

*cash***converters**[®]



CONVERTERS
IS KING

Information Pack 2018



Why Choose Us?

www.cashconverters.co.za

Join a Rapidly Expanding International Franchise

Cash Converters has pioneered the transformation of the buying and selling of quality pre-owned goods, and offers an exceptional franchise opportunity which provides Franchisees with access to a proven business model and one of the most comprehensive training programmes in the industry.

Since Brian Cumins founded Cash Converters in Perth, Western Australia in 1984, the Cash Converters chain has grown exponentially into a multi-million dollar international business with more than *740 stores internationally in 20 countries.

With our target of over 100 stores by end 2018 and plans to open more stores annually, Cash Converters is looking to recruit determined, motivated, passionate Franchisees to help the company reach its ambitious targets.

Return on Investment

The Cash Converters business has the ability to provide you and your family with the lifestyle you aspire to! The numbers speak for themselves. Despite the global economic situation, our Franchisees have reported double-digit growth, year on year, over the last five years. Our profitable business model has multiple revenue streams. Please talk to our existing Franchisees for their perspective on this very important issue.

Is This for You?

Being a Cash Converter Franchisee is not for everyone. Franchising is all about working to a tried and tested system and it is vital that you can work within the parameters of the Cash Converters processes and procedures. However, there will always be room for you to improve and adapt certain processes and the network prides itself on being made up of local entrepreneurs.

Becoming a Cash Converters Franchisee is a long term commitment. You will need significant financial investment combined with a hardworking and hands-on approach to running a customer-orientated business.

At Cash Converters your work will be rewarding both financially and personally and is a life changing (ad)venture.

If you would like to find out more about joining the global leader in this business category – and becoming part of Cash Converters exciting and profitable success story – we would be delighted to meet and discuss this opportunity with you.

Please Contact:

Ilse Murray
Franchise Sales Team Leader
Cash Converters Southern Africa (Pty) Ltd
22 Mac-Mac Road, Waterfall Park
Vorna Valley, Midrand, 1686
Private Bag X007, Halfway House, 1685
Gauteng, South Africa
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Ideal Franchisee Profile:

The following are some of the selection criteria that we consider when deciding on awarding a franchise.

- Owner operator
- Aligned to the company's value set
- Previous business experience
- Trader / "smous"
- People's person
- High degree of energy / Passionate
- Initiative
- Motivated

Mission Statement

- To continue to be recognised as a world leader in the trading and marketing of second-hand goods.
- To provide exciting, viable and innovative business opportunities to people from all walks of life with sufficient financial resources, ability and commitment to succeed.
- To earn the respect and support of the whole community through our integrity and by the manner in which we conduct our business.
- To maximise returns to franchised operators annually, by commitment, leadership, innovation and support of our management team.
- To significantly increase the market presence of Cash Converters both nationally and internationally.

Corporate Membership and Compliance

Cash Converters Southern Africa (Pty) Ltd has been a full member of the Franchise Association of South Africa since 1995. We comply fully with the Consumer Protection Act, National Credit Act, and Second-Hand Goods Act. We sit on the National Association of Franchised Second-Hand Dealers. Our business is conducted with honesty and integrity.

*As at 1 January 2018





Multiple Revenue Streams

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Multiple Revenue Streams

The Cash Converters business model is based on the principle that we provide consumers with access to cash – offering them a number of different products and services that suit their personal and financial circumstances depending on their needs at the time.

Regardless of the economic climate, customers need our services. With multiple sources of revenue, you can be confident that your business will generate income whilst you are growing the different products and services.

A Cash Converters store is divided into two distinct areas: retailing and financial services.

The retail area of the store specialises in the selling of quality second-hand household goods. These goods are sold at roughly half the price your customer would expect to pay for them in a new retail environment. They are also sold with a six month guarantee.

With the advent of the National Credit Act in 2007, Cash Converters introduced financial services into the business model. The first of which is a Cash Advance (CA). This is secured money lending, against the customers goods.

In 2009 the brand introduced the first of its unsecured money lending products, a PayDay Advance (PDA). This is a small short term loan, repayable by the customer on his next pay day. We have since introduced the 1 | 2 | 3 Loan and additional money lending products will be introduced in due course.

Retailing of Quality Second-Hand Household Goods

A Cash Converters store offers an extremely diverse and constantly evolving range of products. Buying stock from customers daily, our Franchisees can enjoy a high degree of flexibility in pricing, allowing them to respond to fluctuating economic cycles. We source our products from our customers, buying their unwanted goods in our 'buy shop'. Another source of stock is from unredeemed Cash Advances (customers who do not settle their Cash Advance loans/pawn transaction).

On our retail floor our customers can buy a wide variety of quality second-hand goods at affordable prices; our diverse products create boundless shopping excitement with bargains and finds that our cash savvy customers have come to know us for.

Our move to our mother company's corporate identity and store design has ensured that our stores are bright and modern with a cheerful, friendly environment that disassociates us from the stigma of traditional second-hand dealers.

Because we comply with the Consumer Protection Act, most goods we sell carry a six month guarantee. Faulty goods returned within six months of purchase can be repaired at Cash Converters cost, or replaced with an item of similar value, or refunded at the purchase price.

Financial Services - Secured Money Lending

Cash Advance is a pawn transaction whereby a customer gets an instant cash loan against an item of value without having to sell it.

The customer gets cash on the spot and we hold their item safely for a month. Items are shrink wrapped and safely stored until their return. They repay the loan plus fees and their item is returned to them. The fees charged depend on the amount loaned and comply with the National Credit Act.

Cash Advance loan stock not redeemed goes onto the retail floor for sale.

Financial Services - Unsecured Money Lending

PayDay Advance and 1 | 2 | 3 are short term, instant cash loans against the customer's next salary. In order to apply for a PDA and 1 | 2 | 3 loan, the customer must be permanently employed, paid electronically and not under debt review. Our qualification process is very strict and as a result bad debt is kept to a minimum.

These loans can be paid out on a Cashies™ Card – an FNB eWallet. This innovation is a first in our category. This card has the same functionality (and charges) as an FNB debit card, only it is not linked to an account, but an eWallet. This means that only PayDay Advance and 1 | 2 | 3 loans can be paid into the card. The Cashies™ Card has a security benefit as the Franchisees don't have to hold vast amounts of cash on the premises, whilst the customer still gets the benefit of 'instant cash'.

The Personal Finance Centre (PFC) is a private area in the retail store where micro lending is conducted. The PFC is designed to be welcoming and friendly. The qualification process takes between 15 and 20 minutes and is completely systematised through our state of the art online software.

Cash Converters Personal Finance will fund your PayDay lending book to the tune of R1 million. This provides franchisees with working capital to fund their business growth.

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we buy we sell we loan cash

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finance

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The Brand

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The Brand

We have spent R260 million over the past 24 years building the Cash Converters brand in Southern Africa. This has helped us establish and retain our strong brand awareness.

Our Franchisees place value in the brand they have bought into and it is our mission to make sure the brand value continues to increase.

Ongoing Brand Building

Branding design and development, plus in-store material, television and digital advertising, are constantly reviewed and updated. Our Marketing department for Southern Africa, strategise, implement and manage all aspects of the communication through the line and in new media.

Television

Our television campaigns have achieved high awareness, liking and noting levels. Our commercials are created to explain the various products and services we offer to economically active adults in South Africa.

We have retained the services of a passionate, experienced creative advertising agency, well respected retail media strategist and dynamic media buying agency.

Website and Social Media

Our global best practice re-engineered website will be launching early 2018. We have embarked on an aggressive new media campaign to drive visitors to www.cashconverters.co.za and ultimately in-store.

Our expert digital agency are leapfrogging us into the digital age. And continually deliver world-first, cutting edge digital campaigns. Our Facebook page ranks in the top retail pages worldwide.

In-Store Collateral

Posters and brochures are used throughout the store to communicate, and cross sell, our products and services.

Local Area Marketing

Franchisees have a brand catalogue with a toolkit for easy ordering of personalised artwork from the marketing department for their store marketing efforts.

The local area store marketing manager and team assist Franchisees with planning their local marketing, and facilitate store specific artwork and media bookings.

Public Relations

Our public relations consultant ensures that we get regular editorial exposure in the media, thereby building positive brand perception.

Research

Regular market research, mystery shops and close monitoring of business performance is used to fine tune and build on how the brand is perceived by the public. This is one of the reasons that the business continues to grow, with more and more people using our stores.

Customer Care

Our customer care phone line and email address are manned by a dedicated agent. We believe in open channels of communication with the public.



Training and Support

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The Cash Converters brand offers full support and training both at the beginning of the relationship and on an ongoing basis. This essential support network provides you with a professional team as well as a framework of existing Franchisees to draw upon who have “walked the walk” and can advise you throughout your time as a Cash Converters Franchisee; inevitably you will eventually become a Franchisee that new Franchisees look toward for support.

Training

The Cash Converters Training Academy has developed a comprehensive training programme for Franchisees and their store staff. Each new Franchisee is required to attend an intensive two month training programme.

We will help new Franchisees to develop important business skills and provide comprehensive training in all the services Cash Converters has to offer.

This will take the form of in-store experience, classroom-based and comprehensive online training. The programme ensures that Franchisees experience all job roles, and have the opportunity to put their newly found skills into practice prior to opening their own store.

Training continues with support from the dedicated store development manager prior to opening date and continues for two weeks after opening when the operations manager takes over.

Once the store is open, our ongoing training takes the form of video and e-learning modules on our state of the art e-learning platform as well as regional classroom and in-store training to develop employee skills for the day to day operation of the business.

Operations Support

One of the key reasons behind the success of Cash Converters is the solid support network and robust processes in operation. The support structure is comprised of in-field experts with combined experience in franchising and Cash Converters of over 100 years!

These regional operations managers, operations support staff and store development managers are specialists in operations and will be your dedicated point of contact with the Franchisor.

In addition, the Franchise Head Office, located in Midrand, South Africa, has a team of support staff focused on accounting, marketing, IT, store design and customer care.

Bespoke Performance Tracking software

Cash Converters Franchisees have access to our bespoke reporting system, Success Manager. This is an interactive system which allows franchisees to track their transactions, targets, stock and sales.

Independent Accounting Service

True Accounting offers an independent, value added service, where all franchisees’ accounting and statutory requirements are provided by a team of professionally qualified accountants. This service includes monthly management account services, payroll services and all accounting requirements.

Two-Way Communication

Cash Converters has always known that two-way communication between its Franchisees and support staff is essential to success. The sharing of best practice, talking to one another and developing an in-depth understanding of each other’s needs and objectives helped to create the success of Cash Converters stores. Three quarterly meetings, each in four venues across Southern Africa, and one annual Africa conference provide the forums for that two-way communication, also giving Franchisees the chance to network regularly.

The Franchise Advisory Council is made up of Franchisees from each region. They represent the Franchisees at quarterly meetings with the Franchisor.

Our state of the art bespoke intranet facilitates communication, interaction and exchange of information on a daily basis – live and up to the minute!



***Eight Steps* to Success**

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Easy Steps to Opening Your Cash Converters Franchise

01 Please complete the accompanying application form and return it to us at your earliest convenience. Kindly return per hand, post or email to:

Ilse Murray
Franchise Sales Team Leader
Cash Converters Southern Africa (Pty) Ltd
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W : www.cashconverters.co.za

02 We will make contact with you once we have received your completed application form to arrange a meeting with our franchise sales team. Should you decide to proceed with the franchise opportunity, we would initially require that you sign a Confidentiality Agreement to protect our Intellectual Property. From this point on you will be provided with confidential information which you will need while proceeding with your due diligence exercise.

You will also receive:

- The Cash Converters Disclosure Document. (Drafted in accordance with the standards set out by the Franchise Association of South Africa.)
- A copy of the Cash Converters Franchise Agreement.

03 We encourage you to meet and talk to existing Franchisees during your due diligence process, should you need additional information to enable you to reach a decision.

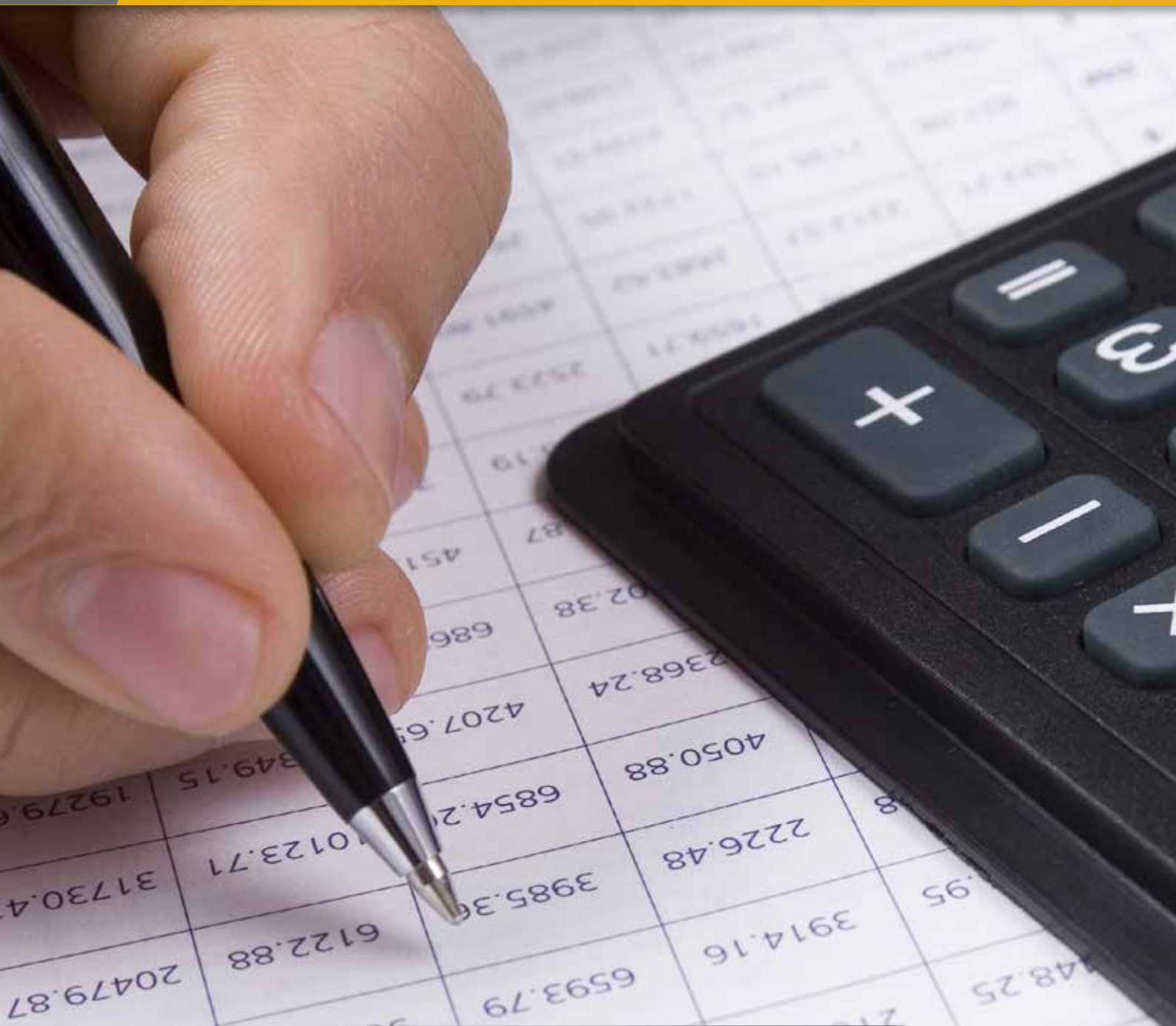
04 Meet with the franchise sales team to sign your Franchise Agreement.

05 Find your premises. We provide a full property consultancy service for the acquisition of new stores. We provide a full project management service for the shop fit out and preparation of your new store once we have agreed the floor plan.

06 Complete your business plan and loan application. We will assist you with these documents.

07 Start your two month in-store training.

08 Recruit your staff. They will also complete a training programme pertinent to their role. Your Store Development Manager will assist with stocking your store with merchandise. Open the doors and trade!



Investment Levels

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Investment Levels

Typical Estimated Investment Levels

Set Up Costs	Mini Store	Midi Store
Totals	R 2 812 500	R 3 444 500

The above figures include initial working capital and exclude VAT.

Further details will be provided to prospective franchisees once they have met with our franchise sales team.

All prices are subject to change without notification, as costs of labour, materials and other associated costs increase.

The above mentioned is merely an estimate for information purposes only. Personal living and debt expenses do not form part of this estimate.

These costs exclude certain elements which vary according to store size.



FAQ's

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FAQ'S

Q. Is Cash Converters a South African Franchise?

- A. No, Cash Converters Southern Africa is part of Cash Converters International, whose world-wide headquarters are situated in Perth, Australia. There are over 740* stores in 20 countries around the world.

Q. What is a Cash Converters Store?

- A. Cash Converters is a retail store concept where customers can buy and sell quality second-hand merchandise within a bright and modern retail environment. Cash Converters also loans money against items of value in the form of a Cash Advance and against a customer's salary in the form of a PayDay Advance or 1 | 2 | 3 Loan.

Q. What Size is a Typical Cash Converters Store?

- A. Up to 250m² for a Mini store and 251m² – 500m² for a Midi store.

Q. How Much Cash do I Require?

- A. You will require at least 50% of the total cost or a minimum of R1.4 million unencumbered cash to cover the Franchise Fee and initial stock purchases, and this would include an amount for cash flow purposes.

Q. How can I Finance the Rest of the Money Needed?

- A. The balance of the investment levels you may finance through a financial institution of your own choice providing you have the necessary collateral. We will assist you in compiling your business plan for submission to your preferred bankers once you have become a Franchisee.

Q. Do these Prices include Vat?

- A. No, VAT at the current rate of 15% must be added, which is recoverable once you have registered as a VAT vendor.

Q. Who would be a Suitable Franchisee?

- A. You will need proven financial and business acumen. Because you will be the owner operator, you will need high energy levels and exceptional communication and people management skills.

Q. May I Contact Cash Converters International?

- A. Yes, the international telephone number is +61 (8) 9221 9111. Peter Cumins is the Relevant Director.

Q. Can I get Information/Advice from Other Franchisees?

- A. Yes, and we encourage it as part of your due diligence.

Q. Where is the Best Place for Me to Open a Store?

- A. We can advise on locations that we have researched and identified as ideal for a Cash Converters store.

Q. What Support would I Receive when Opening a Store?

- A. Your Store Development Manager will support you all the way, mentoring you and your team in the run up to opening your new store, including support on your opening day and thereafter.

Q. Is there Ongoing Operational Support?

- A. Yes, there is world-class ongoing and continuous operational support from head office.

Q. How Long does the Training Process Take?

- A. Initial training consists of two months in-store. Classroom and online training is provided on a continuous basis thereafter for staff and Franchisees.

Q. May I See the Franchise Agreement?

- A. Yes, once we have received and approved your preliminary application and you have signed our Confidentiality Agreement.

Q. Is there an Exit Strategy for Me?

- A. Yes, you may sell your business if and when you wish. The Franchisor will need to approve the buyer. The proceeds of the sale are yours.

*As at 1 January 2018



Testimonials

www.cashconverters.co.za

Hear from our Franchisees

At Cash Converters we believe that our Franchisees should do the talking. That is why, if you are interested in taking a franchise, we encourage you to meet some existing Franchisees as part of your decision making process.



“ Without the support and training I got I don't think I would have been able to do it. ”

Leratho Sibanyana
Franchisee: Cash Converters Greenstone and Southgate



“ It's buying and selling second-hand goods, as well as Cash Advance and micro lending. With all of these income streams it's a very profitable business. ”

Ryan Boright
Franchisee: Cash Converters Queenswood and Moreleta Plaza

“

The stock is interesting, the people are interesting, no day is the same as the day before. It's just fascinating.

”

Rukshana Steyn
Franchisee: Cash Converters Cape Gate

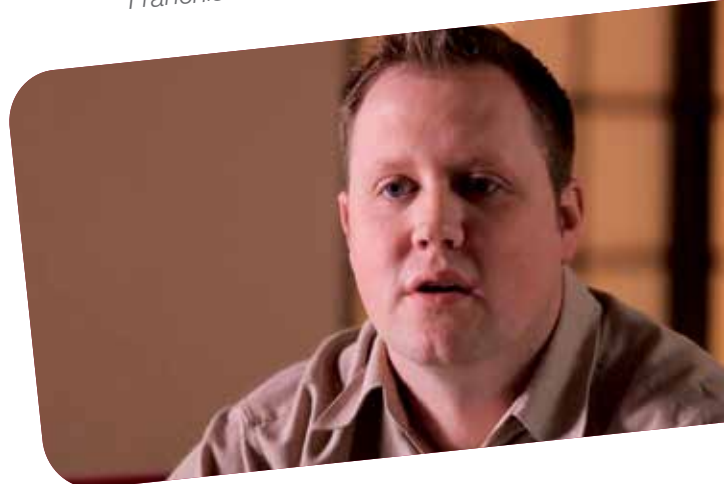


“

In good times and in bad we've been thriving.

”

Jean-Jacques Terblanche
Franchisee: Cash Converters Hillfox





Ilse Murray
Franchise Sales Team Leader

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