



# Franchise Opportunity

A FRESH APPROACH TO FRANCHISING,  
SO YOUR NEW BUSINESS HAS A BRIGHTER FUTURE

**prisma**<sup>TM</sup>  
MASTER DRY CLEANERS





## A proven business, not just the next 'big idea'.

Prima Master Dry Cleaners is an ethical franchisor, set up to meet or exceed the Code of Ethics of the British Franchise Association.

We don't like other franchises that ask you to take all the risk on their new concept or 'big idea' – the whole point of ethical franchising is for you to buy into something that is proven by the hard work of the franchisor, so you get a head start with less risk.

At Prima we believe that you deserve and should expect a business that is tested, substantial, supported and mutually beneficial.

If we were starting out with our own new business or venturing into this as a new sector, that's exactly what we would be looking for, **so it's our responsibility to offer exactly the same to you.**

What we do is simple to understand, puts a proper business with assets behind you, is very much in demand and continues to prove very profitable in every one of the **FIFTEEN YEARS** we've tested it in all the existing branches of our chain.

***By joining Prima you get a proven business (not just a big idea) and can target over £100,000 turnover in Year One.***

In this prospectus, we hope to help you discover more about Prima and how our fresh ethical approach to franchising can ensure a brighter future for your new business and your family.



# What is Prima Master Dry Cleaners?

Prima offers general and specialised cleaning of garments, accessories and upholstery.

We are successful because we use better methods and technology than our competitors.

Unlike most other dry cleaners who use perchloroethylene (a dangerous solvent containing chemicals and neurotoxins) and even hydrocarbons (i.e. petrol!) to 'dry'-clean your clothes, our gentler process uses natural water and safe cleaning solutions for better and much fresher results.

This new dry-cleaning process and machines have been developed by leading engineers in Germany.

The machines are small and cost-effective enough for us to have one in **every** shop, are cheaper to run and also clean delicate garments, leather, suede, handbags, shoes, accessories, upholstery and many other items.

This means your Prima business can offer more same or next-day services to your customers at a better price, right from your own premises without ever needing to send items away.

***So you can make more and your customers get better quality results without the wait.***

All of our shops also offer an alteration service, collection and delivery, commercial and uniforms cleaning and some retail items to further increase your revenue.

***With a better process yielding fresher results at a higher margin; with more to offer to a growing number of loyal repeat customers – you can make more with Prima and target over £100,000 in just your first year.***



# What are our competitors getting wrong?

You might be shocked to learn that most other dry cleaners 'dry'-clean your clothes in what is a potentially dangerous and toxic chemicals (such as perchloroethylene) and some older ones even use hydrocarbons (essentially petrol) as solvents to remove dirt. That's why our competitor's dry cleaning usually smells so bad!

Not only do these methods give worse results and smell bad, they threaten the economics of running a successful dry-cleaning business because:

- Perchloroethylene and hydrocarbon dry-cleaning machines can be twice as expensive, or more, to buy than our process.
- Chemical solvents cost much more to buy than water!
- Solvents have to comply with the Solvent Emissions Directive and so need to be registered and regulated with the local authority.
- So more must be spent on the storage and safe disposal of the toxic waste these processes generate. (Prima Master Dry Cleaners uses only environmentally friendly solutions that don't generate any toxic waste).

- More training and in some cases, more staff, are needed to handle the chemicals used in our competitors' processes – further adding cost to the operation.
- Use and disposal of solvents such as perchloroethylene and hydrocarbons can be harmful to the environment.
- France has banned the use of perchloroethylene from 2020 and California from 2023 and it may be that the UK and the rest of Europe follows suit.

So any business set up to use these solvents is under threat.

The result is that costs become so prohibitive that many competitors operate collect-only or reduced-service branches (one of them even sending items for cleaning in the laundries at HM Prisons!). This means their customers may only get a 2-day service, items can be lost and customers lose the benefit of personal service and expertise.



# Why Prima is better and more profitable

Because our modern alternative to traditional dry cleaning is based on a unique water process and technology; our shops are cheaper to set up and run, *we can thus offer competitive prices with more profit*, do everything on the premises and give customers better results faster:

- Our machines are half the cost of standard dry-cleaning machines or less (because they don't need to handle toxic solvents).
- No special safety precautions are needed, so set up can be much cheaper.
- Prima can be set up in premises as small as 750 ft² (because our system uses less space than solvents or hydrocarbons) and works well in convenient secondary-retail locations off the high street – so your premises will be easier to find and cost less to rent (or buy).
- We require no special permits for the use or disposal of our gentle cleaning solutions.
- Our automated shops can be run by just one person – further keeping costs down.
- Our business has much less impact on the environment than others using toxic solvents – and less impact means less cost and much less risk to your business amidst tightening environmental regulations.
- You can serve all the work from your premises, so you don't need to send anything away – which means you can keep more profit for yourself.
- Better results without the wait and a wider selection of items you can clean mean you will soon develop a loyal repeat customer base.
- We have arranged the best deals for your supply of consumables at a lower price because of the volumes we can order and economies of scale. This makes sales costs lower and so sales margins higher.
- We will help protect your territory – this means nobody local can compete with you using our processes.

*Prima gives you more and the potential to make more, at a much lower cost.*

# What can I make?

We will help you choose the right location for your business in order that it might attract the highest catchment of customers.

What you can make will depend on the demographics of your chosen location.

A city-centre location which adds a fast-shirt-service to Prima's normal offering might perform better than a suburban location depending on standard services. Similarly, an area requiring more premium services for designer items and wedding garments might perform better than an area depending more on standard laundry services (unless that was made up of significant commercial contracts).

Nevertheless, we have purposely tested both central and suburban locations and both have performed profitably.

The table below shows *first year on-target turnover* for a suburban location, split of sales and gross margin (based on proven figures from existing branches) <sup>1</sup>.

ITEM	PERCENTAGE	£
Overall 12 month turnover	100.00%	£119,214
SPLIT		
Large/Speciality Items	30.00%	£35,764
Standard Items	60.00%	£71,528
Alterations	7.00%	£8,345
Retail Sales	3.00%	£3,577
COST OF SALES		
	24.28%	£28,950
GROSS MARGIN (PROFIT)	75.72%	£90,264

*On target earnings for such a store in Year Two should be £130,000 to £170,000+*

As an ethical franchisor, we believe that we should give you a fair example of trading in an average case starting from scratch rather than showing our best figures from well-established shops. Nevertheless, our established shops do trade at significantly higher numbers than those above.

*This is generally a cash business, so your cash flows should also be good from the start.*

<sup>1</sup> The amount that a franchisee can make can vary and is not guaranteed; figures quoted in this prospectus are thus for illustration only as the amount each individual franchisee makes can depend on many factors including their own activity, local market and the degree of established competition. Nevertheless, these figures are based on the proven and documented sales of the company-owned operations in the Liverpool area as of 2015. Gross margin is quoted as the profit after the direct cost of sales.



## Is it difficult to run a Prima shop?

We have carefully chosen our shop design and **automated** equipment to make the running of a Prima unit as simple and cost-effective as possible with the least number of staff.

- Our own shops can run effectively with one person on duty that can also run all of the machinery alone on an average day.
- In peak periods and at peak drop-off and collection times, we might suggest that you support the work load with one extra part-timer.
- Your tailoring and alteration staff are paid per job and so can attend your shop as required.
- None of the machinery is particularly complicated to use after you and your team have gone through the extensive training that

we and our equipment suppliers provide within your franchise fee – and once you are trained, it's fairly easy for you to train your own staff, making it easy to recruit your team locally (which we will also support).

***This all makes Prima equally ideal and profitable for a family team to run or for an investor to run through employed staff.***

If you are employing, you will also find that it is relatively easy to find experienced dry-cleaner staff that will be loyal, because they prefer our working conditions and processes to those of our competitors.

***Of course, as an ethical franchisor, our interest is to make sure that you have the very best opportunity to run your business efficiently and profitably – so we will support your recruitment and training needs continually, not just when you join.***

We run an ongoing CPD training program and loyalty program for staff, induction training for new tailors (for alterations), an initial franchisee business coaching program to get you through the first six months, ongoing monthly visits, quarterly development meetings and more to keep you and your business vibrant and to help ensure your success.



## What does a Prima shop look like?

Our shop design is striking, modern and very visible.

Our franchise is 'turn-key', which means that we can include and arrange all of your premises design, shop fitting, fit out, equipment, machinery, business set up and training for you within your fees – so all you need do is get the keys back from us and start trading.

***This makes your set up quick, simple and hassle-free.***

Below is an example of one of our own shops:

Particular elements of design that make a Prima store much more noticeable and that help draw in your customers include:

- The modern and eye-catching corporate colours.
- Lots of glazing and bold signage.
- The garment carousel that is a feature of all our shops (a curiosity that really works to draw in custom).
- Our clean bright stainless steel ceilings and fittings in the shop.
- The service and launch advertising and offers in the windows.

***Our architectural team will help ensure that your new business arrives in style with less worry for you.***



## What does it cost?

We are an ethical franchisor and so our focus is not on profiting from selling the franchise – it is more important that you get into business at a fair price with the best set up and support.

Our mutual rewards will then come from the ongoing long-term success and sustainability of your business because it has been given the right start.

**A fully fitted shop including franchise joining fee, turn-key package, deposit on leased machinery, average building works and shop fitting would be around £74,626 (+ VAT).**

We are completely transparent in our set-up pricing and will go into more detail in a meeting. The above figure includes:

- Our franchise joining fee starting at only £7,380 (+ VAT) for a territory of up to 75,000 private households in an exclusive territory.
- The 'turn-key package' of all the set-up, IT, software, consumables,

initial stock, and services etc. that you need to get started (see next page for a full list) transparently priced at around £29,570 (+ VAT) if you lease the main cleaning and pressing machinery.

- Deposit on leased equipment at 10% is around £4,400
- Building and shop fitting works on an average 750 ft2 premises may be around £33,275 (+ VAT)

**Most banks – which we will help you approach - may lend 50% of your total investment (subject to status).**

**We will assist you in registering for VAT, so you will get all of the VAT back anyway.**

We only take 9% management service fees and 1% advertising levies.



## What do I get for my money?

You get a fully fitted shop of outstanding quality in a large exclusive territory on a 15 year franchise agreement.

### **Leased equipment includes:**

- Water-based alternative cleaning system and machinery.
- Drying system.
- Vacuum steam table.
- Garment former.
- Trouser toppler.
- Boiler/ feeder.
- 5m Garment Carousel.
- Standard laundry washer.
- Tailoring sewing machine.
- Desktop blind stitch sewing machine

### **The turn-key package includes:**

- Office software.
- Till system software.
- EPOS till system hardware.
- Security and fire protection system.
- IP based CCTV.
- Tools.
- Garment finishing tools.
- Sewing and alteration tools.
- Hangers stock.
- Wedding dress boxes/ keepers.
- Garment wrap.
- Initial soaps stock.
- Sundries stock.
- Premises approval.
- Premises design.
- Company and accounts set up.
- Signage.
- Corporate identity.
- Delivery van deposit.
- Delivery van livery.
- Uniforms.
- Launch marketing package.
- Online set-up.
- Manuals.
- 3 weeks extensive training.
- First week trading on-site mentoring.
- And more.

### **The indicative building works and shop fitting budget on the previous page can include:**

- Project management.
- Electrics and lights,
- Plumbing.
- Kitchen.
- Toilet.
- Roller shutters (Auto)
- Shop front.
- Floor.
- Ceiling.
- Tiles.
- Labour.



# Territories and exclusivity

We protect our franchisees by giving them fantastic levels of exclusivity:

- Prima units can only be owned and operated by franchisees (or head office in Liverpool) – no other format of the business is being offered to anyone else.
- No other franchisee can promote their shop in any other franchisee's territory, so your territory is exclusively yours.
- Every franchisee will get an exclusive territory of at least 75,000 privately owned households and can extend that further pro-rata.
- If a franchisee wishes to extend their territory in the future that is charged pro-rata for the number of households in the territory only – they don't need to pay the whole cost of another shop unless opening a second one.
- Once a franchisee opens in an area, we will help protect it from competition using our processes.



# Can I develop more shops?

We intend to rollout up to 300 shops in the UK through franchisees.

We would prefer to encourage and work with the best franchisees so that they grow to own more than one shop and eventually establish their own chain of several shops covering a region – rather than deal with 300 individual franchisees.

So we would be very interested in those that want to grow to open more shops.

You are allowed to open more than one shop in your own territory anyway, if there is a market for it.

Those that want to expand to open across a larger region can simply buy into the territories around them if they wish and we can also offer option agreements to hold those territories until you are ready to expand.

On the other hand, there is no pressure from us to grow if you want to stay with one shop.



## How will you look after me?

An ethical franchisor should only really make its money when its franchisees are successful – that is why we charge no minimum monthly fee and no annual fee.

Our main income is from the management fees that we charge to look after and support you and as they are a percentage of your turnover it is in our interest to help you develop the best performance possible.

### *We support you in all of the following ways:*

- Completely transparent discussions about our existing business and the pricing of the franchise.
- Provision of a third-party to assist you throughout your consideration of our franchise.
- Assistance approaching the banks and leasing for funding and finance.
- A franchise agreement drawn up by a solicitor affiliated to the British Franchise Association.
- Extensive business training and training on equipment including professional third party training.
- Training at your own premises before you start and in your first week of trading, so you are cared for until you (or your staff) are confident.
- A CPD training program and loyalty program for your staff.
- Initial six-month business coaching program to get your business started in the best possible way over the first 6 months.
- Monthly visits to discuss and assist your development.
- Quarterly business development meetings.
- Annual business review and planning.
- Assistance with recruitment and staff training.
- Technical and advisory database to assist in your day to day operation and to solve common technical or operational questions.
- Ongoing analysis and benchmarking of performance so that we can work to support the opportunities, trends or threats you face.
- 24/7 access to business, operational and technical support from the support office.
- A dedicated relationship manager to care for your needs and interaction with us and our suppliers.
- Anything else you may need on a fair and mutually beneficial basis, when you need it.



## Who are you looking for?

We are interested in anyone that is hard working, personable and understands that for their Prima unit to succeed it must offer the very best service to our customers.

### *Couples and Family teams:*

A single shop would be well suited to a family team as they would be able to comfortably manage the shop, deliveries and peak periods between them – with the potential to provide a comfortable family income.

### *Investors and portfolio franchisees:*

As the shop only requires one member of staff on duty outside the very peak periods – and they are relatively easy to find at economical rates of pay – Prima shops maintain the potential for good returns on investment for those franchisees who wish to open one or more shops to add to their portfolio without working in them.

### *Landlords:*

On the same basis, if you are a landlord or commercial property owner with vacant premises in the right location, Prima is relatively easy to set up to enhance your returns from those premises. We would also be interested to talk to you about other properties that may become available in other locations for our other franchisees.

### *Do I need any experience?*

You don't need any experience in dry cleaning or running your own business other than the right work ethic and common-sense; the rest we can train you and your staff in.

The use of any of our equipment and the running of a store doesn't require any particular practical skill – all of the machines are automated and fairly easy to use.



# What happens next?

If you are interested in learning more, simply get in touch with our team.

We will make every effort to help you to make a properly informed decision on whether or not this exciting business is right for you.

It is in our interest, as much as it is in yours, that your new business is successful and that it is one that you continue to enjoy and benefit from.

We are a privately owned business, run by real people that are hands-on and that you will meet. We have as much (and more) invested in this as you will, so we know how important it is for you and your family to make the right decision choosing a franchise.

Please feel free to call us for a friendly chat and to ask us anything. We are here to help you.

There's no cost or obligation at any stage of finding out more about us before signing up. We know this is an important decision for you, so will help you in any way we can until you're sure you want to sign up.

You are welcome to meet us one-on-one – **but if you prefer to hear more in the less formal environment of an open-day, why not come to one of our monthly Discovery Days where you can get hands on with our technology in a group of others considering joining Prima.**

We look forward to meeting you,

*G. Davies*

Graeme Davies

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# What Is Franchising?

'A business relationship where one party allows another to operate clones of a proven business system in return for initial and on-going fees.'

Simply put, PRIMA operates a business that works and we would like to offer you the opportunity to copy it for just a small share of the likely profit you will receive by operating it as your own business.

You may have come across the concept of 'franchising' before; most likely from an idea of how some fast food or retail chains operate in the UK.

In fact, franchising is a very mature, regulated and supported stable business format and perhaps a much larger industry than you might imagine.

**According to the 2013 NatWest/ British Franchise Association Survey (the latest available):**

- Currently (2013) 92% of franchised businesses are profitable with 49% quite or very profitable (only 8% are loss making).
- There are an estimated 930+ franchise systems in operation in the UK
- The number of franchisee units in the UK is an estimated 39,000
- Considering the intervening recession, franchising has performed well. The estimated business format franchising industry turnover in 2009 was £11.8bn – an increase of 17% since 2006 and that increased again in 2010. Current (2013) estimated industry turnover is £13.7bn, which equates to around 1% of GDP. This contribution has grown by 20% over the past 5 years, whilst the overall economy has shrunk 2.5% over the same period
- Across all franchised businesses, average turnover is up very slightly from last year and stands at £356,000.
- An estimated 561,000 people are now employed in franchising in the UK, an increase of a staggering 71% since 2006.

# The popularity of the franchise industry is simply explained:

Many more new franchisee-unit start-ups survive than independent new business start-ups within the first critical three years, because in franchising – such as with PRIMA:

- The way the business operates is already proven by the Franchisor.
- That Franchisor has already paid the vast expense of developing the business through trial and error and charges the joining Franchisee only a bare fraction of that cost to copy a fully developed business.
- Franchisees are fully trained, supported in the difficult first weeks of operation and have experienced Franchisors to provide support/advice.
- A Franchisee is supported by a growing network of other Franchisees and thus more powerful national advertising campaigns, support, image and product and service development.
- Franchisors have the flexibility to react quickly to market information from many franchisees across the country in order that their Franchisees stay ahead of trends in the market.

Franchising is also better supported by investors and financial institutions than new independent concepts or business start-ups, because:

- The Franchisor will most likely be a respected business with an established history.
- The franchise will already have proven to be profitable in the hands of the Franchisor or another Franchisee.
- A Franchisee's business is underwritten by the systems, training and support of the Franchisor.
- Even if a Franchisee fails to realise the full potential of the territory in which they operate, they will often be able to sell the territory to a new Franchisee impressed by the performance of the network elsewhere - thus less of the capital in a franchised business is at risk than in most independent businesses

# What should you look for in a franchise?

PRIMA is tailored to satisfy all your professional needs as a Franchisee and provides all of the following tests of a '5-star' franchise that you should look for:

1. A business that is proven to be successful in an established format, with a defined system, and a distinctive name and appearance.
2. A business that is easily duplicated - which means it can be set up in a sufficient number of locations to create a network of manageable and profitable proportions.
3. A business that is easily learned in a reasonable period of time by someone with the required knowledge, skills and attitude to fit the desired franchisee profile.
4. A business that creates sufficient profits to satisfy both the franchisor and the franchisee.
5. A business that has, or can adapt to, a culture of mutual support and trust and in which the franchisor recognises his or her responsibilities to assist appropriately qualified people to create and operate businesses using a common brand and system.







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