

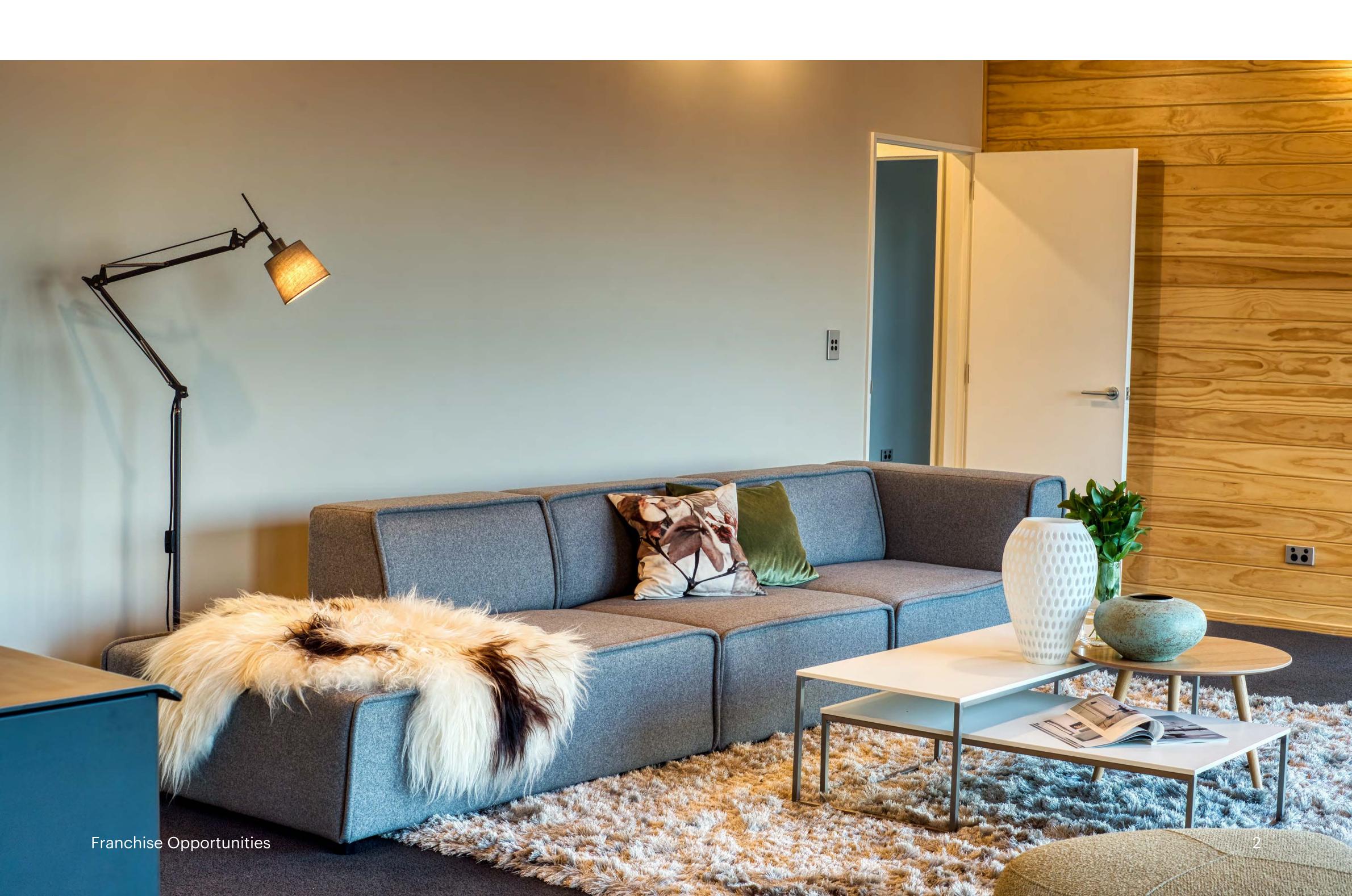




## Franchise Opportunities

Become a franchisee of Fraemohs Homes, a mark of Danish design and quality.

Fraemohs Homes remains locally owned and true to founder Monni Fraemohs' founding principles: excellence in design, quality, and most importantly helping our customers to love where they live.





### Contents

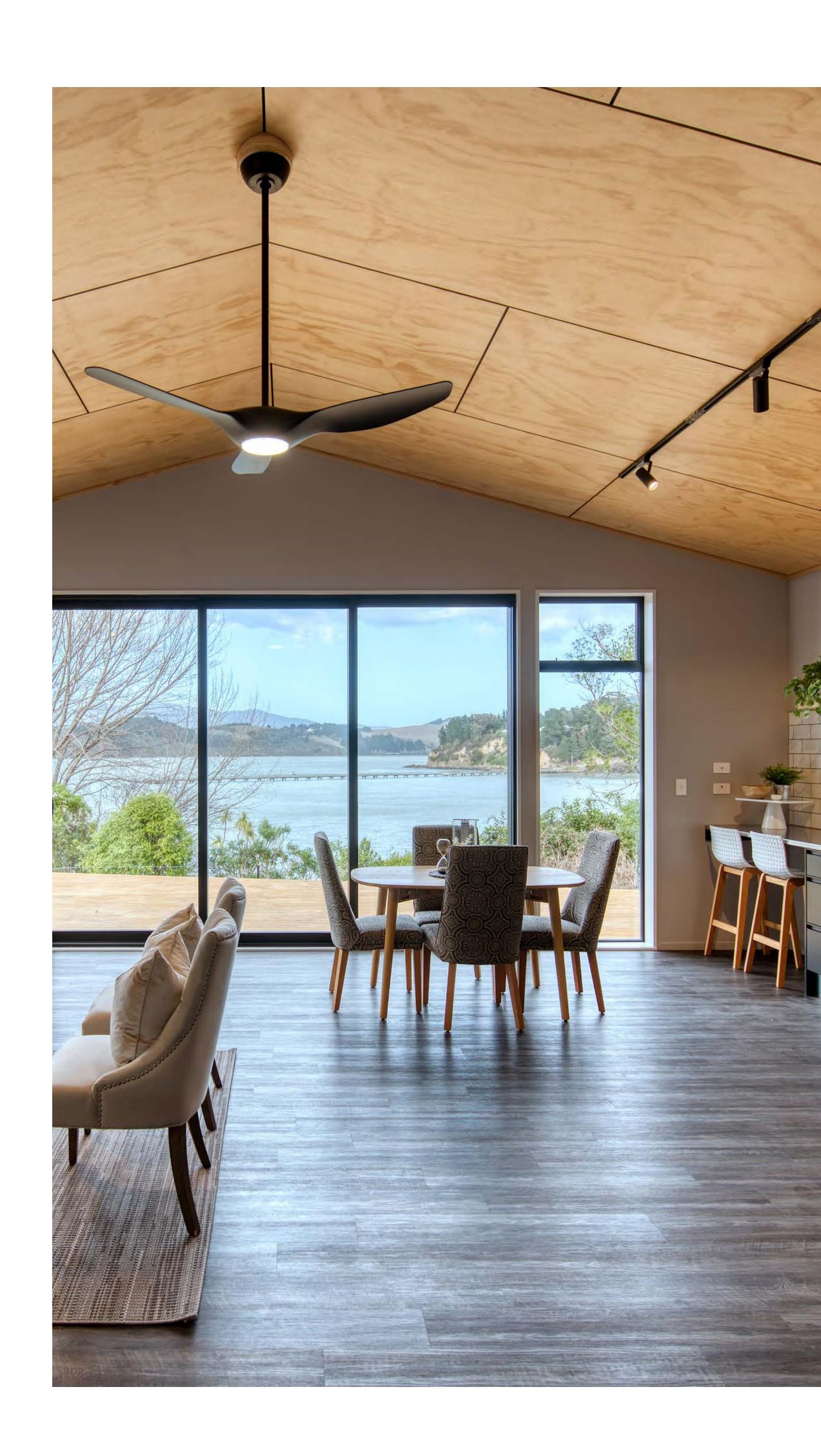
About Fraemohs Homes

Strategy Overview

The Business Model

Franchise Agreement

<u>Summary</u>



Franchise Opportunities Composition of the Composit





## About Fraemohs Homes

Our Founder Monni Fraemohs arrived in New Zealand from Denmark with a passion for Danish design and quality. He was inspired by New Zealand's natural environment and plentiful exotic timber. And in 1968 he started Fraemohs Homes with a vision to share his passions, and to create homes Kiwis would love.

More than five decades, and thousands of houses both locally and internationally later, we still operate from the same Christchurch site.

The principles of sustainability, quality and excellence in design are what our building company was founded on 50 years ago. Home trends come and go, but a home by Fraemohs is good for life.





## Strategy overview

### **Our vision**

Fraemohs believes in building homes, not just houses. A home is much more than four walls and a roof. It is where your child learns to crawl, then walk, then throw a rugby ball. Home is where family and friends get together to celebrate milestones. Home is where the memories of your life are made.

Over the past 50 years we have welcomed thousands of homeowners into our family and have been privileged to be part of many heartfelt memories. We understand how important a home is and that building a new home is a big investment. To ensure peace of mind for our customers, we use only the very best materials, local expertise and experienced tradespeople to create sustainable, solid homes that stand the test of time.





### Mission

- Operate national systems and processes that provide franchisees with superior capability and resilience through a variable cost structure.
- Provide industry-leading support to franchisees, which enables customers and suppliers to trust that Fraemohs Homes franchisees will deliver.
- Provide excellence in material and workmanship and delivery through our Solid Timber range.

- Operate a resourceful and cost effective national supply chain with partners that underpin the quality and service attributes of our brand.
- Provide options for our customers in both products and build solutions.
- Provide access to integrated rapid estimating, operational and accounting systems supported by Head Office.





# The business model

Fraemohs Homes is a project management and manufacturing company. It manages all aspects of the building project from design and consent, through to physical construction and delivery of a high quality product.

It provides a design and build service to clients or design and kitset supply in our own unique solid timber or traditional framing, under a fixed price contract supported by a detailed specification.

Typically a franchise will employ 3-4 people and outsource a number of functions in order to keep fixed overheads at a minimum. Key roles include Project Management, Sales, Contract Management and Accounts/ Administration.

Fraemohs Homes holds national supply agreements with its major suppliers, and is able to access buying terms that reflect its national volume. The primary overhead costs are personnel related costs, office administration costs, and show home rent.

Franchisees undertake local marketing to support the national marketing program. Fraemohs Homes uses in-house marketing support to manage its national marketing activity, which can include television, press, radio, magazine, web site and public relations activities.

The main promotional tools are our website and show home. Show homes need to be built every 18-24 months to keep pace with the market and to keep a fresh face on the brand.





## Franchise agreement

Franchisees perform the following functions: sales, pricing, project management, and contract administration. Design and physical construction work is performed by specialists and trades people on a project basis i.e. architect, floor layer, builder, stopper, painter, etc.

Head Office (the franchisor) performs the following functions: strategy, national supplier procurement, national marketing, systems, training and our Solid Timber Manufacturing. In addition Head Office provides general business support and commercial expertise for franchisees.





### Systems

The group uses a fully integrated system called Deltabuild for estimating and variation purposes. This system allows for standardised procedures, benchmarking and stronger procurement.

We develop plan ranges whereby material quantities are loaded into the Deltabuild system with the assistance of the head office quantity surveyor and IT specialist. A schedule of inclusions is produced and electronically loaded using standard pricing. This rapid estimating system provides a competitive advantage for the group going forward with local pricing being incorporated, and allowing the tool to be utilised by the individual franchisee.

The Group uses a web based Customer Relationship Management and a Project Management system that assist with the management of client communication and information from initial enquiry to project completion. These are very effective tools for managing clients through the sales process and general project control with suppliers and subcontractors.





### Summary

The above information is aimed at establishing a common interest in pursuing what we believe to be a mutually beneficial relationship. Fraemohs Homes aims to create a friendly and efficient environment, in which its members can prosper.

It is very important that franchisee owners are the right fit for Fraemohs and believe our strong business ethics.

Thank you for considering the opportunity to become a Fraemohs franchisee. We invite you to contact our Director to discuss this opportunity further, or to answer any questions you may have.

### **Franchise Opportunity Contact:**

### Amanda van der Kley

Fraemohs Head Office Director M. 027 303 9619

E. amanda@fraemohs.co.nz

#### **Confidentiality Agreement / Disclaimer**

All information provided is strictly confidential to Fraemohs Homes and is provided expressly for the purpose of the Fraemohs Homes franchise opportunity. The parties involved will not, during the term of these discussions or afterwards, disclose to any unauthorised person any knowledge gained solely as a result of or during the course of this process. Information contained in this document is illustrative and in no way provides any guarantees.