

Edublox Franchise

Prospectus



Contact Details:

Henk du Plessis

Tel: (012) 345-1480

Email: henk@edublox.com

www.edublox.co.za

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Full member



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About Us

Edublox reading and learning clinics help learners to **read, learn and achieve.**

The first *Edublox* reading and learning clinic was established in February 2007 — the end-result of 30 years' experience in practice, and the combined effort of 50 years of intensive research about reading and learning.

Over the last 30 years we have helped thousands of learners, not only in South Africa, but worldwide.

Some of our programs are exported to various countries, but the newest, latest and best techniques and methods are used and presented exclusively at the *Edublox* clinics.

We currently have 20 franchises operating in Southern Africa.



Edublox Values

- Developing learners to achieve results — improvement in school performance and self-image, and creating a basis for lifelong learning.
- Quality and compassionate customer service.
- Providing safe, challenging and fun learning experiences.
- Using tried and tested educational practices based on established theories.
- Working professionally through proper business practices and fit-for-purpose computerised systems.
- Edublox people enjoy amiable and value adding relationships.
- Edublox people are exceptionally proud of the wonderful achievements of our learners, but remain humble and view the opportunity to develop learners as an honour and privilege.

What Edublox Offers to Franchisees

This is a first-class business opportunity for individuals who, in the educational field, want to:

- Run their own reading and learning clinic and earn a sustainable and worthwhile income.
- Experience a profound sense of fulfilment by seeing children achieve who previously struggled with reading and learning.
- Receive appreciation from grateful parents and teachers.
- Be part of a international and professional educational service organisation with a first-class reputation.

As a franchisee, you receive:

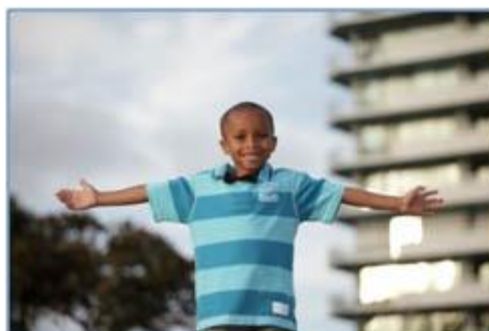
- The right to use the *Edublox* name and reputation.
- A comprehensive initial training program with follow-up coaching.
- The right to use our comprehensive reading and learning assessment system.
- The right to use the *Edublox* group class curriculums and software programs, all based on sound theories and tried and tested practices.
- A listing of your franchise on our corporate website.
- Fit-for-purpose and ready-to-use computerised business systems and marketing tools.
- Membership of a group of dedicated educational practitioners to learn from and share ideas with.



The Ideal Franchisee

In choosing franchisees, preference will be given to applicants who:

- Have experience in working with/teaching children (mainly primary school children).
- Hold a tertiary qualification, preferably in the educational field.
- Love and communicate well with children.
- Are disciplined self-starters with a high level of personal integrity.
- Demonstrate good interpersonal and communication skills.
- Possess good organisational skills and scheduling ability.
- Are familiar with and involved in the community where the business is located.
- Will actively work in and manage the business.
- Are willing to work with computer program and information management systems.
- Take pride in the quality of their work.



Training and Support

Franchisee training – 12 to 15 days – covers the following topics:

- Theories on learning and learning disabilities
- Learner assessment
- Presenting the group and computer classes
- Marketing and sales
- Business processes and systems

After the training, distance coaching for three months is provided by means of VOIP and IP video camera technology.

Thereafter, support and advice from head office is available, usually on request from the franchisee. Or, based on monthly key performance indicators as jointly measured by the franchisee and *Edublox*, assistance and advice may be provided to the franchisee to improve business operations.

Franchise Business Description

What Edublox offers to clients:

- A scientific assessment of the learner's reading and learning skills.
- Weekly classes to improve concentration, perception, memory, logical thinking, reading speed, spelling ability and comprehension.
- Help for learners with reading and spelling difficulties, including reversals of letters such as 'b' and 'd'.
- Intensive holiday courses and one-on-one sessions for accelerated progress and results.
- Classes on study skills, study methods and study techniques for Grade 4 and older learners.
- English language course.
- School readiness classes for the little ones.

The *Edublox* franchise is an owner-operated business. A typical franchisee will do marketing, learner assessments and business administration, and present classes in the afternoons and on Saturday mornings and intensive courses during school holidays.

In larger towns or cities, the standard clinic size applies. The educational model provides 24 learners per 90 minute lesson. A standard clinic has enough capacity to easily accommodate 120 registered learners. The standard clinic offices need to be approximately 80 m² in size to make provision for two classrooms, a reception/administrative area and a small conference/reading room. The group class needs to be furnished with 8 learner desks and chairs, as well as a teacher's table.



Example of a group class

The computer class has 8 computer workstations, linked through a LAN (local area network) to a server computer with Internet access. The reading area does not need to be in a separate room, part of the reception area may be used. The clinic ideally needs to be situated as part of a shopping centre or in offices close to a shopping centre.



Example of the computer classroom



Entrance to the Ballito franchise

For the smaller market — towns with less than 4,000 learners — the initial franchise fee may be reduced by on average 30% and less computers, furniture and office space are required.

Depending on the size of territory, and the affluence level of the community, a standard franchise could develop into a super franchise. This model makes provision for 48 learners per lesson.

Financial Information and Financing

Standard clinic:

An initial upfront franchise fee of R67,700 is payable along with a monthly management fee that constitutes 10 percent (excluding VAT) of the franchise's turnover.

The set-up cost, which includes training equipment, eight computer stations, furniture and fittings is approximately R187,700. With an additional estimated R70,000 of operating capital required, a total investment of R257,700 is needed. Set-up fees include VAT.

Set-up fee:	R 187,700
Upfront franchise fee (includes training and coaching) –	R 62,700
Education material, training equipment, initial stock and marketing material. –	R 40,000
Furniture and fittings (estimate) –	R 30,000
IT equipment and installation (Estimate - Dependant on R / \$ exchange rate). –	R 55,000

Add: Estimated working capital required	R 70,000
Total funds required (VAT Inclusive)	R 257,700

An average monthly sales income of R60,000 is attainable based on three income streams: assessment fees, class fees, and sales of supporting educational products.

Typical monthly expenses (R25,000 – R38,500 excluding owner's salary) include items such as:

- Management fee (10 percent)
- Rent, security, water and electricity
- Advertising and marketing
- Printing and stationary
- Insurance
- Repairs and maintenance
- Salaries and wages
- Telephone, postage and internet
- Refreshments and entertainment

(Please note that sales income figures are projections and in no way represent any form of guarantee or undertaking by the franchisor to the franchisee or any third party that any figures set out therein will be achieved – Note as required by the Consumer Protection Act.)

Financing:

Loans

Please contact Carol Smit at Standard Bank for more information on financing solutions.

| National Franchising Manager | Business Banking Offerings |
| 8th Floor | Standard Bank Centre | 5 Simmonds Street | Johannesburg | +27 11 631 4437 | Fax: 086 507 9491 | Mobile: +27 83 307 3253 | Carol.Smit@standardbank.co.za | www.standardbank.co.za |

Computer rental

The initial capital investment can be substantially reduced by renting computers instead of purchasing the computers. An advantage of renting is that the computer hardware is supported and it is also possible to arrange for a standby computer if distances to service centres are problematic.

For the 8 computer workstations and server computer in the standard clinic, an estimated R2,000 rental per month (24 months) applies. This reduces the capital investment of computers equipment by R40,000.

The rental solutions are provided by QRent. Contact details:

Nereshnee Elijah

Sales Executive

Tel: (011) 791-0645

Cell: 074-904-7454

Fax to Email: 086 508 0128

Email: nelijah@qrent.co.za

www.qrent.co.za

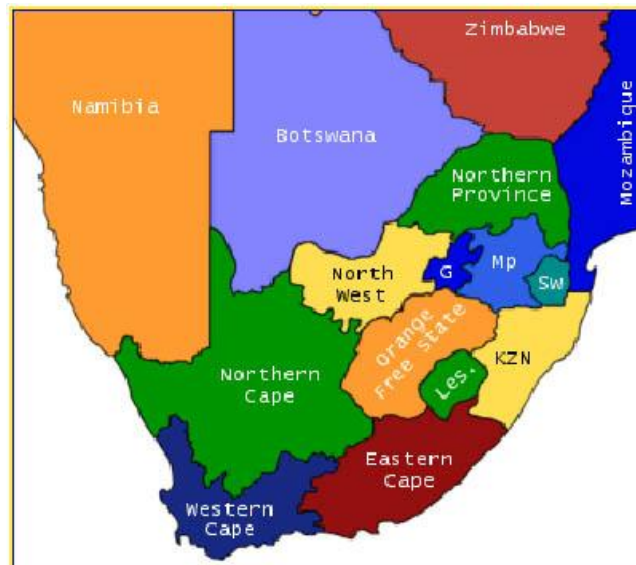


The image shows a banner for QRent. On the left is the QRent logo, which consists of a red shopping bag icon above the word 'Qrent' in a bold, sans-serif font, with 'Powered By InnoVent' in smaller text below it. To the right of the logo is a photograph of a computer workstation with a keyboard and mouse. Overlaid on the right side of the banner is the text 'daily, weekly, monthly rentals of laptops, desktops, printers etc.' in a white, sans-serif font. At the bottom right of the banner, the phrase 'at your service.' is written in a smaller, italicized white font.

Territories/Locations

To provide long-term sustainability, the allocated territories are large (where possible between 6,000 and 10,000 learners) to create the opportunity for the establishment of a second reading and learning clinic (super clinic) as part of your business.

However, in the case of smaller towns such as Upington, Ceres, Groblersdal, Komatipoort, a smaller version of standard clinic model is possible. This model makes provision for territories with less than 4,000 learners.



Application Process

If you are interested in a franchise, please email info@edublox.com for an initial application form.

The application process, in short, consists of the following steps:

- Once the application form is received and accepted by *Edublox*, more detail about the franchise opportunity will be made available through telephone conversations, emails and visits to the *Edublox* Head Office in Pretoria.
- The next step is for you to complete a non-disclosure agreement and then receive the documents such as the Franchise agreement, Disclosure document, etc.
- A panel interview and assessment of the potential franchisee is the final step before signing of the franchise agreement and starting your business.

Standard and Super Clinic Comparison

Description	Standard Clinic	Super Clinic
Suitable for	Small cities/large towns e.g. Polokwane, Kimberley, etc. or territories in large cities e.g. Pretoria east, JHB west rand, DBN upper highway.	Territory same as standard clinic but due to high demand (e.g. waiting list of learners) increase in capacity is viable.
1. Cater for market size	> 6000 learners	> 6000 learners
2. Minimum staff required (incl. owner)	Two	Five
3. Services / products offered	<ul style="list-style-type: none"> • Assessment • Edublox classes for preschool, primary and high school learners plus Intensive course. • Home support products e.g. Compublox • Studiblox 	<ul style="list-style-type: none"> • Assessment • Edublox classes for preschool, primary and high school learners plus Intensive course. • Home support products e.g. Compublox • Studiblox
4. Maximum seats per lesson period	24	48
5. Maximum R sales per lesson (primary school rate)	R2,880	R5,670
6. Premises minimum size	80m ²	130m ²
7. Learner computer workstations	Eight	Sixteen
8. Registered learners (workable capacity)	120	240
9. Estimated R sales per month	R60,000	R110,000
10. Management fee % of turnover (Excl. VAT)	10%	10%

11. Total setup fee (estimate): Includes the following: <i>(VAT inclusive)</i>	R187,700	Additional R95,000
11.1. Upfront franchise fee (includes training and coaching)	R67,700	R8,000
11.2. Education material, training equipment, initial stock and marketing material	R40,000	R28,000
11.3. Furniture and fittings (estimate)	R30,000	R15,000
11.4. IT equipment and installation	R55,000	R50,000
12. Working capital (estimate)	R70,000- R130,000	N/A (Ongoing business)

(Please note that sales income figures are projections and in no way represent any form of guarantee or undertaking by the franchisor to the franchisee or any third party that any figures set out therein will be achieved – Note as required by the Consumer Protection Act.)