

PROSPECTUS

**EVERYTHING ELECTRICAL** 



### FASTEST GROWING ELECTRICAL RETAIL FRANCHISE

ACDC Express is an electrical retail franchise, specialising in everything electrical. Established in 2007, our core focus is to provide customers with quality electrical solutions.

We offer a full turn-key solution and a unique concept store that provides customers with a convenient and versatile shopping experience, allowing customers to browse at leisure in what is effectively an electrical 'supermarket'. In addition, ACDC Express actively participates in adding value to the customers by not only meeting customer expectations through superior customer service, but continuously offering excellent after sale service.

Our independently owned stores are primarily supplied by ACDC Dynamics, which boasts a product range of over 80 000 individual items. These products are crucial in daily operations within the home, office and factory. This automatically creates a great and continuous demand for these products.

The growth and success of the ACDC Express Franchise Group is attributed to 2 basic principles, which form the cornerstone of the business: Customer Relationship Management and maximising business efficiency.

## **MORE ABOUT US**

### VISION

To be the preferred electrical retailer.

### MISSION

To be the best solutions driven electrical retailer. Focused on customer service and convenience to ensure electrical needs are satisfied.

### **OUR VALUES**

We live our Code of Values by ....

### RESPECT

... Listening to understand

- ... Communicating with a clear intent
- ... Giving thought to decisions

#### INTEGRITY

- .... Proving that our word is our bond
- .... Supporting our teams unconditionally
- .... Taking ownership of our responses
- .... Being consistent and taking action

### **CUSTOMER FOCUS**

- ... Inspiring loyalty
- ... Striving for NPS10
- ... Producing work of value

#### HAVING FUN IN THE PROCESS! R.I.C.H

### **CUSTOMER SATISFACTION**

"A sale is not something that you pursue; it is something that happens to you while you are immersed in serving your customer"

At ACDC Express we strive for service excellence. We look to ensure our services are of the highest quality and that they are always centered around our ACDC Express customers. With regular training sessions to equip our staff with superior product knowledge, unrivalled customer support and service etiquette, we seek to effectivelymeet the needs of our ACDC Express customers in the most convenient and supportive way possible.

At Head Office, the brand managers and training facilitators work intensely on all aspects of the brand to ensure that our sales staff are equipped with up to date information and an ability to provide excellent after sales service.

To extend our accessibility, we offer direct communication lines to all our ACDC Express customers who visit one of our national stores via Facebook and our website www.acdcexpress.com. Our latest offerings and promotions are also included in our newsletters. It is possible to subscribe to our exclusive subscription list through registration on our website.

# THE IDEAL FRANCHISEE

The following are descriptions and criteria to distinguish if you match the profile of the type of franchisee we are looking to grow our franchise network along with:

### JOB DESCRIPTION OF A FRANCHISEE

Management of staff - including HR/IR responsibilities Recruiting, appointing, training and motivating staff Assist and build relationships with customers Stock management Logistics Quality control Service and maintenance of the outlet Stock ordering and control System controls General business administration Legislative compliance Implementation of new franchise policies and procedures Adhering to manuals, policies and procedures Reporting and administrative requirements of the Franchisor Business planning (forecasts, budgets and the likes of) Financial management - cash flow & standard reporting Sales & marketing - including local area marketing and national marketing

#### PERSONAL CHARACTERISTICS

- Prepared to work very hard and work long hours
- Passionate, committed and dedicated
- Logical thinker
- Specific attention to detail

#### SKILLS

- Financially savvy
- People skills (customers and staff)
- Communication, relationship, interpersonal and leadership skills
- Systems oriented
- Organised
- Computer literate
- Multi-tasking operations and administration
- Sales abilities
- Management skills

### **OTHER POINTS**

- Practical business experience in electronics field
- Retail experience is preferable understand stock management and customer service
- Unencumbered cash requirement
- Prepared to be an owner-operator ideally not have other employment or other business interests (at Franchisor discretion)



### ACDC EXPRESS PROSPECTUS

# **BENEFITS OF BEING A FRANCHISEE**

### WHAT KIND OF SUPPORT WILL I RECEIVE?

In terms of the franchise network and the Franchisor's ongoing commitment to its network of growing franchisees, ACDC Express Franchising will honor its obligations in the following manner:

- Recruitment and selection of franchisees.
- Approval of sites (approval of lease).
- Advisory role in terms of store set up.
- Provide project plan, site specifications and where applicable, preferred contractors.
- Training of the franchisee.
- Assistance with the initial recommended order.
- Additional responsibilities to be taken care of by the franchisor:

The franchisor shall provide the franchisee with advice and consultation of the following:

- i. Initial set-up requirements;
- ii. The location of the premises;
- iii. Internal and external signage for the premises;
- iv. ACDC Franchise's systems;
- v. The launch of the business whereby the cost will be incurred by the franchisee;
- vi. Advice on the management and accounting aspects of the business;
- vii. Advice regarding the layout, fixtures and fittings of the premises selection of equipment, and computer hardware and software. The costs thereof is to be funded by the franchisee;
- viii. ACDC Franchise undertakes to provide the franchisee and its staff with adequate training to enable the staff to meet the requirements of the agreement and manuals. Should certain parties not meet the required competency levels of ACDC Express it shall inform the franchisee accordingly;
- ix. ACDC Franchise will provide the franchisee with a manual(s) specifying certain policies and procedures the franchisee is required to adhere to in the management and operation of the business.

### ONGOING OBLIGATIONS OF THE FRANCHISOR TO ITS FRANCHISEES:

Marketing Building the brand Ongoing training Research and development Sourcing new products Approval of secondary suppliers Supplier quality control Benchmarking on performance Field service systems Examine management accounts from the franchisees on a monthly basis Communication: initiatives as specified Systems development Approval of local marketing initiatives



## **OUR EXISTING FRANCHISES**



ACDC EXPRESS ALBERTON

ACDC EXPRESS BALLITO

ACDC EXPRESS BELLVILLE



ACDC EXPRESS BOKSBURG



#### ACDC EXPRESS BRAKPAN



ACDC EXPRESS BURGERSFORT



ACDC EXPRESS CENTURION

ACDC EXPRESS FOURWAYS

ACDC EXPRESS KLERKSDORP



ACDC EXPRESS KIMBERLEY

ACDC EXPRESS LICHTENBURG

ACDC EXPRESS MIDDELBURG



ACDC EXPRESS MIDRAND



#### ACDC EXPRESS NELSPRUIT



ACDC EXPRESS NEWCASTLE



ACDC EXPRESS PAARL

ACDC EXPRESS PIETERMARITZBURG ACDC EXPRESS POLOKWANE



ACDC EXPRESS PORT ELIZABETH ACDC EXPRESS RICHARDS BAY

ACDC EXPRESS RUSTENBURG



ACDC EXPRESS SECUNDA



ACDC EXPRESS SOMERSET WEST

ACDC EXPRESS SILVERTON



ACDC EXPRESS **STRIJDOM PARK** 



ACDC EXPRESS **STRUBENS VALLEY** 



ACDC EXPRESS TZANEEN



ACDC EXPRESS WITBANK



ACDC EXPRESS WORCESTER

ACDC EXPRESS PROSPECTUS



# **HOW DO I BECOME A FRANCHISEE?**

The franchisee selection process is detailed and thorough, simply because we want to ensure that we have recruited the right personality to join our franchisee network and also to help us grow the ACDC Express brand successfully. Below is a step by step breakdown of the recruitment process.



## **INVESTMENT INFORMATION**

Large Store Investment Breakdown		Standard Store Investment Breakdown	
Upfront Franchise Fee Shop Set Up Peugeot Boxer (Optional) Stock Marketing Working Capital/Overdraft	R 180 000.00 R 2 200 000.00 R 390 000.00 R 2 500 000.00 R 180 000.00 R 800 000.00	Upfront franchise fee Shop Set Up Peugeot Partner (Optional) Stock Marketing Working Capital/Overdraft	R 180 000.00 R 1 580 000.00 R 230 000.00 R 1 500 000.00 R 180 000.00 R 600 000.00
Total Cost	R6 250 000.00	Total Cost	R 4 270 000.00
<ul> <li>This store requires a retail location between 500m - 700m.</li> <li>The type one store is best suited for larger areas.</li> <li>We guarantee that another Express store will not be opened within an 7km radius.</li> <li>This store has a higher staff requirement that houses all operational staff.</li> <li>75% of the store is retail.</li> </ul>		<ul> <li>This store requires a retail location between 200m <ul> <li>400m.</li> </ul> </li> <li>The Express mini store is best suited for smaller areas such small towns.</li> <li>Priotity will be given to existing Express store owners.</li> <li>This store has a minimum staff requirement.</li> <li>90% of store is retail.</li> </ul>	

\*Note: All costs as listed above are estimates and are subject to change \*Note: For International Franchises, all costs listed above will be subject to currency exchange rates and will carry additional legal fees.

The total investment varies and is to be confirmed per area of application. The unencumbered cash contribution required should be a minimum of 50% of the total cost. This will be negotiated with the relevant financial institution at the applicable point in the Recruitment and Selection Program.

Note: All costs shown are indicative and subject to change and are exclusive of VAT. Working capital will be required to carry the new business for at least 6 to 9 months. This will vary from franchisee to franchisee and from business to business. We also will assist you in calculating the working capital requirement for your business through the compilation of cashflow projections, and the likes of.

## **CONTINUING MANAGEMENT SERVICE FEE**

The following management service fees in respect of gross monthly income of the Franchisee shall apply:

Gross monthly income (Rands excl. VAT)	Percentage of gross income payable		
R0 - 1 000 000	4%		
R1 000 000 - R2 000 000	3%		
R2 000 000 - R4 000 000	2%		
R4 000 000 and above	1.8%		

## **DISTRIBUTION REACH - TARGET MARKETS**

PRIMARY



– END USER –

AGRICULTURAL AUTOMOTIVE CORPORATE / COMMERICAL ELECTRICAL ENTERTAINMENT EDUCATION HOSPITALITY PETROCHEMICAL PUBLIC SECTOR MANUFACTURING MEDICAL MINING / MINIRAL PROCESSING RETAIL (DIY)



CONTRACTORS —>

AIR CONDITIONING / REFRIGERATION AUTOMATIVE BUILDING / SHOPFITTER ELECTRICAL GENERAL IRRIGATION / PUMPS LIGHTING MINING / MINIRAL PROCESSING PETROCHEMICAL SECURITY SERVICE SIGN-WRITING SOLAR

# **OUR MARKETING EFFORTS**

The ACDC Express brand is backed by a dynamic and motivated marketing team that is committed to creating awareness and excitement around each store, as well as maintaining a strong brand presence within the market.

### OUR MARKETING EFFORTS ARE EXECUTED ON TWO LEVELS:

### National:

- Print
- Radio
- Exhibitions
- Social media
- Online marketing
- Monthly Specials

### Local:

- Community publications
- Street pole advertisements
- Sponsorships
- Charity drives
- Corporate gifts
- Launches
- Customer Days



### ACDC EXPRESS PROSPECTUS

# **AVAILABLE FRANCHISE LOCATIONS**

	GAUTENG	KWAZULU - NATAL	WESTERN CAPE	FREE STATE
	Metro Area	Metro Area	Metro Area	Metro Area
PRETORIA	Wonderboom	Hillcrest	Durbanville	North Ridge
	Sammy Marks Square	Pinetown	Kuilsriver	Loch Logan
	Menyln	Umgeni	N1 City	Showgate
	Faerie Glen	Durban (CBD)	Parklands	Non-Metro Area
	Gezina	Durban South	Kenilworth	Bethlehem
	Garsfontein	Chatsworth	Tokai	
	Silverlakes	Amanzimtoti	Non-Metro Area	Welkom
JOHANNESBURG	Kempton Park	Non-Metro Area	Stellenbosch	
	Hyde Park	Non-Metro Area		
	Krugersdorp	Port Shepstone	Langebaan	
	Rosebank	Scottsburgh	George	
	Helderkruin	Ladysmith		
	Germiston			
	Johannesburg (CBD)			







### ACDC EXPRESS PROSPECTUS

## **FREQUENTLY ASKED QUESTIONS**

### Q: WHAT SIZE OF THE STORE IS NEEDED?

A: This will depend on the location of the site as we have specified areas that need large or small sites.

#### Q: CAN THE FRANCHISE SELL ANY BRANDS OTHER THAN THAT OF ACDC?

A: No, ACDC Dynamics will be the primary supplier of the brands to be sold. Secondary suppliers will need to be nominated by ACDC Franchise.

#### Q: WILL ACDC FRANCHISE FIND A LOCATION FOR ME TO LEASE?

A: No, ACDC Franchise will provide you with a site selection guideline that will assist you in finding the ideal location to open your store. It's suggested that at least three possible sites are selected in case the first one does not qualify.

### Q: WHAT IS ACDC FRANCHISE'S DISCOUNT STRUCTURE?

A: As the recruitment process continues, this information will be made available to you. It must be said that the discount structure is very attractive and favourable at this point in time.

#### Q: IF I REGISTER AS AN INTERESTED APPLICANT, AM I FINANCIALLY COMMITTED?

A: The process of registering merely shows your interest in the possibility of becoming a future franchisee. It needs to be highlighted that there is no financial commitment when registering. We as the franchisor will walk with you in terms of providing the necessary guidance and advice.

## Q: ONCE THE FRANCHISE AGREEMENT HAS BEEN SIGNED HOW LONG WILL IT TAKE BEFORE I CAN OPEN MY STORE AND BEGIN TRADING?

A: To open and begin trading can take up to three months. This is primarily because of the branding requirements of the store, packing stock and any renovations the store may require.

### Q: CAN I TAKE INITIATIVE AND MARKET MY STORE LOCALLY?

A: Yes, you are encouraged to locate and take part in possible marketing opportunities in your local area. All artwork will need to be designed and approved by head office to ensure brand integrity.

### Q: WHAT IF THE AREA I'M INTERESTED IN IS NOT IN THE PROSPECTUS?

A: Area will be taken into consideration and a decision will be made final by head office after an intensive analysis has been done.

## Join the ACDC Express family. **Own your very own franchise today!**



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