



FRANCHISE INFORMATION REPORT 2022



WHO IS SCHOOL OF ROCK?

OUR EDUCATION FRANCHISE LETS YOU INDULGE YOUR PASSION FOR MUSIC WHILE IMPROVING KIDS' LIVES

For more than two decades, School of Rock has been teaching kids and adults how to channel their inner rock stars. You may already be familiar with the movie that bears our name. Even if you're not familiar with the history of School of Rock the franchise, or School of Rock the Broadway musical, chances are you've heard of School of Rock the 2003 movie. There is a shared name and a rock 'n' roll spirit with the movie, but the School of Rock franchise is also so much more.

As educators, we're trailblazers with our performance-based model of music instruction. **Today we're a global brand with over 500 locations open or under development in 15 countries.** We continue to develop and open new schools across the world. The leadership team is comprised of a group of experienced franchise executives who are either musicians themselves or deeply passionate about music and music education.

Traditional music education approaches rarely teach students how to perform with other musicians, focusing instead on teaching music only through one-on-one lessons. The **patented School of Rock Method™** is different. We combine one-on-one instruction with group rehearsals and live performances, starting students on their musical journey by teaching the songs that inspire them. This integrated **SongFirst®** approach teaches students techniques and theory while also helping them apply those skills when performing with other musicians. This method results in remarkable musical proficiency.

The **patented School of Rock Method™** includes the Method Books, the Method App, manuals, and the Method Engine to integrate the content. The app was designed to be used by students and instructors. It houses all of the exercises from the Books, tools to practice the music skills at home and also for the parents to monitor the kid's progress. This **unique approach** to instruction and our love of rock music help young, aspiring musicians find themselves, hone their talents and build the confidence they need in their lives.

In March 2020, the franchise adapted its operation to meet students' needs during the pandemic, launching the **School of Rock Remote**. Students use video conferencing during their regularly scheduled lesson times to gain access to their

Start a conversation today by calling 877-556-6184



MISSION

SCHOOL OF ROCK IS A GROWING, PASSIONATE COMMUNITY DEDICATED TO ENRICHING LIVES THROUGH PERFORMANCE-BASED MUSIC EDUCATION.



THE SUPPORT DOESN'T END WHEN THE LEASE IS SIGNED ON THE NEW SCHOOL SITE

We understand what it takes to succeed as a franchise, and have a proven track record going back to the mid-'90s. Over the years, we have developed the techniques, the business processes, and the franchisee-centric culture that provide you with a blueprint for your own success.

The Development team and commercial real estate partners can help franchisees select the best location for their school based on community demographics, local markets, and specific space requirements. But the support doesn't end when you find the ideal location!

We are proud to offer a wide network of franchisee support. Our team walks every new owner through managing a School of Rock and will guide through day-to-day business operations as needed. When a new franchise candidate signs up to become a franchisee, we provide them with a guaranteed weekly exchange and communication with our New School Openings Team. On a weekly basis, they are going to offer consulting on a number of things: marketing, staffing, construction, architectural drawings, curriculum, business systems, and music programming — everything.

"We specialize in helping franchisees figure out every single detail of the opening process. From finding the ideal location to renovations, music instrument needs, staffing, operating hours, pricing, local marketing, and IT", says Pamela Ross, Director, New School Openings.



Lima, Peru

SCHOOL OF ROCK WILL BE WITH YOU ALL THE WAY

As your committed partner, it will be School of Rock's mission to bring you unbeatable support to enable you and your business to excel in your local territory. From day one, we will support you with:

- A **proven** and **tested** concept and system that has generated continuous positive results and unique consistent return-on-investment. The concept includes a fully developed set of **policies and procedures** honed over many years
- **On-site training** in both the business and music education instruction
- **Protected** Intellectual Property Rights
- A proprietary **patented School of Rock Method**, including Method Books, App, and Engine, offering a unique music education experience
- Full support in setting up your **back office**
- Facilitating supply of musical equipment and teaching material through **Gear Select**, a group of partnerships with the most innovative providers of musical equipment such as Gibson®, Fender®, Zildjian®, Vic Firth®, Roland®, Blue®, Remo®, and Hal Leonard®
- A **proprietary IT system** to manage the school business
- Real estate search and lease negotiation assistance
- Assistance in getting your school built
- **Grand Opening** and continued marketing support
- Advice on **pricing strategy**
- Continuous **system improvement** and product development
- Unique opportunities for students, who can audition to be a part of the AllStars, representing the most dedicated students, and tour during the Summer through legendary stages all over the United States.

A PLACE FOR EVERYONE

Plenty of kids grow up without a tribe to call their own. Fitting in can be hard. If they are not naturally extroverted and self-confident, if they don't easily engage with other kids or they're not natural athletes, or they just haven't honed in on their particular interests. Over and over again at School of Rock, parents and teachers and the kids themselves tell us how our education franchise has given these kids a place to belong and how they've blossomed at school.

For a kid who never fit into team sports or any of those other worlds, the implications are far-reaching. For a music-loving entrepreneur, the rewards go far beyond financial.

"What we're focused on is the mission of School of Rock, which is inspiring kids to rock on stage and in life," says Steve McFarland, a multi-unit owner and executive business coach in Indiana.

"One mom came up to me and said, 'I don't think my daughter could have made it through another year of high school without School of Rock.' She didn't have any friends, and she just wasn't plugged in. There were tears in this woman's eyes. Now her daughter is confident, and she has friends and she is plugged in. She's found her passion."

IF YOU LOVE MUSIC AND YOU'RE LOOKING FOR THE BEST KIDS FRANCHISE IN THE SEGMENT, SCHOOL OF ROCK MIGHT BE FOR YOU

Retired from the road? Ready to cut back on touring? Looking for a way to stay involved in music while providing for the family? Passionate about music and experienced in business, but looking for Career 2.0? Our franchisees come from all sorts of backgrounds, but the trait that connects them and makes School of Rock one of the best kids' franchises for the musically inclined is their love of music. Whether they play professionally, had a garage band in high school or just sing along to the radio on the way to work, music has always been a part of their lives.

The confidence, self-discipline and sense of belonging our students gain carry over into every other facet of their lives. They benefit from becoming part of something bigger than themselves — a benefit our School of Rock franchise owners experience as well, whether they're musicians or not.

"Anyone who has a passion for something will be great at what they're trying to do. I would suggest an owner just have a passion for music," says Ryan Schiff, District Manager of our schools in West Los Angeles, Venice Beach, Burbank, Pasadena, and South Bay (Redondo Beach) and frontman for the alt-rock group Lou Pine. "You don't necessarily have to be able to perform and play music, but having a real passion for rock and roll, and music, and kids, and being able to teach kids how to play music is the most important thing."

The market has been recognizing School of Rock and recommending us to prospects: Franchise Business Review awarded us with the Top Franchisees Satisfaction Award in 2020. School of Rock was ranked by Entrepreneur Magazine the top Children's Music Enrichment Brand in the world. The magazine also ranked us in 2017, 2018, 2019, 2020, 2021 and 2022. In 2018, we were voted the #2 franchise in our investment level by Forbes magazine, an assessment that included over 3,500 other franchisors. In 2021, we also received distinguished 2021 Franchise Innovation Award for the School of Rock Method App™, and the Top Franchise Culture by Franchise Business Review.

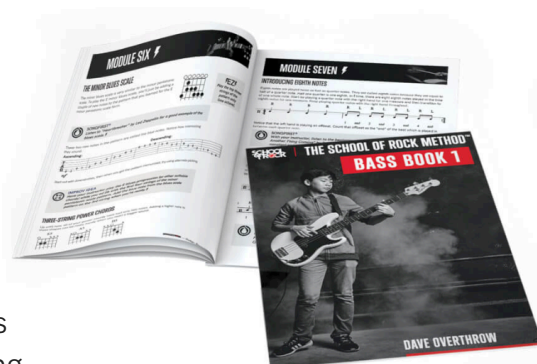


SCHOOL OF ROCK METHOD™

- We start students on their musical journey by teaching the songs that inspire them. Through this **SongFirst®** approach, we use classic songs to teach technique and theory. This method helps students remain engaged with and excited about, their educational experience
- Our patented **School of Rock Method™** offers a unique set of tools for an immersive approach, similar to learning a foreign language, where students start learning real rock songs right away
- **The Method** includes proprietary **Method Books** and a **Method App**, groundbreaking resources for instructors, students and parents

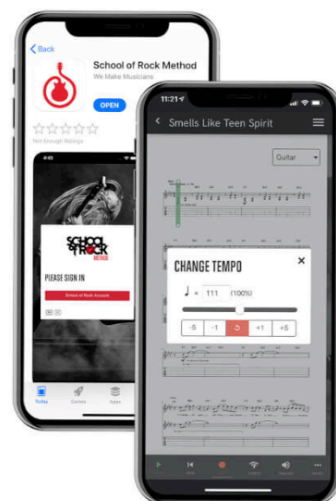
METHOD BOOKS

Our proprietary **Method Books** are the roadmap for our educational approach. The books outline musical concepts and techniques, and then connect them to classic songs for students to learn and play. Students will also find tips on rehearsing and performing with a band.



METHOD APP

Our revolutionary **Method App™** is invaluable tool for home practice. It contains all of the exercises from the School of Rock **Method Books™**, along with transcriptions of over 1,000 songs. The **Method App™** is used by our teachers to assign exercises and songs, and to provide feedback and comments. Students can manipulate playback, tempo, and backing track audio to help them learn.



The patented **School of Rock Method™** is only available to students enrolled at School of Rock.

Start a conversation today by calling 877-556-6184

SCHOOL OF ROCK REMOTE

In response to the growing number of people being asked to remain in their homes or limit travel, School of Rock, launched in March 2020 its virtual, one-on-one music lessons for 40,000 students around the world through the School of Rock Remote program.



Students use video conferencing during their regularly scheduled lesson times to gain access to their skilled music instructor. The new virtual lesson room coupled with School of Rock's proprietary **Method App™**, **SongFirst™** approach and **Method Books™** offers a comprehensive music learning experience that is fun, educational and safe. In addition to meeting the needs of current students, School of Rock understands that millions of additional people can benefit from remote music education.

While School of Rock's programs are principally designed to be delivered as an in-person experience, School of Rock offers its franchisees the opportunity to conduct remote lessons, rehearsals, and other programs through approved online video conferencing solutions. This allows greater continuity in circumstances such as student vacations, illness, inclement weather, and other disruptions. As technology evolves, School of Rock will continue to explore the application of remote learning, and these policies will be reflected in the Operations Manuals.

WE LOVE MUSICIANS...

We create jobs for other working musicians, as each school typically employs about 20 part-time teachers who are likely professional musicians as well. While it's true there are different labor pools in Peoria than in, say, Chicago or New York, we find that there are always people out there, and being able to hire professional musicians helps boost overall franchisee satisfaction.

Musicians are the sort of people who would play just for the sheer joy of it, which is why so many pros still need day jobs. With musicians running our schools and teaching our students, School of Rock has earned its reputation as the premier music education school. Our students not only learn to play an instrument, they learn how to work within a group as they form bands with their peers, how to prepare for a live show, how to handle the unexpected during those performances, and what it's like to go on tour.



Chesapeake, VA

FRANCHISEE REVIEWS

"There's absolutely nothing like it. It's a proven model: The opportunity and the structure of the business and the programs are a success. There's nothing out there in the majority of markets I know of that can compete on that level. You may have some mom-and-pop type of schools that do something similar, but we're a global brand." - **Bea Escobar - School of Rock Fayetteville, AR**

"Most of the kids who come to School of Rock are just drifting through school, they're not plugged in anywhere. Their parents are frustrated. They've tried band, they've tried soccer — nothing sticks. They feel like failures. They send their kids to School of Rock and now they're plugged in, they've got a network of friends, they've got mentors in our teachers, they're performing on stage, they're confident. Their parents are over the moon." - **Steve McFarland - School of Rock Carmel and Fishers, IN**

"My vision for School of Rock West Cobb is that it will be a place for everyone, of every age, of every background. Our goal is to become the leader in performance-based music education for the community, where all students are welcomed and encouraged to express themselves through the universal language of music, so they can rock both on stage and in life." - **Gabriel Rudge - School of Rock West Cobb, GA**

"I am 100% meeting my goals. For me, the School of Rock investment is amazing. It's central to everything I'm about. I care about people, I care about helping kids, I love music and we are generating cash. It's phenomenal." - **Matt Ross (Former SoR CEO) - School of Rock Chatham, Cresskill, and Clark, NJ**

"School of Rock is truly an amazing brand! I have never seen such a powerful product. Because of what we do for kids and the impact we make in our community, we attract some very talented and passionate people to join our team. Having great staff makes a huge difference when you own a business." - **Cecilia Yi - School of Rock Roseville, Elk Grove, and Sacramento, CA**

"I was talking to a lot of different friends with similar-sized businesses in and out of franchising. I was looking through all the Yelp reviews for School of Rock and I couldn't find a bad one. Some Schools have 40 reviews and you can barely find anything negative. I saw the strength of School of Rock. All my customer experiences are glowingly positive." - **Jim Gignac - School of Rock Arlington Heights, IL**

JOIN THE BAND!

A School of Rock franchise stands out among music school businesses by engaging kids in a unique way. We teach rock music that resonates with them and the fundamentals of playing with a group of musicians on stage.

If you've been dreaming about how to start a music school, one of the first things you want to know is how much your initial investment will run. To be a qualified candidate, you and/or your group need at least \$125,000 in liquid assets and a net worth over \$350,000.

The initial investment for a single School of Rock location ranges from \$395,800 - \$537,400. If you qualify for a small business loan through our preferred lending partner, your cash contribution may only be 20% of the total initial investment.



The chart on the following page is from Item 7 of our latest Franchise Disclosure Document (FDD). It shows how the initial investment is spent. For a closer look at our financial picture, and to start a no-obligation conversation about the School of Rock franchise opportunity, call (877) 556-6184.

ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT¹⁸ (Franchise Agreement)

TYPE OF EXPENDITURE	AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
Initial franchise fee ¹	\$49,900	Lump sum	At signing of Franchise Agreement	Franchisor
Initial Rent Outlays ²	\$6,000 - \$15,500	Lump sum	At signing of lease agreement	Landlord
Site Selection and Leasehold Improvements ³	\$237,000 - \$275,000	As arranged	Before opening; as incurred	Contractors / Suppliers
Furnishings and Finishings ⁴	\$12,000 - \$26,000	As arranged	Before opening	Suppliers
Equipment ⁵	\$20,000 - \$30,000	As arranged	Before opening	Franchisor / Suppliers
Security Camera ⁶	\$7,500 - \$16,500	As arranged	Before opening	Suppliers
Signage ⁷	\$7,000 - \$14,000	As arranged	Before opening	Suppliers
Supplies ⁸	\$500 - \$1,000	As arranged	Before opening	Suppliers
Pre-Opening Training ⁹	\$1,800 - \$3,000	As arranged	Before opening	Suppliers
Advertising ¹⁰	\$10,000	As arranged	Before opening and within 30 days after opening	Suppliers
Opening Inventory ¹¹	\$2,500 - \$3,500	Lump sum; as arranged	Before opening; as incurred	Suppliers
Computer/ Software ¹²	\$4,000 - \$8,500	As arranged	Before opening; as incurred	Suppliers
Permits & Licenses ¹³	\$2,000 - \$3,500	As arranged	As incurred	Government Authorities
Architectural Fees ¹⁴	\$10,000 - \$15,000	As arranged	As incurred	Supplier
Prepaid Insurance Premiums ¹⁵	\$500 - \$3,000	As arranged	As incurred	Insurance Broker
Utility Costs & Deposits ¹⁶	\$600 - \$1,500	As arranged	Before opening; as incurred	Suppliers
Miscellaneous Opening Expenses ¹⁷	\$3,500 - \$7,500	As arranged	As incurred	Consultants
Additional Funds for 3 months ¹⁸	\$21,000 - \$54,000	As arranged	As incurred	Suppliers / Employees / Others
TOTAL¹⁹	\$395,800 - \$537,400			

HOW MUCH CAN I MAKE?

OUR PROVEN SYSTEMS, TRAILBLAZING EDUCATIONAL APPROACH AND FRANCHISEE-FOCUSED CULTURE ALL PLAY A PART IN SCHOOL OF ROCK FRANCHISEE EARNINGS

A passion for music and music education is crucial in our business, but it's also important to understand the financial ins and outs of our business model, including average School of Rock franchise earnings.

We can't predict how much you'll earn as a franchisee, but we can show you just how much franchisees have earned in years past. Qualified franchise candidates will receive a copy of our Franchise Disclosure Document (FDD), which includes earnings reported by franchise owners, as well as more detailed information about startup costs and what you get for your initial investment.

At School of Rock, music education is our sole reason for being, and our business model is based on turning that passion into profit. We pour everything we do into helping children and teenagers find themselves through the rock



FRANCHISE AWARDING PROCESS

1

CASTING CALL- INITIAL CANDIDATE SCREENING

Once you've completed a form on our website, you'll soon receive a call from one of our Franchise Development Team members. To speed up the process call (877) 556-6184

2

AUDITION- CANDIDATE INTERVIEW

You'll discuss your qualifications and School of Rock business model with a member of our Franchise Development team

3

CALLBACK AUDITION- COMPANY DETAILS

A member of our Franchise Development team will share with you insights on how our system works.

4

REHEARSAL- FRANCHISE DISCLOSURE DOCUMENT REVIEW

Submit your application and qualifying financial documents, and we'll send our latest FDD. Shortly thereafter, we'll review the FDD with you and answer any questions you may have

5

ON TOUR- PROGRAM REVIEW/DUE DILIGENCE

You will further explore details of opening a School of Rock, including:

- Reviewing your funding options and applying for financing
- Executive interviews
- Franchisee outreach and site visits
- Writing your business plan
- Exploring real estate options in your market

6

OPENING ACT- DISCOVERY DAY

Attend our Opening Act [Discovery Day], visit local schools, meet one-on-one with our Leadership Team

7

AUTOGRAPH SESSION- FINAL APPROVAL/SIGNING OF FRANCHISE AGREEMENT

If leadership extends an offer, you'll sign a Franchise Agreement and pay your franchise fee

8

BUILDING YOUR ROCK & ROLL EMPIRE- BUILD, TRAIN, OPEN

Open your own School of Rock

Start a conversation today by calling 877-556-6184

