business to generate sufficient income and profits for financial independence.

A typical scenario goes like this. The singleton bookkeeper gets started and acquires a few accounts going out during the day and doing the work at nights. If they last long enough to develop 10 or 12 clients they hit saturation and can no longer go out to find more clients, yet 12 clients are not enough to provide a reasonable income to live on.

The alternative they then choose is to hire a bookkeeper to do the work while they go out to get more business. That approach fails and in most cases the entrepreneur winds up in debt to the bank or other institutions. Why?

The bookkeeper's salary will be in the range of \$2500.00 - \$3000.00 per month before benefits and payroll tax. But with only 12 clients, even at bookkeeping fees of \$150.00 per month per client that is only \$1800.00, so the bookkeeping entrepreneur will have to decide to finance the difference in the bookkeeper's salary with a Bank loan.

And the cycle continues. Ask any accountant and they will tell you that this is the biggest challenge they face. That is why some accountants and accounting firms currently outsource their clients' bookkeeping work to companies like BPM.

With a Trucktax franchise, there are none of these problems. TruckTax franchisees never have to juggle the fees and the cost of delivering the service. Trucktax franchisees are in profit mode with their first client.

The Reason, Trucktax does all of the bookkeeping and tax work for its franchisees. We become our franchisees' bookkeeping and tax accounting back-office and staff. We charge our franchisees a fee that is based on 50% of the annual bookkeeping fee charged/paid to them by their client and 75% of the year-end corporation tax and accounting fee.

17. BUSINESS COSTS

To be in business as a Trucktax franchisee you will naturally incur some minimal day-to-day operating costs. From an equipment point of view, you will only need a telephone, a fax machine, a computer with an Internet hookup, and naturally transportation in order to visit your clients.

A copying machine is an additional office need. In terms of photocopying, there are naturally, many 'copy-shop' facilities that can accommodate a franchisee's needs for a minimal cost.

Your resulting overhead costs will be as follows: telephone/communications charges, gas for your car, some minor mailing and photocopying costs.

18. ADVERTISING

As indicated, we recommend the early development of leads and referral sources. However, we will actively engage in a national marketing campaign that will generate leads for franchisees to service in their area.

This will include, the marketing of our franchisees location and contact information on the website so potential clients will see the TruckTax website as the franchisees website.

We do, however, suggest that all franchisees be prepared to spend a small amount on local advertising to get the people and truckers in the area to know that you are there.

We feel that the initial advertising dollars should be spent on some of the following areas to provide more long-term benefits:

1. Local papers.
2. Membership in the local Chamber of Commerce:
The Chamber in your area will provide you with an excellent opportunity to network with both potential lead source individuals, as well as with potential truckers that will become clients.

A Chamber of Commerce in the main has a membership that consists of at least 75% of small business and some will be truckers, which may translate into potential clients for your Trucktax franchise. Most Chambers have structured meetings and gatherings that allow networking amongst members.

They may consist of breakfast meetings or 'after-hours mixers' that take the form of a mini-tradeshow, where you can meet and talk with potential clients about the Trucktax service and some of the people you meet at these events will know of one or two truckers that need your service and will become a referral source.

19. FRANCHISE COSTS

There are naturally costs associated directly with the franchise. These are detailed in the franchise agreement.

These consist of two areas, one being the franchise purchase fee, and the other being the cost to attend the training session in Toronto.

The franchise fee is a one-time fee paid at the inception of the franchise and is **\$9,500.00**.

The cost to attend the training is dependent on where you live and plan to operate from. This could be for travel as well as accommodation if you are from a city/town far outside of Toronto.

20. WHAT DO YOU GET?

Your franchise fee literally covers all of your 'getting-started' expenses.

INCLUDED ARE:

- **ALL OF THE FORMS AND DOCUMENTS CUSTOMIZED TO YOUR LOCATION, INCLUDING A START-UP QUANTITY OF** all of your basic business and image supplies such as:
 - **LETTERHEADS**
 - **ENVELOPES**
 - **BROCHURES**
 - **BUSINESS CARDS.**
 - The Operations Manual and the right to use The Trucktax name and logos for the life of your franchise.
 - A special client and franchise bottom-line management computer software.

This software is used to generate a service fee proposal for new clients, with a built-in client billing and accounts receivable management system. Included in this computer system is a profit/loss feature to enable you to easily view and/or print your own franchise monthly and/or as required operating statement of for the management of your franchise business bottom-line.

You will also receive access to a special TruckTax "Franchisees' Area" on our web site where new and updated forms, manuals, newsletters, brochures and more are available solely to TruckTax franchisees.

This will be further reinforced with your personalized email address that will appear on your business card. – **"???????@trucktax.ca"**

We maintain a special web site for potential clients; interested parties will complete some basic data at the web site and submit the request for information to TruckTax Head Office. Once received, it will be forwarded for action to the closest Trucktax Franchisee office on a geographical basis. Franchisees have no cost or expense in running this system – Trucktax Head Office carries it all.

Another expense that is carried by Trucktax Head Office is for the regular review and updating as required, of all forms, documents and procedures associated with the franchise. This review and up-dating work ensures that franchisees are always working with current information pertinent to their particular market place.

The initial franchise agreement period is 2 years and may be renewed at the end of 2 years for an ongoing 5-year period provided that the franchisee is in good standing with the franchisor at the time of renewal.

Note: The 2 year initial franchise period offers franchisees the opportunity to write-off the total franchise fee investment in two years. That's a 100% return on your investment.

The franchise renewal fee is \$1,000.00. However, there is no charge to franchisees with 25 or more active bookkeeping service clients, with Trucktax providing the required bookkeeping and tax services.

For these franchisees, TruckTax corporate will pay the franchise fee of \$1,000.00 and give the franchisee the write-off for tax purposes.

21. THE NUMBERS

TruckTax does not make any earnings claims regarding their franchise.

One of the main driving forces in any franchise is the franchisee. The franchisee is the force that makes things happen. As far as the numbers go, **you** can easily do the arithmetic;

The fee to a trucker who is a corporation is:

- Bookkeeping for the year -	\$1070.00
- Corporation Tax Plus Fee -	\$400.00
	=====
- Total Service Fee Income per Client:	\$1,470.00

Cost of Sales Support Service Fee -

- Bookkeeping Support Service fee.	\$535.00
- TruckTax Corporation Tax Plus Fee	\$300.00
	=====
Total Cost of Service delivery:	(57%) \$835.00

Franchisees Income and Gross Profit

- Bookkeeping Service Income - 50%	\$535.00
- Corporation Tax Plus Income - 25%	\$100.00
	=====
Total Franchisee Gross Income -Profit Per Client:	(43%) \$635.00

Yes, a franchisee profit potential of \$635.00 per Trucker acquired as client for bookkeeping and tax per year, without having to do any of the bookkeeping work, the tax preparation work, handling any of the reporting tasks, the tax compliance management work and the related Document management and/or having to provide future audit support.

So do the math. In this business and industry where you can develop a client base of 100 to 200 truckers or more, plus provide fuel tax reporting service to the same client group as well as to large fleet operations, on a monthly fee per truck service system, your math will indicate that a Trucktax Franchise is an exciting opportunity.

22 THE TRUCKTAX NICHE

- **NO DIRECT COMPETITION**
- **LOW START-UP COST**
- **RECESSION – PROOF**
- **PROVEN OPERATING SERVICE AND SYSTEMS**
- **NO BOOKKEEPING AND/OR TAX EXPERIENCE REQUIRED**
- **CENTRALIZED FRANCHISEE CLIENTS BOOKKEEPING**
- **NO FRANCHISEE BUSINESS BOOKKEEPING NEEDED**
- **STRONG GROWTH INDUSTRY FOR YOUR TRUCKTAX SERVICES**
- **THE FREEDOM TO WORK FROM HOME OR COMMERCIAL OFFICE**
- **EASILY IDENTIFIED CLIENTS**
- **OPPORTUNITY TO PROVIDE MULTIPLE SERVICES**
 - **BOOKKEEPING**
 - **TAX REPORTING**
 - **FUEL TAX REPORTING**
 - **DRIVER TRIP REPORTS INFORMATION PROCESSING**
- **OPPORTUNITY TO DEVELOP CLIENTS IN CANADA AND THE US.**
- **NO TERRITORIAL RESTRICTIONS**
- **NO ROYALTIES**

WHAT NEXT?

Having diligently reviewed this information document you are now in possession of an extensive amount of data and background material relating to the Trucktax franchise opportunity and the TruckTax service delivery and support methodology.

The information has been provided to you in confidence to help you assess if a Trucktax franchise opportunity is right for you.

Earlier in this document we discussed The Ideal Candidate, we indicated that we look for potential franchisees that possess the following skills, attributes and background.

How Do You Score?

SKILLS & BACKGROUND	YES	NO
Do you have excellent communications and presentation skills?		
Do you see yourself as being able to meet and present the Trucktax services to an independent Trucker or Fleet owner/Manager?		
Do you have prior experience selling services to small business clients?		
Do you see yourself as an individual with an entrepreneurial outlook?		

If you feel comfortable with what you have read and reviewed in this document and have scored 3 or more YES, then we should certainly pursue further discussions and we invite you to call us.

Call Ron Johnson at **905-479-6444**, or contact Ron by email at: ronj@trucktax.ca