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APPLICATION FOR LETTERS PATENT

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for

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LAST MILE DELIVERY BUSINESS MODEL

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by

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LAST MILE DELIVERY BUSINESS MODEL

CROSS-REFERENCE TO RELATED APPLICATIONS

This application claims the benefit under 35 U.S.C. 119(e) of this US Provisional Application filed herewith.

STATEMENT REGARDING FEDERALLY SPONSORED RESEARCH OR DEVELOPMENT

Not Applicable

THE NAMES OF THE PARTIES TO A JOINT RESEARCH AGREEMENT

Not Applicable

INCORPORATION-BY-REFERENCE OF MATERIAL SUBMITTED ON A COMPACT DISC OR AS A TEXT FILE VIA THE OFFICE ELECTRONIC FILING SYSTEM (EFS WEB)

Not Applicable

STATEMENT REGARDING PRIOR DISCLOSURES BY THE INVENTOR OR A JOINT INVENTOR

Not Applicable

BACKGROUND OF THE INVENTION

1. Field of the Invention

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The present invention relates to a franchise product delivery system and more particularly, the invention relates and focuses on a separate delivery system franchise for the last mile of the package or food delivery.

10 2. Description of the Prior Art

Conventional package delivery goes direct from the seller all the way from the product source to the individual home or business for delivery. This conventional delivery system not only delivers from the main product hub, but also includes a delivery system including the last mile. The established freight companies are having the same labor problems as are all employers in a tight and unmotivated labor market. Currently many of the food and package delivery industries such as Door Dash may be using undocumented delivery personnel which could be a major safety problem. Today, Amazon has more than 3,000 delivery service personnel around the world, employing more than 275,000 drivers, who safely deliver more than 10 million customer packages every day. They've generated more than \$26 billion in revenue for their small businesses and positively impacted many communities across the globe. The Door Dash people may have long term problems with the employee/contractor debate. The food deliverers will have to use their own vehicle. Door Dash has yet to turn a consistent profit.

25 In general, the delivery companies are so short of help that they are trying to make the case that delivering their products is fun and can be done at the contractor's leisure. Not true. This fact and the free freight psychology may soon hit a brick wall. The tier one customer companies such as Amazon in many cases have unrealistic package delivery quotas for their delivery drivers. It may be like herding cats.

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Our last mile delivery contractor concept will bring relief from the current labor shortage and dramatically lower the turnover rate while increasing the volume of products shipped.

5 The contractors that Amazon and the others are using may not be viable long term. Some of the reasons for worker fatigue are lack of desire, lack of business history, and work ethic, to name a few. It would be desirable to bring a higher caliber of contractors to the delivery system. This is due to the fact that Amazon driver attrition rates were 123 percent in 2019 before jumping to 159 percent in 2020, according to internal data in the report, Bureau of
10 Statistics dated June 17, 2022. In contrast, turnover rates across the US transportation and warehouse sectors were much lower: 46 percent and 59 percent respectively in 2019 and 2020, according to the report. The managerial cost of supervising unmotivated contractor employees is very high. In 2021, 18.3 percent of Amazon's subcontractors had employee injuries reported to OSHA.

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SUMMARY OF THE INVENTION

In accordance with the above-noted advantages and desires of the industry, the present invention provides a cost efficient, reliable and interactive customer-oriented relationship.
20 We designate this as the last mile delivery contractor concept franchise business model wherein an individual engages in our franchise for employing someone who will make a pick up from a designated area within a neighborhood or territory and deliver it the last mile to the final destination within that territory. This will alleviate many of the aforementioned problems with the prior art because the last mile delivery contractor will finance their own equipment and will have a home or
25 office in or near the territory. This concept may be the only work from home occupation that stays with us.

The last mile delivery concept is inspired by the relationships established by WWII British air raid wardens and their wards. The warden was someone everyone got to know
30 and that made for an effective relationship that achieved the objective. The familiarity afforded by the last mile delivery contractor system will contribute to more efficient interaction between

all parties with the ability to control the cost. The advantages of the last mile delivery system are economic, with greater customer safety, and improved customer satisfaction.

Addressing food and/or package deliveries for the last mile:

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The restaurants and delivery services in general can give discounts for multiple deliveries within a territory.

As such, our last mile concept will reduce costs by minimizing delivery
10 redundancies by having separate multiple drivers in the same area. Most of the last mile franchisee sub-contractors will use family and friends for their drivers.

In essence, a seller store corporation can load up a truck with products to be delivered over a larger area, and then the driver of that loaded vehicle can drop off numerous
15 packages to the last mile drivers in a neighborhood or territory so that that the seller corporation's vehicle does not have to make the last mile of the deliveries. Once the last mile driver has his load of packages, he will then deliver those packages to the final destination and recipients of the packages.

20 One specific preferred aspect has certain features including a distinct cost advantage that occurs by the establishment of multiple package deliveries to the same territory. This is accomplished by eliminating multiple trips to the same area thus reducing the labor cost. This can be further optimized through the expansion of Last Mile Corporation's national data base and contact point for all products. This will grow as the number of Last Mile franchisees and
25 distributors increases.

Out of stock and package returns:

Many orders have multiple products on the same order and some of the products
30 may be out of stock. Again the last mile franchisee or distributor can be both a method of cost saving by preventing redundant delivery costs and facilitating more efficient service. The cost of

processing product returns will provide a major cost savings with the Last Mile concept. For example, Walmart has 30% returns and Amazon has between 5% and 15% depending on the product and the Last Mile franchisee or distributor. The cost savings of having one delivery and pickup address for multiple delivery functions i.e original order, back orders, returns will lower cost, improve efficiency, enhance service quality, lower managerial requirements and facilitate a more efficient return policy.

Although the invention will be described by way of examples hereinbelow for specific aspects having certain features, it must also be realized that minor modifications that do not require undo experimentation on the part of the practitioner are covered within the scope and breadth of this invention. Additional advantages and other novel features of the present invention will be set forth in the description that follows and in particular will be apparent to those skilled in the art upon examination or may be learned within the practice of the invention. Therefore, the invention is capable of many other different aspects and its details are capable of modifications of various aspects which will be obvious to those of ordinary skill in the art all without departing from the spirit of the present invention. Accordingly, the rest of the description will be regarded as illustrative rather than restrictive.

BRIEF DESCRIPTION OF THE DRAWINGS

For a further understanding of the nature and advantages of the expected scope and various aspects of the present invention, reference shall be made to the following detailed description, and when taken in conjunction with the accompanying drawings, in which like parts are given the same reference numerals, and wherein:

FIG. 1 is a flowchart of the steps of a franchise made in accordance with the present invention.

DETAILED DESCRIPTION OF THE INVENTION

5 In accordance with the present invention, we refer now to the drawings in detail, FIG. 1 is a view of a flowchart of the steps of the business model for the instant franchise. These franchise steps are generally indicated by the numeral 10, which also includes a first step of an order 12 from a buyer or Tier Two Customer ordering a product from a supplier store 11. The supplier store 11 then sends the order to the tier one customer 13. Then, the supplier store 11 contacts the
10 Last Mile Corporation through their in-house dispatcher. The product packages are delivered to the Last Mile Corporation Franchisee or Distributor by the Tier One Customer's dispatcher 14. In some cases with consistent large package volume the Last Mile Franchisee or Distributor may elect for an additional charge to be negotiated and paid to the last mile contractor to pick up packages at a local site designated by the Tier One Customer 18 or alternatively to one of Last Mile Corporations
15 master franchisees 16. This then triggers a drop off to one of our last mile contractor driver 18. A last mile contractor driver 18 then picks up the package to be delivered within the designated territory for them to make the last mile delivery.

Payment arrangement:

20 The Last Mile Corporation will negotiate a fee schedule with the Tier One Customer that will be paid to the Last Mile Corporation and Last Mile Corporation will pay the Last Mile Corporation Franchisor or Distributor and the Master Franchisee if in place. The Last Mile Corporation will consult with the Last Mile Corporation franchisor and the Last Mile Corporation
25 master franchisor to determine charges for all different types of package deliveries.

 Once the delivery has been verified by both a picture and a notice of delivery and the picture is E-mailed to the Tier Two Customer, the last mile contractor driver 18 will enter this activity daily in his computer which is then sent back to the supplier store and payment is made to
30 Last Mile Corporation within 15 to 30 days. Last Mile Corporation then pays the Last Mile Corporation franchise within 15 to 30 days of receiving payment. If a master franchise is in place

in the territory they would also receive payment from the Last Mile Corporation.

This last mile contractor franchise concept will put an end to the anonymous deliveryman and add a name and face that will encourage familiarity and that will be a major improvement on the current anonymous deliveryman system. This last mile concept has been inspired by a WW2 British Air Raid Warden. The warden was someone everybody got to know and, thus, the objective, to reduce lights during nighttime, became more manageable. This familiarity initiated by the last mile contractor concept will contribute to less interaction “after the sale and delivery” between a tier one customer’s personnel and a tier two customer which will drive down the freight cost and greatly reduce the ubiquitous porch bandit.

We are anticipating that there will be a large number of franchise purchase applicants due to an upcoming problem which is foreseen due to addressing an anticipated \$9 billion dollar loss annually estimated. The free freight costs currently being offered by big box stores, including the likes of orders from Walmart and Amazon, with free shipping over a certain dollar amount look to be expected. The best source for some of the anticipated franchisee applicants could be existing conventional tier one customer’s drivers.

Point calculations for franchisee selection could be based on some of the following criteria, i.e. education, work history, net worth, home ownership in the territory, business building, rental or ownership in the territory, qualifying as a Veteran, driving record, arrest record, computer skill set, quality of the franchisee drop-off site, and/or the delivery experience of existing drivers, among any of other factors that would pertain.

The big box store shipper is the tier one customer for supplying orders to the last mile shipping company. We designate the tier two customer as being the package recipient who orders from the big box store. That tier two customer can sign up with the last mile shipping company and request that the big box store shipper utilize the services of the last mile shipping company. Otherwise, the last mile contractor franchisees could offer tier two customers the following services:

- security cameras

- combination door handle entrance
- Anchored Weather-Proof Combination Box in Various Sizes

5 The price of a franchise territory may be based on size and proximity to the dealer's/franchisee's drop off location.

In one aspect of the present invention, a last mile master contractor could function as middle management when the system expands. The territories can be organized by zip code. In the case of heavily populated zip codes, there may be one or more territories in each zip code.

10 The optional master franchisee's primary job is to become a facilitator of the economic activity and marketing for both the territory contractor and the last mile delivery system. Thereafter, the last mile delivery contractor will be supported by a last mile master contractor. Both the last mile delivery contractor and the last mile master contractor will have to purchase delivery equipment and own or rent a designated drop off location. Master contract franchisees would receive a
15 percentage based on how the gross earnings of the territories in their area perform. Duties of the master contract franchisees would require filling in for any subcontractors who fail and to assist in both the selection and training of replacements. Such a training program will be set up by Last Mile Corporation.

20 Preferably, the master franchisee will have a back-up equipment requirement and will be required to contact a percentage of the tier two customers monthly for each territory that they oversee. The last mile master contractor will also be required to submit a written report to the Last Mile Corporation.

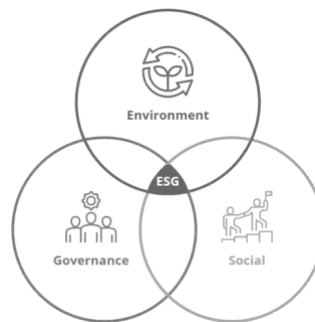
25 The last mile delivery contractor will be assigned a territory number and all interaction with both tier one and tier two customers will refer to that territory number. The number of the contractor's territory may conform to the zip code in which the franchisee operates. The zip code could be the franchise number designation. For Example: 48317 could be one last mile delivery concept. A second contractor could have 48317-A1 and the zip code
30 48317-A2 could be yet another contractor in the same zip code.

A successful last mile contractor could be promoted to a master contractor. This would require an additional payment to the last mile delivery shipper, and the last mile contractor could sell their existing franchise to raise capital. Both the last mile delivery contractor and the last mile master contractor can own as many territories as they can afford and manage.

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Most likely the last mile delivery concept franchisee will sell his business to a family member. This will further increase the quality of the delivery service and make it easier for the tier one customer to get away from their free freight dilemma.

10 The tier two customer package delivery may be multiple times per day and the schedule should be published on the internet and on a mailbox or other suitable posting site in the territory. In the event that local ordinances are set up against the last mile delivery concept having a business in their home, several last mile delivery contractors and the master contractor can get together and share a rental in a local strip mall or other suitable site. This site with
15 multiple last mile delivery concepts could also be convenient for tier two customers who are returning packages.



Environmental Social Governance, ESG, Standing and the Environment

20 The last mile concept system lowers the number of vehicles required to deliver the packages which dramatically helps the environment. Social benefits are also realized because the environmental social governance standing of the last mile contracting system will improve relations for most all of the companies who use delivery service personnel and may even reverse the desire to unionize. The Strategic Organizing Center claims that there's one main reason delivery service
25 personnel workers are injured at such high rates, i.e. the grueling speed that they are expected to

work at. The report cites complaints from delivery service personnel drivers and lawsuits from the delivery service personnel companies themselves that say Amazon expects them to deliver a package each one to two minutes for 10 hours during the busiest times of the year. Workers also told the Strategic Organizing Center that they're afraid of being fired if they miss their unrealistic
5 quotas. Amazon also reportedly does not make accommodations for local conditions, such as narrow streets that are difficult to navigate its vans through or difficult terrain. Hostilities arise as a sign that Amazon is exercising too much control over its subcontractors, and this may end up being adjudicated as employees provide input. Good relationships will reduce the need for government involvement and may drastically reduce the injuries.

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Reasons for penalizing or termination of a last mile concept may be covered in the initial executed franchise agreement. The last mile franchisee could be terminated or penalized for damaged packages, stealing, being late with deliveries, or a high number of undelivered packages. Furthermore, inadequate insurance means that a last mile contractor's monthly
15 franchise fee can include a charge for an auto insurance policy which would include auto liability coverage of \$1,000,000, uninsured motorist/under-insured motorist coverage, and contingent comprehensive and collision coverage. Passengers will not be covered. In addition, failing the mandatory urine drug testing requirement can cause many problems.

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In looking for the best choice for franchise candidate delivery contractors, it must be known that last mile franchisees can be homeowners or local businesses with an office in their territory. The last mile contractor can combine the last mile delivery system with any other independent home-based business. Examples would be snow plowing, firewood sales, lawn cutting service etc.

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In yet another aspect, Last mile contractors may avail themselves of additional services opportunities, such as they may offer delivery services to the general public for Amazon, Walmart, Macy's, Chipotle, McDonald's, Target, Home Depot, Sam's Club, etc. Last mile contractors can also offer services such as holding packages and picking up mail for their
30 customers when they are traveling, arranging Uber rides for customers who need them, and offering referral services for home repair and lawn service either from their personal experience

or from local experts on call or retainer. In order to expand their sales possibilities, last mile franchisees can easily offer additional services by soliciting via publishing and/or distributing a list of the services that franchisees have available by direct mail to the franchisee's customers. The information could also be delivered to the franchisee's customers through a web site, e-mail, or hand out circular delivered by the franchisee.

The present inventor has extensive experience with franchising and dealing with both contractors and franchisees. It must be noted that the managerial people at the supplier stores 11, especially big box stores have their hands full with delivery problems. The last mile franchise system will lower delivery driver problems, lower costs and increase the overall package delivery volume. A particular benefit of the present invention is that the last mile structure will from time to time reduce current hostilities and increase overall delivery efficiencies by recruiting people who will realize the personal profit opportunities of owning and operating a last mile franchise. Part of the franchise simply will be the availability of various websites from the last mile company, including, but not limited to the following.

- LastMileFranchise.com
- LastMileLift.com
- LastMileDealer.com
- LastMileControl.com
- LastMileFranchisor.com
- LastMileLicensee.com
- LastMileDistributor.com
- LastMileCorporation.com

Furthermore, in order to comply with environmental social governance standards, sustainability of the last mile delivery concept, keeping the data required for complying with environmental social governance standards, the following websites can be utilized for certification. SUSTAINABILITYCOUNT.COM assesses a company's environmental and social performance, measuring the gap between the values they state and their true objectives. SUSTAINABILITYRANKING.COM is a measure of how well a company is performing in

terms of environmental and social responsibility. SUSTAINABILITYSCORE.COM is the assessment of a company's performance of social, environment, and economic principles.

As with normal franchises, a territory fee will be assessed and purchased by the franchisee. Contractor or franchisee shall pay a fee for the territory and will acknowledge that he has read the last mile uniform franchise offering circular or licensee documents and agrees to the terms as written. The present inventor finds motivation for the last mile distributorship or franchise to purchase the territory, including demand for the service, net worth of the potential applicants, affordable entry price, economic work environment, quality customer-enhanced family life and spot-on economic and social timing. Actually, it is anticipated that the primary motivations for a purchase of a franchise from the last mile company will include a growing unparalleled demand for the last mile delivery services and will depend upon the net worth of a typical last mile franchisee.

Age of head of family	Median net worth	Average net worth
Less than 35	\$13,900	\$76,300
35-44	\$91,300	\$436,200
45-54	\$168,600	\$833,200
55-64	\$212,500	\$1,175,900
65-74	\$266,400	\$1,217,700
75+	\$254,800	\$977,600

Preferable Last mile franchisee profile:

- Owns a home
- Has a 401K
- Tired of working for someone else
- Enjoys the family life
- Realizes that technologies in the form of AI and Robotics are changing life as we know it.

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Last mile franchise may be an economic and social safe space. Secondary motivations will likely include:

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1. Quality of the multiple tier one customers and the marketplace dominance that tier one customers enjoy.

2. Higher profits earned by the last mile franchisee due to the close proximity of their tier Two customers.

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3. Last mile franchise can control their working hours. Time of packages in and time of packages out.

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4. Relatively low overhead work from home or share an office close by with other last mile distributors or franchisees.

5. Low equipment investment and relatively easy to finance. Tax advantages when working with an office at home.

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6. Motivated workers use family members which will make all parties less susceptible to the current labor problems.

7. Unlikely to be replaced by artificial intelligence or robotics.

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8. Business will have excellent resale value. Business can be passed on to next generation.

9. Promotion to master franchisee would allow multiple revenue sources as well as income from the sale of the original franchise.

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10. It is also possible to garner additional revenues from the tier two customer in their territory by simply offering service referrals i.e. landscaping, house cleaning, and home maintenance service referrals. Referral service would not involve additional overhead. Additional revenues could also be garnered from tier one customers' more efficient ways to handle returns and introducing product marketing incentives from tier one customers to tier two customers. Efficient handling of returns and product incentives would not involve additional revenue.

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Tier One Customer Motivation

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- Independent Contractor
- Solution for Today's Volatile Labor Market
- Motivated Work Force
- Cost Efficient

Tier Two Customer Motivation

- Familiar delivery personnel
- Improved residential package control
- Improved interactions between tier one and tier two customers

5 In summary, numerous benefits have been described which result from employing any or all of the concepts and the features of the various specific aspects of the present invention, or those that are within the scope of the invention. The franchise business model acts perfectly to eliminate redundancy with the original supplier delivery vehicle, such as one of the Amazon delivery vans.

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 The foregoing description of a preferred aspect of the invention has been presented for purposes of illustration and description. It is not intended to be to be exhaustive or to limit the invention to the precise form disclosed. Obvious modifications or variations are possible in light of the above teachings with regards to the specific aspects. The aspect was
15 chosen and described in order to best illustrate the principles of the invention and its practical applications to thereby enable one of ordinary skill in the art to best utilize the invention in various aspects and with various modifications as are suited to the particular use contemplated. It is intended that the scope of the invention be defined by the claims which are appended hereto.

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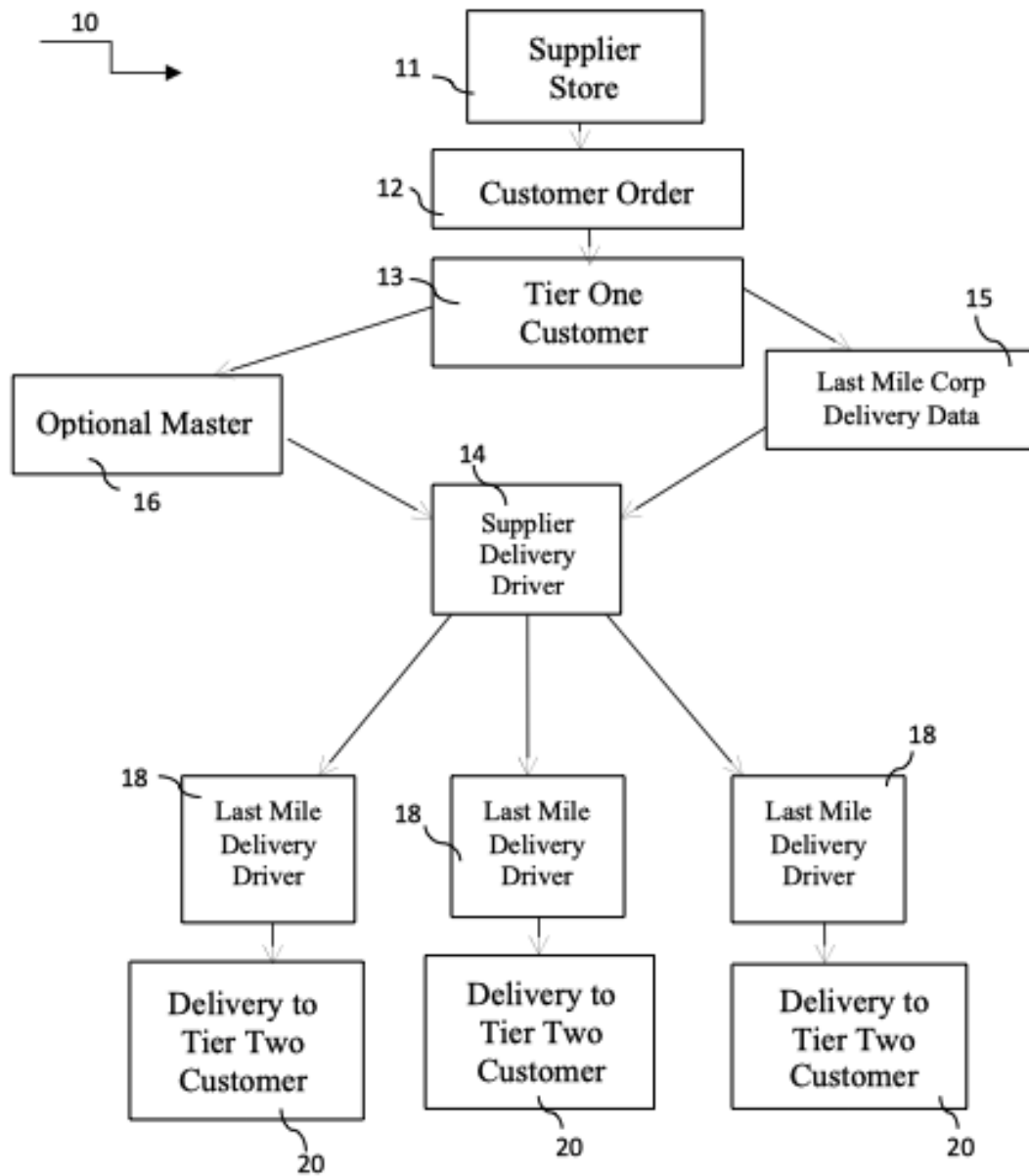


FIG. 1