

Franchise Introductory Information



2 Franchise Systems
Multiple Revenue streams
1 LOW PRICE

My name is Lianne Walker the CEO of Mr Sandless New Zealand.

The reason I got involved with Mr Sandless initially was, in my spare time, along with my husband, we undertook numerous home renovation projects over the years. Having previously used traditional floor sanding and having to put up with the smell and the dust - plus the moving out, I was looking for a healthy alternative and I came across Mr Sandless.

I contracted them to service a floor in a renovation project that we were doing. I discovered, much to my pleasure, what a great process it was. No nasty smells, no horrible dust to clean up and no moving out.

I was so impressed with the whole floor service, I left my employment as a project manager for one of New Zealand's largest financial organisation after working there for 22 years and we brought a Mr Sandless franchise.

I am now the Master Franchisee for Mr Sandless New Zealand with over 9 years of hands on experience of personally servicing well over 1000 floors and the recipient of multiple international awards for my floor and deck refinishing work.

I'm personally going to be involved in your training, passing on to you my vast knowledge and expertise both in administration and also in the field doing real floors in real time.

I know refinishing and I can teach you.

For further information or to discuss further my contact details are:

Ph: 0276528908 or email me direct at nz@mrsandless.co.nz

Kind regards

Lianne Walker

Introduction

Thank you for your interest in becoming a Mr Sandless/Dr DecknFence franchisee in. If you are looking for a straightforward, easy to operate franchise business opportunity with exceptionally low entry costs and high net revenues, then this would be the opportunity for you to join the world's largest wood refinishing company.

When looking at franchise opportunities, it pays to consider a franchise system that has been established in the franchise market for a lengthy period of time as that shows there must be a consumer demand for the service and that it must work successfully.

Mr Sandless has been servicing floors for over 16 years and in New Zealand for 11 years. We are the largest wood refinishing organisation worldwide. By having such a successful system we will always attract pretenders and copycat companies who try to replicate our success, procedures and service. However, we didn't become the largest in the world by standing still. We have our own laboratory inventing and testing new products and services for our franchisees to bring to the market.

Mr Sandless floor coatings can be applied with just 30 minutes between coats. We have a 5 year warranty on our product.

Dr DecknFence exterior staining service reduces, and in some cases completely eliminates splinters in the wood. Our solutions are proprietary marked and cannot be purchased or used by anyone except a registered Mr Sandless operator.

These are just some examples of what set us apart from the imitators.



What's the advantage of buying a franchise instead of starting my own business?

Franchises opportunities vary greatly from what they offer - to their purchase prices to the terms of their franchise agreements.

For example; some large fast food chains can cost well in excess of a million dollars. Other franchise systems have a lower entry cost but sting you with short term franchise agreements of 5 years or less, or forcing you to operate from a commercial premises creating extra costs with leases, insurance etc. Or having a percentage royalty clause in the agreement that means the harder you work, the more money they take from you. How is that fair?

Our franchise package has been specifically tailored to present, for the right people, the opportunity to enjoy working for themselves and having the extra advantage of an internationally proven system and the technology and support that comes with being part of Mr Sandless and Dr DecknFence. That's why you will find we charge a fixed flat royalty rate – no percentage on earnings, no built in yearly or bi-yearly increases. We do not penalise our franchisees for working hard.

Our one on one personal training programme has successfully equipped people throughout the world and from different walks of life, with the necessary skills and knowledge required to operate their own successful Mr Sandless franchise business.

Many who without any previous experience in the hands on practical and/or the administration of running a business. Everyone learns at a different pace that's why we don't place you in a classroom scenario with other people.

We train you at a pace that works best for you. You are purchasing a fully tested and proved system along with marketing, equipment, solutions, full training, technical, sales, expertise and assistance as all part of your purchase price.

The risk of failure has been minimalised as you are supplied with the tools, knowledge and support of an international company rather than opening a business and having to do everything yourself.

The statistics below show how many standalone start-up businesses fail:

- a. Commerce figures show that only 67% of independent businesses are still open after twelve months compared to 96% of franchised business that are open after twelve months. This equates to one franchised business closing out of twenty five compared to one out of three standalone business failing. The statistics show even less success for standalone business as time progresses with published statistics revealing that after five years only 23% of standalone businesses are still trading compared to 84% of franchised businesses being in business. This means only one standalone business in every five survives in business for five years.
- b. Further published research shows that up to 90% of start-up independent businesses in New Zealand fail - www.nzbusiness.co.nz/articles/learn-how-avoid-start-and-product-failure. Figures, graphs and percentages are constantly open to individual interpretation and understanding, though the undisputed common factor in these published research results is that they all concur that a franchised business has a far higher successful achievement rate than an independent standalone start-up business.



Target markets and actual revenue figures

You would be hard pressed to find a single home within your specific franchise area that you could **not** service in some form or other with our range of services available to you as part of our franchise package. Consider how many apartments, townhouses and family homes have hardwood, laminate, engineered, bamboo, vinyl or tile flooring plus wooden doors, handrails and kitchen cabinets.

Look in your own street. How many houses have at least one of these – decks, fences, paths, driveways, garage doors, outdoor furniture and gazebos?

With a Mr. Sandless/Dr. DecknFence franchise you have the ability to service all of these and more. As our service is eco-friendly this gives the customer piece of mind whether it is to family, pets or to their garden. They know our service offers no danger or risk to any of these.

For commercial there are cafes, bars, halls, schools and child care centres. Not many of these businesses can afford the **down time** to get their floors or decks serviced. The appeal of our service is that there is **no** down time for them. With our green certification they know that there is no toxic odour for staff or customer health issues.

The way New Zealanders live is changing. We are all busier, our houses are larger and our sections are smaller. A lot of homeowners now even don't have the room to store the equipment required for this type of work or in some cases don't either have the time or the ability. With our environmentally friendly solutions in a green aware country, we are a logical safe choice to fill their needs.

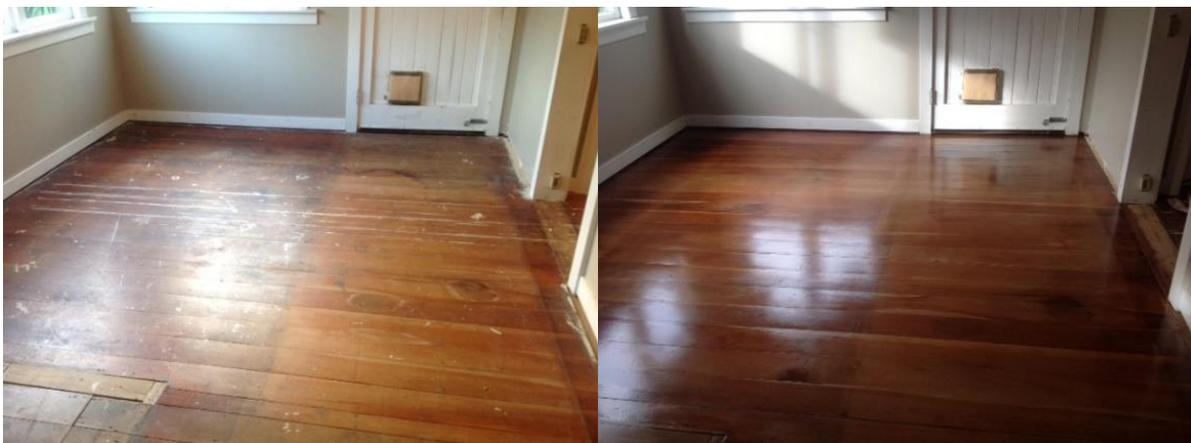
The majority of Mr Sandless/Dr DecknFence jobs are completed in just one day. It is common to complete 2 smaller floor refinishes or decks in one day. Taking the 2-month period of October-November 2019, the average job invoiced across Mr Sandless /Dr DecknFence New Zealand was \$1,346.19 excluding GST – with a gross profit of just under 82%.

For the cooler months of July – August 2019, the average job invoiced across Mr Sandless /Dr DecknFence New Zealand was \$935.22 excluding GST – with a gross profit of just over 90%.

Gross profit is defined as net sales minus the cost of goods used. Net profit means a company's net sales minus all the expenses. Expenses include materials, supplies, insurance, advertising, general and administrative expenses and the non-operating expenses and losses.

Due to the sensitive business information regarding this matter, we go into more detail regarding this at our face to face meeting.

Franchise income and expenses can differ greatly from franchise to franchise and therefore we are unable to guarantee what a franchisee can procure as there are components which we have no control over that will influence and directly affect a franchisee's income. Items such as the franchisee's own particular individual exertion, motivation and inspiration.



What is included in my \$35,000 GST exclusive purchase price?

A hell of a lot! We don't know of any other franchise opportunity currently in the price bracket that offers as much or more than we do. That's because we do things differently than most service provider franchise systems, whereby they charge you the franchise purchase fee then there are the additional charges, all designed to make them more money from you. We are proud to say we do not operate that way. We are totally upfront with what is included in your franchise purchase cost. Included in your franchise purchase cost are the following:

- Your franchise territory based on post codes **not** population based. That way, as the population grows so does your potential customer base. Compare this to cafes, pizza and other franchises systems who are population based. How many times do you see another same brand café open within walking distance of the established one? We don't think that is at all fair to the established franchise. We don't work that way.
- A combined Dr DecknFence and Mr Sandless franchise
- 10 year franchise agreement with 2 x 5 year right of renewal
- A comprehensive equipment package, proprietary marked solutions and materials for you to start earning from day one
- Online visual aids
- Your own customer database
- An e-mail quoting system
- A vast choice of proven successful advertising material available for you to use
- Your first 3 months of google ad words
- Your first 3 months google advertising management fee
- No royalty payments for your first 3 months
- Comprehensive individual one on one training in office and practical hands on situations. We make certain that you are comfortable and confident in the system
- Online 24x7 sales and support programs
- A comprehensive online knowledge base
- Full use of two web sites www.DrDeck.co.nz and www.MrSandless.co.nz for you to use in all advertising. It also includes a postal code search—for people to find you in your area
- A custom DBA e-mail for your location and the web site that will drive work directly to you
- Motel accommodation for 3 nights for 1 or 2 people while training
-and so much more!

