



Australian Paving Centre



www.australianpaving.com



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Introduction

Thank you for becoming part of the Australian Paving Centre (“APC”) network. This document gives the reader a broad overview into the APC Retail System, including but not limited to a brief outline of our system, structure & management, training & potential growth strategy.

APC provides opportunities for people to own & operate an APC franchised store whilst enjoying the professional support of the experienced APC network & business systems.

The APC Retail System has been developed to cater for the consumers growing demand for durable, low maintenance, drought tolerant landscape & garden masonry products. APC offer a professional, unique & reliable “one stop shop” supplying a comprehensive range of pavers, retaining wall systems & associated masonry products.

APC has become one of the leading businesses in its field by providing professional service & advice & the most comprehensive range of quality masonry products. APC is committed to expanding its range to cater for the home & garden industry throughout Australia.

Apc are market leaders in South Australia. With 11 stores & a group turnover of \$12 Million Australian Paving Centre is now one of the most successful independent suppliers of masonry products in Australia.

It is our policy to have every person in APC focus on exceeding customer needs & expectations. We achieve this by sourcing & appointing good quality Franchisees who have a desire to own & operate their own businesses.

MISSION STATEMENT

"Our commitment is the ongoing development of a national franchise network, with the help of the best people, providing the best quality service and products."



Why is APC so unique & why have we grown quickly?

- APC has Great Customer Service!! This culture is bred into staff & franchisees & flows through to all aspects of our businesses. We have a “can do” attitude.
- Access to readily available stocks of good quality, new & innovative products through its preferred suppliers.
- We are a franchise system where the owner operates their own business & benefits financially from their own hard work, giving them choices to lifestyle.
- Our displays are one of our greatest strengths. They are landscaped, real life, well maintained, well designed & truly amazing!!
- Diverse knowledge of the products we sell. Customers demand this!!
- Locally based. APC are small enough to focus on individual needs, in tune with the local market & have local area knowledge. Most customers shop within a 5-7 km radius of each store.
- An ability to adapt & change direction quickly if necessary or to roll out new products successfully.
- APC management has confidence, vision, drive, focus & most importantly, they believe in the APC system & the preferred product range.
- Well documented systems & an exceptional business model.
- Great team work and support network for stores.
- Professionalism - uniforms, stationery, offices & displays.
- Innovative & an ability to “think outside the square”.
- Our marketing strategies are among the best in the industry & this is a core element to APC’s success
- Prompt service, samples, deliveries & follow up.

What Is Franchising?

Franchising is the cloning of an already successful business. The APC group grants another party (the Franchisee) the right to engage in the business pursuant to a Franchise Agreement & the Operations Manual.

APC group allows the Franchisee to use its well-known business name, trademark or logo. The Franchisee conducts their own businesses in accordance with the marketing business plan of Australian Paving Centre Pty Ltd (the Franchisor) who also provides to the Franchisee access to quality products, ongoing marketing, training, business advice & administrative support.



APC Franchising Business System

Australian Paving Centre is the National Franchisor. The business consists of 11 independently owned & franchised stores. These are APC Gawler, Westbourne Park, Mt Barker, Gepps Cross, Hallett Cove, Flinders Park, Lonsdale, Holden Hill & regional stores in Kadina, Streaky Bay & Mt Gambier.

Stores pay fees to Australian Paving Centre Pty Ltd in the form of advertising, service & administration. The National Franchisor also receives further income in the form of rebates from our preferred suppliers. In addition APC also derives income on sale of other products to the Franchisees.

Future growth of state franchises

In South Australia APC Franchising has established one operating franchise for every 30,000 to 50,000 households in the Adelaide metropolitan area.

APC will continue to increase its market share by:-

- Increasing its range & access to products through a strategic alliance & supply agreements with manufacturers;
- Further ongoing development of franchisee & employee training through management programs & systems;
- On-going development of the franchise store concept;
- On-going development of franchisee sourcing;
- A determined focus on new Franchise Sales throughout both South Australia & other states.
- Support of Franchisees to help them grow their businesses;
- Continuous business development, ongoing training in areas of business management & legal & accounting issues;
- Acquisition or takeover of existing distributors.

Future stores are planned for Pt Augusta, Riverland, Victor harbor/Pt Elliott, Whyalla & Murray Bridge.



Australian Paving Centre Stores

WE'VE GOT YOU COVERED!

Flinders Park
284 Grange Road
FLINDERS PARK SA 5025
(Opposite the Findon Hotel)
Phone: (08) 8234 7144
Fax: (08) 8234 9644

Gepps Cross
700 Main North Road
GEPPTS CROSS SA 5094
(Opposite the sports dome)
Phone: (08) 8349 5311
Fax: (08) 8349 5833

Mount Barker
2 Oborn Road
MOUNT BARKER SA 5251
(Opposite Mitre 10)
Phone: (08) 8391 3467
Fax: (08) 8398 2518

Hallett Cove
9-11 Commercial Road
SHEIDOW PARK SA 5158
(Behind Mitre 10)
Phone: (08) 8381 9142

Kadina
86 Port Road
KADINA SA 5554
(Kadina/Wallaroo Road)
Phone: (08) 8821 2077
Fax: (08) 8821 2977

Streaky Bay
28 Dodgson Drive,
STREAKY BAY, SA, 5680
Phone: 0427 263 050

Lonsdale
13 Sherriffs Road
LONSDALE SA 5160
(Lonsdale Hwy end)
Phone: (08) 8381 2400
Fax: (08) 8381 2366

Holden Hill
578 North East Road
HOLDEN HILL SA 5088
(Cnr Marsella Court & NE Rd)
Phone: (08) 8369 0200
Fax: (08) 8266 6855

Gawler
Cnr Main North & Tiver
EVANSTON SA 5116
(5km South of Gawler)
Phone: (08) 8522 2522
Fax: (08) 8522 2488

Westbourne Park
455 Goodwood Rd
WESTBOURNE PARK SA 5041
(Cnr Goodwood & Grange Rd)
Phone: (08) TBA
Mt Gambier
6 Graham Road,
MT GAMBIER WEST, SA 5291
Phone: (08) 8725 6019
Fax: (08) 8725 3724





APC contact details Adelaide metro stores

Australian Paving Centre (Gepps Cross)
Phone Number: (08) 8349 5311
Owner: Relvern Pty Ltd A.C.N 130 931 878
Store Address: 700 Main North Road, Gepps Cross SA 5094
Personal details: Vernon Weller

Australian Paving Centre (Gawler)
Phone Number: (08) 8522 2522
Owner: Arrjay Pty Ltd A.C.N. 116 633 151
Store Address: Cnr Tivers Rd & Main North Rd, Evanston, SA 5116
Personal details: Richard & Juliana Stevens

Australian Paving Centre (Flinders Park)
Phone Number: (08) 8234 7144
Owner Hayede Pty Ltd A.C.N 138 215 880
Store Address: 284 Grange Rd, Flinders Park SA 5025
Personal details Milton & Nina Skordas

Australian Paving Centre (Mt Barker)
Phone Number: (08) 8391 3467
Owner: Capsa Developments Pty Ltd
Store Address: 2-4 Oborn Rd, Mt Barker SA 5251
Personal details: Chris & Sanet Pyper

Australian Paving Centre (Lonsdale)
Phone Number: (08) 8381 2400
Owner: Quality Inspirations Pty Ltd
Store Address: 13 Sherriffs Rd, Lonsdale SA 5160
Personal details: Braden & Sarah McDonald

Australian Paving Centre (Holden Hill)
Phone Number: (08) 8369 0200
Owner: Same Group Pty Ltd A.C.N 139 770 479
Store Address: 578 North East Rd Holden Hill SA 5088
Personal details: Stephen Mele

Australian Paving Centre (Hallett Cove)
Phone Number: (08) 8381 9142
Owner: Southern Paving Pty Ltd ATF Taylor Ramey Paving Trust
Store Address: 9-11 Commercial Rd Sheidow Park SA 5158
Personal details: Tim Taylor & Marie-Belle Ramey

Australian Paving Centre (Westbourne Park)
Phone Number: (08) TBA
Owner: Quality Inspirations Pty Ltd
Store Address: 455 Goodwood Rd Westbourne Park SA 5041
Personal details: Braden & Sarah McDonald

Regional South Australia Stores

Australian Paving Centre (Kadina)
Phone Number: (08) 8821 2077
Owner: MKBMK Pty Ltd
Store Address: 86 Port Rd, Kadina SA 5554
Personal details: Partnership of trust of Mark & Karen Kay

Australian Paving Centre (Mt Gambier)
Phone Number: (08) 8725 6019
Owner: Vicarm Pty Ltd A.C.N. 069 388 450
Store Address: 6 Graham Rd, Mt Gambier SA 5291
Personal details: Kevin & Barbara Hemmings

Australian Paving Centre (Streaky Bay)
Phone Number: (08) 0427 263 050
Owner: Brace Enterprises Pty Ltd A.C.N 131 346 613
Store Address: 15 Dodson Drive, Streaky Bay SA 5680
Personal details: Nigel & Tara Brace



CONTACT DETAILS

National Franchisor

Australian Paving Centre Pty Ltd

Ph: (08) 8398 5245

Fax: (08) 8391 3722

A.C.N 082 918 303

4 Oborn Rd, Mt Barker SA 5251

Website address www.australianpaving.com

AUSTRALIAN PAVING CENTRE MANAGEMENT TEAM

Name	Qualifications & Business Experience
<p>Damian Hone Managing Director</p>	<p>Founded, owned & operated Australian Paving Centre stores from 1986 to current, including a landscape & irrigation supplies business & a wholesale garden soils business. Founded, owned & operated a business franchising paving installation, initially under the APC brand 1997 to 2000 & then under the Jim's brand 2000 to 2005. Owned & operated a contracting business namely Adelaide Paving Company (1995 to 2000), then rolled this business into Jim's Paving, Concreting & Earthworks SA Regional Franchise & also Jim's Paving, Concreting & Earthworks National Franchise System from November 2000 to current. Commenced & sold over 12 different businesses.</p>
<p>Don Reid Financial Controller</p>	<p>Business Certificate. (TAFESA, 1981), MNIA (1984). Don has had extensive experience in the accounting field dating back to 1979 working for a variety of employers in the Wholesale/Retail, Manufacturing and Service industries. Employed as the Financial Controller for Damian Hone's Group of Companies (including the Australian Paving Centre) from April 2008 to current.</p>
<p>Nick Paech-Hone Transport Manager</p>	<p>Commenced with APC in 2004 as a Yard Hand & quickly managed a number of APC stores. Appointed to Transport Manager in 2009. Nicholas is the eldest son of 5 boys to Jodie & Damian.</p>
<p>Nathan Rohde Sales Manager</p>	<p>Commenced in 2001 as a Store Manager. Has worked as Store Manager for Flinders Park, Holden Hill, Gawler, Mt Barker, Lonsdale & Gepps Cross. Appointed to Sales Manager in 2008.</p>
<p>Jodie Hone Systems & Standards Manager</p>	<p>Employed by Australian Paving Centre in 1991 to current & assistant to the Managing Director. Has undertaken almost every role & responsibility in the Administration & Franchise System of Australian Paving Centre.</p>



ROLES & RESPONSIBILITIES (JOB DESCRIPTIONS)

DAMIAN HONE (MANAGING DIRECTOR)

- Maintain the vision / team leadership
- System & standards development
- System expansion
- Marketing, Advertising & Business Plans
- Administer & control Advertising Fund
- Implementation of reporting systems EOM Reporting
- Franchise sales - selection & appointment
- Site Selection
- Site Development
- Business coaching / mentoring of Franchisees
- On site support of Franchisees
- Operational system improvement concepts
- Promotional & point of sale materials
- Product pricing & strategic negotiations
- Maintain Pricing Spreadsheets
- Product range
- Coordination of work advertising / marketing
- Stock systems – levels & display
- Training Co-ordination & Development of Franchisee training process
- Information kits Franchisee & Product Info (content)
- Maintain & Issue Info Kits
- Over seeing debtor maintenance & collections
- Overseeing cash flow & working within capital limitations
- Monitoring Budget forecast V's actual performance & reporting to the network
- Advertising for Franchisees
- Web site development
- Coordination of Advertising for Franchisees
- Expos coordination
- Style guide – develop & oversee implementation, Maintain & Issue Style Guide
- Train franchisees on-site (sales & practical / physical issues)
- Assistance in Turn Key operations
- Collation & development of Operations Manuals
- Franchisee supervisor / operational reviews
- Franchise documentation Issue Franchise Contracts & Disclosures
- Franchisee sign ups
- Franchisee Business Reviews & monitoring
- Lease negotiations & lease maintenance

DON REID

- Administration duties
- Financial Reporting
- Telephone system – call distribution & general maintenance
- Administrative support for Franchisees
- Maintain Pricing Spreadsheets
- Workcover, Super & payroll duties

NATHAN RHODE (SALES & TRANSPORT MANAGER)

- Process all aspects of APC Franchising sales
- Monitor sales systems and develop new procedures when necessary.
- Resolves any major problems before, during and after sale.
- Liaise between sales and transport
- Ensures all sale policies & procedures are adhered to.
- Provides ongoing sales and administrative training to franchisees, staff and contractors.
- Maintain all pricing.



JODIE HONE (OFFICE MANAGER)

- Uniforms / stationery / brochures stock control
- Maintain Brochures & organize printing
- Maintain & issue Start Up Kits
- Issue all Manuals (Operations, Sales, Training)
- Creditors & Debtors
- Credit claims
- Month End & rollover
- General administration
- Enter & reconcile supplier accounts
- Liaise between franchisees & suppliers re claims. Process claims.
- Raise invoices for monthly franchise fees
- Cash flow maintenance.

OPERATIONAL STAFF

- Nicholas Hone; Transport Manager & management of transport licensees.
- Peter Smith; Yard Supervisor.

STEPHEN GILL (CONSULTANT)

- Design, supervision & construction of APC displays & site development

Roles & Responsibilities of the National Franchisor

SYSTEM DEVELOPMENT

Develops Franchise Agreement, Schedule & Disclosure Document
Research & development of improved Franchise structures & support
Research & development of systems to allow expansion

SYSTEM EXPANSION

Promotes the APC brand name
Invests in & promotes expansion of the system to new states & cities across Australia

FINANCIAL

Development of budgets
Control & monitoring of cash flow, banking, expenditure
Invoices all franchise sale revenue (new sales, resales & splits)
Invoices all ongoing fees
Debt management of all Franchisees accounts
Collects & monitors rebates from:-
(1) Preferred suppliers.
(2) Other manufacturers to Australian Paving Collection

FRANCHISEE SELECTION

Interviews potential Franchisees
Appoints Franchisees

FRANCHISEE APPOINTMENT

Advertises for Franchisees
Interviews potential Franchisees
Appoints Franchisees
Assists with Franchisee business reviews
Assists with reviews on Franchisee turnover, overhead expenditure & capital expenditure

SITE IDENTIFICATION

Investigation & confirmation of Franchise sites
Negotiates with landlords
Negotiates with local councils



SITE DEVELOPMENT

- Assess office requirements
- Arrange office construction, improvement, modification
- Develop product display concept
- Project manage construction of the display
- Co ordinate & project manage upgrades of displays when requested

FRANCHISEE TRAINING

- Research & development of training course structure
- Research & development of Franchisee training materials
- Provides regular on-site support visits
- Provides ongoing on-site support as required

STORE MANUAL

- Research & development of an APC Retail Store Operations Manual detailing operational systems, methods, techniques, policies & procedures
- Monitoring & reviewing operational systems, methods, techniques, policies & procedures
- Continual improvement of operational systems, methods, techniques, policies & procedures
- Issue new policies, updates & amendments to the Manual

STANDARDS

- Monitor standards & counsel Franchisees in the areas of:-
 - customer service,
 - signage,
 - stationery,
 - uniforms,
 - display presentation,
 - products,
 - literature,

PROMOTIONAL

- Development of point of sale material
- Negotiate group pricing for point of sale material
- Issue to and charge Franchisees for point of sale material

PRODUCT PRICING

- Provide existing volume turnover to allow sufficient margin for Franchising to occur
- Negotiations with suppliers for group buying rates
- Negotiations with suppliers for pricing on exclusive products
- Monitoring & development of price lists
- Distribution of price lists
- Generate monthly specials lists
- Co ordinate special buys

PRODUCT RANGE

- Research & development of the product range
- Integration of new products into the product range
- Development of the "Australian Paving Collection" brand as APC's own product range
- Negotiating with suppliers for exclusive products for branding in the "Australian Paving Collection"

SUPPLIERS

- Negotiates purchasing accounts with preferred supplier
- Where necessary holds corporate accounts for franchisees to purchase goods at negotiated rates
- Assists in negotiation of purchasing accounts with local suppliers
- Assists in dispute resolution with suppliers on behalf of Franchisees

ADVERTISING & MARKETING

- Administers the Advertising Fund collection & expenditure
- Arranges audit of the Advertising Fund
- Negotiates group pricing for advertising
- Development of APC marketing strategies
- Development of APC advertising concepts
- Controls all corporate advertising and marketing
- Allocation of corporate advertising funds
- Development of the APC web site

TELEPHONE

- Owns & operates the head telephone account 1800 200 200
- Diverts all unanswered calls to designated local store for service
- Services all calls for vacant territory or allocates a store in each state for "bottom"



STOCK

- Development of efficient stock yard layouts
- Assess stock requirements prior to commencement
- Monitor store stock levels

LEGAL SUPPORT

- Review & approval of all contracts (Franchise Agreement, Schedule & Disclosure)
- Legal support in the event of legal action against APC

GENERAL

- Provision of a National Administration Office to support Franchisees

FRANCHISEE SUPPORT

- Conducts Franchisee business reviews
- Reviews Franchisee turnover, overhead expenditure & capital expenditure

STANDARDS

- Monitors standards in ;
 - customer service,
 - signage,
 - stationery,
 - uniforms,
 - display presentation,
 - products,
 - literature & stock levels

CUSTOMER SERVICE

- Negotiates dispute resolution with customers on behalf of Franchisees

FRANCHISEE TRAINING

- Provide an existing APC Retail Store for use in training
- Provide existing experienced APC Retail Store senior management as trainers
- Provide other existing experienced APC Retail Staff as trainers
- Sign off training once completed
- Conducts further training as required

FREIGHT

- Development of transportation systems
- Organises freight for delivery with APC Transport where appropriate

LEASES

- Negotiates all lease agreements.
- Preparation & signing of all lease agreements
- Administers and co-ordinates all leases

APC Franchising Revenue stream



On going Franchise Fees

Advertising

3% of gross turnover is contributed monthly by the franchisee to a corporate advertising fund & another 1% is optional for the Franchisees to spend on local advertising. The advertising fund is administered by the National Franchisor. Advertising is arranged by the National Franchisor & includes both local & corporate advertising, including television, press, yellow pages, etc.

Regional Franchisees generally conduct their own advertising & whilst they do this they are not required to contribute to the fund.

Service & Administration

4% of gross turnover is paid monthly by the franchisee to the National Franchisor.

Rebates

Rebates are paid by preferred suppliers on the group's gross purchases by way of an advertising contribution & a product rebate.

Margin on sale of exclusive APC products

Australian Paving Centre Pty Ltd makes a margin on the sale of exclusive products to APC Franchisees. These products make up approximately 15% of gross sales within the group.

Advertising & Marketing

This can be separated into two areas.

Advertising Fund for product sales

Our advertising is extensive. At APC we focus on press, yellow pages, TV, radio & APC branded point of sale material & brochures. Our branding is essential & we mix corporate advertising with effective "call to action" press, TV & radio. We promote the uniqueness of our displays & look for continued ways to grow the market.

Our advertising is cost effective & results indicate that it assists in good conversion of inquiry (currently over 60% in most stores). APC have strategic alliances with our preferred suppliers who assist with APC co branded brochures & marketing strategies.

APC advertising is designed to grow the market & compete with not only other paving & walling manufacturers but all other commodities that take sales away from our core product range. Research shows that most consumers spend money inside their homes before the outside. It is APC's intention to "create a need" for its products by creative display advertising & point of sale material.

Franchise Advertising



Locating Franchisees is initially done by canvassing the existing APC network. It is not the intention for APC Franchising to allow franchisees to undertake an interest in more than 1 store, since our franchises are expected to work the business in a “hands on” capacity.

The existing trade customers of APC also make a good source of potential franchisees. They tend to look for business opportunities that enable themselves to “get off the tools” & they like to stay in the industry they know.

The next best source of potential franchisees comes from APC customers who have had a good experience with an APC store & who have visited the stores.

Internet or press advertising is effective when advertising existing franchises for resale or when looking for new expressions of interest. Small line adverts in the weekday editions of the business & partnerships section is most cost effective. Small business franchising expo's are very good for lead generation when looking to expand in to another state.

Core Products & Services

- Segmental Concrete & Clay Paving, blocks & bricks
- Natural stone products
- Reconstituted Limestone pavers & blocks
- Segmental Walling Systems
- Pots, statues & water features
- House bricks
- Masonry Building Block & Stone
- Cast Concrete Slabs & shapes (Grey or coloured)
- Concrete Sleepers
- Limestone Building & Walling Block
- Artificial turf

Training program outlined for the Franchisees



Clients have a minimum level of expectation when dealing with APC. It is important that Franchisees meet and exceed the client's expectations.

Induction training helps new staff & Franchisees that may not have owned their own business before, to overcome and prepare for the predictable hurdles.

Franchisee attrition is reduced due to the ongoing development of their skills and knowledge, this leads to increased growth, value and sustainability in our franchise system.

Competent Franchisees earn greater respect in the market place, therefore adding to the good will of our brand.

Franchisee Training Procedure:

Franchisees attend an initial three day business management course, including but not limited to specific details on sales & quoting, steps of a sale, standards and presentation and general Franchising matters. Induction training helps new Franchisees that may not have owned their own business before, to overcome and prepare for the predictable hurdles.

After the 3 day initial sales training we commence 8 weeks on site training in their own store or in an already established APC store with our designated trainer. Our experienced trainer works with them to give full support & training in every aspect of the APC Franchise system.

Training is provided both in the initial stages and ongoing. Training includes product training, sales training, order processing & adhering to all systems & policies. Manuals are provided & maintained, including store price books and sales handbooks.

TRAINING VISION

“To have a Network of Franchisees dedicated to becoming industry experts & determined to represent our name well in the market place”.

THE NEXT STEP

If you wish to build a successful business of your own, make a personal commitment & a financial investment, then an APC Retail Outlet may be your opportunity to move ahead.

We only select people who can show they will have what it takes to be successful. During an initial interview we will evaluate you; because we are only seeking people in whom we can trust to invest our proven business expertise, our name & our reputation.



Please feel free to contact Damian Hone for any further information, including the Franchise Agreement, Disclosure Document, Franchising Code of Conduct & other associated documents.