

MEND A WALL

Re-inventing Pre-cast Walls

Franchise Opportunities



Mend A Wall is still re-inventing pre-cast walls after 50 years*, by offering innovative products and services. Become part of our franchise and share in our success.

We offer profitable and stimulating business in an explosive growth industry. The renovation market is booming; people are renovating their homes as opposed to building new ones. There is a high demand for our services and products from all nine of South Africa's provinces as well as from neighbouring countries such as Botswana, Namibia, Mozambique and Zimbabwe. Our business model has been documented over the years and we are offering entrepreneurs the know how, brand image and support structures to profitably service these areas. Our dedicated franchisee support network and proven financial success will secure your future. **Re-invent yourself as a successful individual by starting your own Mend A Wall franchise.**

- High returns on investment
- Over 50 years of industry experience
 - Winning business formula refined over half a century
 - Extensive training and franchisee support programmes
- Low start up costs
- Unlimited market potential
- Exclusive protected territory
- Mobile and fixed address packages available
- Well known and established brand

Plastering | Extending | Repairs | Electric Fencing | New Walling

0861 MENDAWALL
636329

For more info www.mendawall.co.za

The Opportunity

Franchise expansion

Mend A Wall is currently expanding their list of accredited local and international suppliers, and in the process, is increasing the product and service offerings available to their customers. The distribution of its products and services will be facilitated through the allocation of franchise agreements throughout South Africa.

What franchises are available in South Africa?

- Eastern Cape Province
- Free State Province
- Gauteng Province
- Kwa-Zulu Natal Province
- Limpopo Province
- Mpumalanga Province
- North West Province
- Northern Cape Province
- Western Cape Province

What is the franchise term?

Franchise term of five years which is renewable conditionally.

What are the financial obligations?

| Ongoing Payments | |
|---|--|
| Management Service Fee | 6% of turnover, excl. VAT (minimum R4500) |
| Advertising Contributions | 3,5% of turnover, excl. VAT |
| Profitability | |
| Turnover (projected 1st year)* | R2 263 997 |
| Net Profit (projected 1st year)* | R 501,480 (Before tax and depreciation, after owners drawings R 144,000 per annum) |
| * Projections include 50% of total investment as unencumbered cash, balance financed and loan repayment worked at 15% over 60 month payback period. | |

What is the franchise package?

| | |
|--|--|
| Investment Total | R 186 390, incl. VAT |
| Working minimum working capital required | R 50 000 (not included in set up fees) |

History and Background

When was this franchise established?

Although it is a privately owned and independent business, this franchise was started by one of the major shareholders of the oldest and largest manufacturers of pre-cast concrete walling in the Southern hemisphere, a third generation initiative that was established in 1957. This current franchise was established in 2005 and is a specialist installer and renovator of new and existing concrete pre-cast walls. The business concept has proven to be sustainable and financially viable, and the product and service lines have expanded to include extensions and painting of existing concrete pre-cast walls, as well as the installation of electric fencing systems.

Why was the franchise established?

It was established to address the shortcomings in the concrete pre-cast walling sector, with specific focus on service delivery, quality products and competitive pricing. This culminated in a business model that is able to install new walling, repair and extend existing walls, conduct general repairs and painting work, and provide for the installation of electric fencing, from one supplier. Not only did the market react positively, but this franchise was able to provide products and services that ensured year round revenue, and addressed the various needs of their target market under one brand.

What services and products are offered?

The product and services offered has a distinct focus on the concrete pre-cast walling industry. The products and services are primarily focused on the repair and extension of existing concrete pre-cast walls, although new installations, painting and the installation of electric fencing compliment the brand. All products are re-branded, and meet international quality and technical specifications of the highest standards.

Present Market

What are the franchise objectives?

The Franchisor, is granting the franchise and trademark rights to establish and grow the business format throughout South Africa. Under the Franchise Agreement, Franchisees will contractually gain the rights to establish trade, develop and use the intellectual property rights, as a footprint in their respective markets and territories.

Who is the target market?

Marketing and advertising initiatives are focused to address the demands of home owners, developers, contractors and businesses. In addition, this franchise is actively involved in ongoing government and municipal councils' tender invitations.

Franchisee Support

How are franchises supported?

Marketing effectiveness and market analysis will be provided by the Franchisor based on: monthly reports as provided by the franchisee, on leads communicated, products and services most frequently requested, and allocation and distribution of incoming client requests to franchises. Head office will allocate all incoming leads received through the national brand contact number and marketing initiatives to franchisees in the respective territories. Ongoing centralised and hands-on training and development will ensure transfer of business skills and industry trends to franchisees.

Staffing

Staff presentation and services

Staff training, presentation and service levels are an integral part of the success strategy of the group. Branded staff uniforms are integrated to promote visibility. It creates uniformity and enforces the unique brand awareness.

Premises

What premises are required?

Although the franchisee will mainly operate through a mobile unit that is supported by additional logistical infrastructure, it is advised that provision for premises is made in the longer term to provide for: administrative and sales infrastructure, product warehousing, and equipment storage. Due to the mobile nature of the business, the franchisee is required to make provision or have a suitable and branded vehicle for towing, and transportation of equipment, stock and labourers.

What are the criteria for franchise sites?

It is critical for successful franchise development to identify and secure superior markets and site locations where the business will thrive. In order to select specific locations, the franchise focuses on the following criteria that are essential for a successful operation: store locations to be in or near industrial areas, within or near established access routes and rubble sites, within proximity to target market demographics, appropriate for business in terms of m², road access, electricity and water supply, occupational safety provisions, cost effective rent and, must be able to accommodate future site and storage expansion. Provision must be made for external branding and advertising billboards.

Assets

What assets are included?

A detailed asset list is on page x, giving the full breakdown of all assets included in the sale.

S.W.O.T. Analysis

Strengths

- Proven and sustainable business model
- Proven skills in implementing a successful business concept
- Patented products and protected brand trademarks
- Superior range of product and service lines compared to competitors
- Expertise, skill and technical ability

Weaknesses

- Limited national brand awareness
- Business model is labour intensive
- Due to the nature of the products, transportation costs are high

Opportunities

- Growth industry and product acceptance
- Increase security awareness and demand for related products
- Increase in government and municipal spending on maintenance
- Upgrading of existing properties in anticipation of FIFA World Cup in 2010
- Establish a national network of franchise outlets

Threats

- Interest rate increases and the newly introduced credit act
- Increase in slow payers and bad debt
- Price competition at low-end possible
- Competitors may form strategic partnerships
- Economy of scale – franchise competitors have perceived purchasing power