## FREQUENTLY ASKED QUESTIONS

- 1. What is the business name of the brand? Lecco Cucina LLP.
- 2. Is your company registered?
  - Yes, the company is registered in the name of Airava Interior Solutions Pvt. Ltd.
- 3. How many stores do you have?
  - We have our 1<sup>st</sup> operational Signature Experience Centre on Lavelle Road, Bengaluru.
  - 2<sup>nd</sup> Franchise Experience Centre at Hanamkonda Warangal, Telangana.
  - Upcoming showrooms are at Nagole Hyderabad, HSR Layout Bengaluru, ECR Chennai and Vishakhapatnam.

The company is rapidly expanding through its Franchise network across the country.

- 4. When did the company start? Operational from November 2022.
- 5. Where is your factory? Factory is at Hoskote, Bengaluru.
- 6. Can I operate and make sales without the studio? No.
- 7. What is the minimum price of the kitchen?

Our Kitchens start from Rs.1.5 Lakh, Wardrobes from Rs.50,000. However, as every product is different and manufactured as per the order, it depends on the floor plan, type of finish and the appliances selected.

- 8. What is the per Sq. Ft. / Module cost on an average? Designs are module based and we do not work on per sq. ft. pricing. You get the price based on the complete design with separate pricing for the accessories, Appliances and Counter tops. We understand the client budget and requirement and provide the solutions accordingly.
- 9. What are the types of Finishes?
  - These are the below type of Finishes that we use:
    - i. Plain Laminate
    - ii. Grain Laminate
    - iii. High Gloss
- 10. Do you have any hardware and appliances partners? Yes, we work in a collaborative style and have the elite industry brands as our hardware and appliances partners.
- 11. Types of materials used for counter top? Granite, Full coloured body vitrified tiles & Quartz
- 12. Why is Ply exclusively not being used? We are an environment friendly organization; multiple trees are cut to make a plywood and Formaldehyde content in it is carcinogenic (which triggers the cause of cancer) and harmful for a healthy living. We use HDMR (High Density Moisture Resistant) boards which are a superior version of plywood in terms of durability, moisture resistance and cost.
- 13. What kind of machinery you use in the production process? We use German precision machinery and the production process is as per the international modular furniture standards.



- How many shades are available for the kitchen carcass (inside)?
  We have standard and fast-moving shades for the carcass. 1 shade for Kitchen and 2 for wardrobes.
- What are the specifications of the boards that you are using? HDMR (High Density Moisture Resistant) MRMDF (Moisture Resistant Medium Density Fibreboard) for Kitchens; HDNMR (High Density Non-Moisture Resistant) for Wardrobes.
- 16. What is the size of an ideal Experience Centre?

The preferable area of an ideal Franchisee Experience Centre for Tier 1 / Metro City is 1500 Sq. ft. and rest of the cities will need 1000 Sq. ft. In addition to this, it should be situated on a High Street, Ground Floor or First Floor (glass façade display) with parking facility is suggested (2<sup>nd</sup> Floor and above are not recommended).

- 17. Is cross-pollination with other brands possible?
  We are open to collaborations and cross pollination models. The company encourages cross-pollination from the cross-functional industries without any conflict of interest to our products, services and partnerships.
- How many staffs do a Franchisee need to hire? Franchisee needs to hire minimum of 3 staffs - 1 Designer-cum-instore sales, 1 Business Development Executive (field sales work) and 1 Installation (technical) Supervisor to run the operations.
- 19. How are the logistics handled?

Logistics need to be managed by our Franchisee either on own or through our OEM vendors. However, Lecco Cucina will provide logistics options and the Franchisee may decide to choose. Transit insurance need to be taken by the Franchisee and only the Franchisee can claim for any transit damages.

20. Are there any logistics partners available?

Yes, the company has tied up with multiple contract logistics partners. The standard rate card will be provided to Franchisee partners for use.

21. Is there any brochure available?

Yes, digital brochures are available on the website. However, we will have one display catalog in every Lecco Franchisees.

22. How many years of warranty do you provide?

We provide 10 years of warranty for Lecco Cucina products. Please refer to the warranty document to know more about the policies and areas covered. Warranty on the sink, appliances and accessories will be as per the supplying company.

- 23. Will Lecco Cucina send any installation team to install Franchisee's client products? The company provides training and training modules to the designer/s and the installation supervisor and these candidates are expected to be hired before the launch of the store by the Franchisee. With the assistance of their installation supervisor, the franchise partner can source a team on contract (modular furniture installers are available – WIFY & Urban Company) for their installation activities and Lecco Cucina will provide guidance.
- 24. Are the modules delivered to client's location or the franchise store?

The company is flexible on these terms. We can deliver it to both the places but we suggest delivering the product to the client's location. In this case, the franchise partners need not hold any kind of Inventory.



25. Should I display all three kitchen models in my store?

Three kitchens would almost cover the variety of products being offered and hence suggested to display all three.

26. What are the marketing activities?

The brand's primary focus is on market penetration. We have our website, Facebook page (now Meta) and Instagram handle where rigorous marketing activities are done. The marketing team also works on various other portals, collaborations, instore events in order to expand the network and attract footfall.

27. Will the company support in terms of B2B sales?

Yes. even though the franchise partner is expected to handle all the queries and leads in his/her location, the company also assists the partners in case of any B2B sales. We extend our support right from the pitch to closing the deal and any B2B enquiries directly approaching the company will be re-routed to the nearest Experience Centre as per client's location.

- 28. Is there any supervisor to check the clients' location for irregularities and other specifications? Installation (Technical) Supervisor should be hired under Franchisee payroll to fulfil this role.
- 29. What is the role of the Installation (technical) supervisor?

The technical person is an installation supervisor who is expected to visit the customer's site and coordinate with the installation team and the product dispatches from our factory. However, his training will be done by the company and is expected to join 15 days before the Launch of the store. He is expected to be technically sound, coordinated with the SOPs of the organization and a subject matter expert.

30. What is the role of the designer?

The designer is expected to work from the store, communicate with the clients, visit the site (if required) and coordinate with the rest of the Experience Centre team. Hence, the franchise partners are expected to have them locally hired and on their payroll. However, the training will be done by the company and he/she is expected to join 15 days before the Launch of the Experience Centre. The company may assist on such hiring processes.

- 31. What are the qualifications that are to be considered while hiring the designer? Basic knowledge of AutoCAD and good communication skills.
- 32. What is the software being used? We use a premium Spanish software called TEOWIN. It is an all-in-one software which helps the designers to design and also auto-calculate the quotations and other technical details.
- 33. Will the company contact the existing franchise store, in case a second store of Lecco Cucina is to be opened?

In case the location is identified as a potential market, the company may decide to open multiple Experience Centres. In case there are existing franchise partners in the vicinity, the first right of refusal and priority would be given to the existing partners. The franchise partners should meet the minimum criteria and sales target for the organization to consider them.

34. Should I pay the entire Investment amount to Lecco Cucina initially?

No, the amount of 25-35 lakhs approx. mentioned as a part of the investment (capex) proposal includes instore expenses such as interiors, signages, furnitures, partitions, electricals, inauguration expenses, misc. expenses, etc. which will be spent by the Franchisee directly to the respective vendors. Lecco Cucina would receive the franchise fee, display products and its transportation cost, design software royalty fee, etc.



35. Is the franchise fee a one-time payment?

Yes, the franchise fee is a one-time payment. However, renewal of the agreement sign-up will be done (paperwork) every 5 years.

36. Is there any inventory holding cost?

The product is directly delivered to the client's location in most cases and hence, there is ZERO inventory holding / inventory holding costs. Everything is "MADE TO ORDER"

37. Is there any software for the billings?

Franchisee partner will need to follow his/her own billing methods / software; however our design software will assist the partner with auto pricing.

38. Is there any percentage offered by Lecco Cucina to the builders to accelerate sales? Both company and franchisee can mutually decide on the same on case to case basis.