

A black and white line drawing of a person climbing a ladder. The person's legs and feet are visible, stepping onto the rungs. The ladder is angled upwards. The background is a blue gradient.

Spouting-on-the-Spot
...a great
first step
to self-
employment



Spouting on the Spot

**SALES AND
INSTALLATION
FRANCHISE
OVERVIEW**



For all your
drainage requirements
Plumbers and Drainage
www.abacusplumbing.co.nz

CONTINUOUS SPOUTING IN 64 COLOURS OR COPPER IT'S A GOOD LOOK!

No joins. No leaks. Guaranteed.

- Enhancing the look and value of your home
- Made to measure on site in Colorcote® steel or Copper
- We have the perfect system for your new or existing home
- Nationwide team of friendly, professional installers
- Guaranteed service - on time, every time
- Written 10 year 'No Leaks' Guarantee



Spouting on the Spot

JUST ON REQUEST FOR
KIA
FASCIA

GUTTER
WATCH

GUTTER TANK
GUTTERS CLEANED MADE EASY



Graham McLay

FOR A FREE QUOTE CONTACT
YOUR LOCAL RAINAWAY INSTALLER -
WANGANUI 06 344 8304
0800 50 50 52
www.spoutingonthespot.co.nz

So it's le

Join 4256 families who rely
spouting will always look gr

Contin

New Homes - R

6 Reasons why you

Looking great. The appear
and sharp outline continuo
what people like most whe

Long-term peace of mi
Colour co-ordinated Zin
brackets and fixed with

Care of your propert
and we appreciate b

It's easy. We will be
tenants, painters ar
until the job is com
absolutely sure th

10-Year Leak Fr
guarantee it. If
whatever is rec
repair it absol

Free. Tell us
\$104 absol

Call now

080

We co



Spouting on the Spot

Dominant Yellow Pages advertising drives sales

Thinking about going out on your own? Starting your own business?

Working for yourself instead of others is a great step on the way to future security and wealth.

However, there is also a risk involved in going it alone - there are so many extra things to do in running your own business that eat into your income-earning time and can cause real problems if they're not done well.

That's where a well developed, well managed franchise system like **Spouting-on-the-Spot** has real advantages. We will train you in all aspects of operating a **Spouting-on-the-Spot** sales and installation franchise, and provide you with the necessary support and business systems to help you succeed. We will even pay you whilst you are completing your initial training!

A **Spouting-on-the-Spot** sales and installation franchise is an ideal opportunity for competent trades/manual workers with sales and planning skills to take a confident first step to self-employment and business success.

It is a great first business for those who want to remain hands-on, but need to learn the extra skills of running their own business in a gradual, controlled manner, with lots of help along the way. You will be working closely with a **Spouting-on-the-Spot** regional franchisee who has already built a successful business from scratch and is now looking to appoint other ambitious self-employed people to help handle a growing workload.

As a **Spouting-on-the-Spot** sales and installation franchisee, your work will involve handling sales inquiries from the regional franchisee and generating your own sales inquiries using proven methods and promotional materials we have developed. Having established the customer's needs, you then take accurate job measurements to pass on to your regional franchisee for preparation of a quote. When the quote is approved, you schedule your installation date with your regional franchisee who will then arrange the delivery of product.

Your regional franchisee will arrange all the invoicing and you will be paid for the installation work plus a commission on any successful quotes that you generate. It's as easy as that!

You will find that a **Spouting-on-the-Spot** business can be easily established by one person, employing assistant labourer(s) as required. Previous trade



experience is helpful, but not absolutely necessary as our training programme covers everything you need to know. You should however have a practical bent and be handy with tools, be reasonably fit, enjoy working outdoors and be comfortable about working at heights. You will also need good people skills, and the ability to secure a sale. The superior quality of our products means that there is no hard-selling, merely education and informing potential customers and key referrers of business, such as builders and roofing contractors.

Thank you for your interest in a **Spouting-on-the-Spot** franchise. Please read on and consider the information in this Sales and Installation Franchise Overview carefully.

You can find out more about **Spouting-on-the-Spot** at www.spoutingonthespot.co.nz then if you'd like to take things further, give us a call so we can talk in greater detail about this opportunity.



What is Spouting-on-the-Spot?

Spouting-on-the-Spot provides a continuous spouting service for existing homes and small commercial buildings and a supply-and-install spouting service for new buildings.

Specialising in spouting work opens up huge business potential - there are more than 1.25 million homes in New Zealand, many with additional outbuildings. Over 20,000 new homes are being built each year, Most have spouting that will require replacement every 10-15 years. Additionally, many undergo refurbishment and renovation each year, requiring alteration or additions to existing rainwater systems. Conservatively, the residential market alone offers potential for well over 100,000 new and replacement spouting installations every year. This is business that is consistent, year-in, year-out.

This is without counting opportunities in the small/medium commercial building market, which, because of buoyant residential demand, we have tended to treat as a secondary segment. There is huge opportunity for franchisees to develop sales



opportunities in the commercial sector as well.

Spouting-on-the-Spot products and business systems provide real competitive advantage for you and real benefits for your customers.

That's why **Spouting-on-the-Spot** is so successful.

Tap into our background & experience

The trading history of the company dates back to 1988. Initially known as B&M Spouting, the parent company purchased its first continuous spouting machine in 1995, and changed its name to SML (Spouting Made to Length) in 1996.

The company continued to grow strongly in the Auckland market and in 2004 the decision was made to expand nationally through a network of individually owned franchises. The **Spouting-on-the-Spot** franchise system was developed from the successful SML business model.

A new company name and strong new branding was introduced to launch **Spouting-on-the-Spot** nationally and four years later the company is represented in 15 of the 22 territories identified.

As a further stage in our development our regional franchisees are now seeking to recruit sales and installation franchisees to work with them to meet growing demand in their areas.

Spouting-on-the-Spot has been successful because:

- It is highly focused on customer service and satisfaction
- It has carefully thought-out and well developed practical systems to optimise performance and

efficiency at every stage of the sales and installation process

- It uses sophisticated mobile machines that actually roll-form the required spouting to length on site. This means less wastage, fewer joins, faster installation, clean lines, less likelihood of leaks
 - It offers customers the choice of Colorcote® or long-life copper spouting - both with a 10 year guarantee. (PVC spouting can also be supplied when customers insist)
 - Profitability is enhanced by the company's own wholesale supply lines, low levels of inventory held, on-site forming, installation efficiencies and effective marketing methods
 - The company is a thoroughly professional organisation, in an industry that is typically fragmented and unprofessional in a business sense
- A **Spouting-on-the-Spot** sales and installation franchise enables you to immediately implement and take advantage of proven business systems that have taken many years of practical business experience to develop and perfect.



The benefits of a Spouting-on-the-Spot franchise

There is a real advantage to be gained by being part of **Spouting-on-the-Spot**. For a start, being part of a franchise group reduces the risks significantly. Many studies have clearly indicated the failure rate of small business is many times higher for non-franchise business than for franchisees.

Amongst the benefits you can expect are:

- **Earn while you learn**

The initial training takes about five weeks. To help you through this period, sales and installation franchisees will be paid a working wage.

- **National brand**

With 15 regions nationwide, **Spouting-on-the-Spot** already has significant national coverage and is the spouting supplier of choice.

- **Continuity of work**

Through our Yellow Pages and other marketing

activities, we are continually building the strength of the **Spouting-on-the-Spot** brand in the homeowner's mind, and by following our proven local marketing techniques you can expect a far more consistent flow of work than an independent contractor is ever likely to enjoy.

- **Ongoing support from your regional franchisee**

Your regional franchisee will provide you with a range of support services - from initial training to providing you with leads. Your role is uncomplicated, our systems are simple to follow and your regional franchisee will be there helping you at each step of the way. He'll do all the quoting and most of the admin for you, supply the materials and leave you free to get on with the job. (And of course your regional franchisee in turn receives full support from our national Franchise Support Office).

- **The opportunity to earn more**

With well developed systems for handling all aspects

of the process, automated quoting systems and exclusive supply deals giving you more time to develop your business, our franchisees can expect to earn more than they ever could as independent operators.

- **Reduction in your financial risk**

Our computerised quoting, job control and customer management system SpoutMaster™ reduce the risk of errors or oversights in your costings and adherence to our customer credit control system makes sure you get paid as each job progresses.

- **The chance to generate wealth**

It's one thing to earn an income, but quite another to develop an asset which can be sold later on, perhaps when it's time to retire. With a **Spouting-on-the-Spot** franchise your efforts will contribute to building valuable equity in your own business. This means that when you decide to exit the business, you will be able to sell it for a higher price than if you are an unbranded independent operator.



What makes a successful Spouting-on-the-Spot franchisee?

Above all you must want to succeed and build wealth through your own efforts in your own business. You need to have a strong sales and customer service ethic. You need to relate well to customers, to assist them to make the right decision, rather than 'hard-sell' them. You need to be comfortable developing a network of key referrers of business. Our experience has shown that referral sales are so much easier to secure, as someone else has already done the selling for you.

You also need to be a good planner, and a good organiser. When we say we will do something, we deliver!

Our business has been built by exceeding the expectations of our customers at every step.

Some understanding of running a business will be helpful, as are basic computer skills such as email and the internet, being able to use a digital camera and send / receive images. We do however provide full training in all administrative and practical aspects of operating a **Spouting-on-the-Spot** sales and installation franchise business.

To be successful, you need enthusiasm and initiative - but you are also required to follow our systems in accordance with our training programme and as prescribed in the detailed franchise operating manuals you will receive.

You do not require previous building or spouting experience, as full training will be given. You do need to be healthy, reasonably fit, and feel comfortable working at heights.

You will need to employ at least one assistant labourer. For those new to the employer role, training is provided, and the activity can be phased to lead you into it at your own pace. From just one employee initially, you can employ more staff as you grow your business.

In fairness to your fellow franchisees, your personal presentation, manner and actions (and those of the staff you are responsible for) need at all times to reflect the professional stance of the **Spouting-on-the-Spot** organisation.



The Franchise Relationship

Business format franchising is a well developed, internationally recognised business model with some clearly developed guidelines.

The **Spouting-on-the-Spot** franchise system was developed in conjunction with Franchise Consultants (NZ) Limited, New Zealand's leading franchise consulting group, and currently more than 15 regional franchisees are building their own successful businesses. It is some of these regional franchisees who are now looking to recruit local sales and installation franchisees to help them to fully develop and cover market demand in their territories.

A successful franchise is a unique and special relationship - one which results in a win:win outcome for all.

So how does the **Spouting-on-the-Spot** franchise system work?

1. Rainaway Systems Limited is the company formed by the directors of SML to develop and run the national franchise system.

2. Fifteen regional franchisees have been appointed and are already operating **Spouting-on-the-Spot** businesses throughout New Zealand.

3. Some of these regional franchisees are now looking to recruit local sales and installation franchisees to assist them to develop and meet demand in their areas. The co-operative nature of a successful franchise system requires each party to have clearly defined roles and expectations of the other parties.

(Continued overleaf)



Spouting on the Spot

The Franchise Relationship (Cont)

It is useful to summarise the key on-going obligations of each of the parties to the **Spouting-on-the-Spot** relationship:

OBLIGATIONS OF THE FRANCHISOR

Rainaway Systems Limited as the franchisor provides the franchisee exclusive use of the **Spouting-on-the-Spot** brand name and logo as well as a range of other services including:

- Comprehensive initial and ongoing training
- Specification/provision of all necessary equipment
- Development of marketing and advertising initiatives on behalf of the franchisees
- Advice and approval of co-ordinated initiatives in local areas
- Ongoing strategic advice and performance monitoring
- Researching and developing new systems, procedures and products for introduction to the franchisees
- Ongoing negotiations for material supply contracts
- Monitoring and maintaining standards within the franchise group
- Operation of a centralised administration support function
- Regional field visits
- System maintenance
- Initial sales and installation franchisee training
- Bi-annual sales and installation franchisee area visits
- Annual conference

OBLIGATIONS OF THE REGIONAL FRANCHISEE

The regional franchisee will be responsible on a day to day basis for the following:

- Operating a successful, profitable and constantly growing business
- Development of the full business potential in the assigned franchise territory, including:
 - Cold calling and prospecting
 - Networking
 - Local promotion
 - Developing relationships with key referrers of business
- Recruitment and supervision of staff and the sales and installation franchisees to meet demand
- Training of staff and sales and installation franchisees to **Spouting-on-the-Spot** requirements
- Management of staff and sales and installation franchisees
- Compliance with legal and safety requirements
- Customer site visits
- Preparation of job quotes
- Agreement of contract and quote with clients
- Purchasing of materials through preferred suppliers
- Arrange spouting installation
- Managing work flows
- Scheduling jobs
- Ordering and supply of product
- Availability of gutter forming machines
- Maintenance of equipment in sound operating condition
- Customer relations
- Local marketing
- Monthly reports
- Monitoring of quality standards
- Ensuring compliance with all standards of the franchise system at all times
- Recruiting sales and installation franchisees with Rainaway support / assistance / approval
- Training sales and installation franchisees, with Rainaway support
- Providing business support services to the sales and installation franchisees
- Jobs and job leads
- Quotes
- Sales support material, business cards and brochures
- Uniforms
- Monthly visits
- Review of sales and installation franchisee Annual Business Plan
- Review sales and installation franchisee Key Performance Indicator Target

OBLIGATIONS OF THE SALES AND INSTALLATION

FRANCHISEE (SUB-FRANCHISEE)

The sales and installation (sub-franchisee) franchisee will be responsible for:

- Measuring jobs for the regional franchisee to quote on
- Following up quotations with customer
- Installations (i.e. labour only jobs provided by regional franchisees)
- Managing work flows
- Communicating job schedule to regional franchisee
- Organising / managing / training staff
- Ensuring customer service standards
- Ensuring work quality standards (call-backs, complaints etc)
- Cold calling and prospecting
- Promotion of brand within area
- Ten card rule
- Developing sources of referral business
- Builders
- Existing customers
- Roofing contractors
- Achieving Business Plan KPI targets
- Offering the full **Spouting-on-the-Spot** product range
- Reporting requirements
- Being accurate and on time
- Monthly Invoice and (brief) KPI report
- Pending jobs
- Following up leads provided by the Franchise Support Office or the regional franchisee
- Operating and maintaining a signwritten vehicle (silver base colour - less than 20 years of age)

The obligations of all parties are more fully detailed within the Franchise Disclosure Documents and the Franchise Agreements which will be made available to approved applicants.



Spouting on the Spot

Is Franchising right for you?

Before taking this opportunity any further, it is worthwhile to take the time to consider if franchising is the right option for you. Please consider the following points carefully before deciding to continue:

Am I able to operate under someone else's guidelines?

As a franchisee you would be working within a clearly defined set of procedures and codes of practice. The franchisor sets the standards, rules and regulations and although you may have a degree of input into these, it is the franchisor who defines the operating systems.

Although you will own your own business, you will not be free to run it however you wish, but rather be subject to the franchisor's rules, which are reasonable and designed to benefit the entire chain of franchise owners.

You also need to work closely in conjunction with your regional franchisee.

Do I realise that the franchisor is not responsible for my success?

You will receive a great deal of support from the

regional franchisee and the head office support team, but your success ultimately depends on your own commitment and drive.

It is in the franchisor's best interests for you to do well and your success will be positive for the entire **Spouting-on-the-Spot** group. You can expect them to provide a high level of support and encouragement, but at the end of the day it is your business.

Am I fully committed to providing the highest level of service to customers?

The reason a **Spouting-on-the-Spot** franchise is a recipe for success is that it provides systems and support to overcome many of the weaknesses and negatives homeowners perceive in the building trades. You can only succeed with a **Spouting-on-the-Spot** franchise business if you are truly committed to customer service and to being so much better than the independent operators in your area.

You must be committed to developing the potential of the area assigned to you and to operating a profitable business.



The Franchise Investment

The **Spouting-on-the-Spot** franchise system is designed to help you build a successful business in your chosen location, based on the strong quality and service ethic that is fundamental to **Spouting-on-the-Spot**.

Your investment in a **Spouting-on-the-Spot** sales and installation franchise is a \$26,000 initial fee, plus equipment and provision for working capital.

Payment of the initial franchise fee entitles you to:

- The right to use the **Spouting-on-the-Spot** logo and trade-name for the term of the franchise
- Comprehensive initial training (sales, administration and practical)
- A full set of detailed operating manuals covering all key aspects of the business system
- Specification list of required tools and equipment
- Quoting and administrative support
- Established supply lines
- Marketing support
- Access to business advice from your regional franchisee
- Initial advice and assistance with the establishment of your operation
- A company uniform including branded shirt, work-shorts and trousers

Other costs will include:

- Purchase of required tools and equipment - a comprehensive list is supplied. We estimate total tool and equipment cost at \$4,300 - less any suitable equipment you may already own.
- You will need to provide your own silver utility vehicle, sign-written to our specifications. If required we can

arrange favourable company lease terms for a suitable vehicle.

- Clean office and administration working space and some storage space. This may be located at the franchisee's home. Office fit-out costs including furniture and equipment are estimated at \$3,000, less if you already own some equipment.
- You will also require a minimum recommended allowance for working capital of \$5,000.

To summarise, maximum required investment:

Franchise and training fee	\$26,000
Tools & equipment	\$4,300
Office set-up	\$3,000
Working-capital allowance	\$5,000
Total investment	\$38,300

You will also require a silver utility vehicle.

A tax-deductible lease can be arranged for a suitable vehicle if required.

Franchise fees:

Once you have purchased your franchise, there are no on-going franchise fees to be paid. Everything you earn is your own, to cover your own business overheads and income.

More specific financial information will be made available in the Disclosure Document.

The next steps

The development of the **Spouting-on-the-Spot** franchise system means the opportunity is now available to purchase your own independently operated business, using our proven systems and business development strategies.

If you would like to proceed without any obligation to the next step, you should complete the following enclosed forms:

☐ Confidentiality Agreement

☐ Expression of Interest

Once we have received these completed forms we will contact you and, if appropriate, arrange a meeting to discuss this opportunity more fully.

Following these discussions, if you are still interested, we will ask you to complete a detailed application form, and if we believe you meet the criteria we have set for a **Spouting-on-the-Spot** sales and installation franchisee, we will provide you with a copy of the full Disclosure Document and Franchise Agreement.

Purchasing your own business is not something you should undertake without full and thorough consideration, so upon receiving these documents we require you to obtain independent professional advice from your accountant and lawyer to ensure you fully understand the proposition before proceeding further.

Please address all correspondence to:

Aaron Brown, Director

Rainaway Systems Limited

PO Box 58 404 Greenmount

Manukau 2141

Telephone: (09) 265 2147

Fax: (09) 265 2706

Email: info@rainaway.co.nz

www.spoutingonthespot.co.nz

www.rainaway.co.nz

