SAFE investment

Safety service franchises perform important tasks including the testing of electrical appliances and implementation of floor safety solutions.



Image: Michael Bevan

heir services are in demand from almost every industry, from construction to healthcare, and this has proved particularly beneficial for the safety services industry during times of economic uncertainty.

In its Occupational Health and Safety Services in Australia industry report, market research company IBISWorld forecasts industry revenue will grow at a rate of 5.5 percent in 2013-14 to reach \$1.2 billion.

Looking to the future, the harmonisation of OH&S laws is expected to have a particularly positive impact on the safety services sector.

IBISWorld expects industry revenue will increase at a compound annual rate of 2.8 percent over the five years through 2018-19, to total \$1.4 billion.

"The growth in revenue will be due to the harmonisation of OH&S regulations across Australia, which will mean that businesses may have to meet new regulations," the report reads.

"Businesses will hire industry service providers to ensure their employees work in safe environments that meet safety laws. This activity will boost industry revenue in the short term. The increase in demand will enable industry firms to widen operating profit margins." »





Opportunities | Safety sector



APPLIANCE TAGGING SERVICES (ATS)

Sarah Allen, ATS's general manager and co-founder says the business's fire extinguisher testing arm is a particular growth area, and she outlines what's expected of franchisees in terms of OH&S laws, as well as the cost of an ATS franchise.

What types of safety services does ATS specialise in?

ATS franchisees provide electrical safety services including testing and tagging, exit and emergency lighting inspection and testing, safety switch testing and microwave leakage testing.

Some franchisees also provide fire extinguisher inspection and testing, which is a rapidly growing area of our business.

Who do you primarily lend your services to?

ATS's clients include large national corporations, government agencies, the manufacturing sector, large retail chains and smaller single site operations.

Our reporting and management tools are world class and have been designed and developed around the requirements of these clients, giving them unprecedented access to their testing data and reports along with a detailed analysis of their testing history.

What are your thoughts surrounding the harmonisation of OH&S laws?

The intention of the harmonised OH&S laws was to reduce confusion and compliance costs for businesses operating across state and territory borders.

Unfortunately, this has not been the case as the area of electrical safety remains terribly confusing for most organisations.

Victoria and Western Australia are yet to take on the harmonised laws, and while Queensland has adopted them, it has stated its Electrical Safety Act and Regulations will take precedence.

ATS provides guidance on the legislation applicable to our clients and our franchisees.

How do other government regulations affect the state of the business?

As ATS operates nationally, franchisees are required to comply with the regulations in the states in which they conduct business.

What sets ATS apart from others in the safety sector? Why should someone invest?

As the leaders in the electrical safety compliance sector, ATS's proprietary systems and testing technology enable franchisees to provide the most comprehensive and efficient testing service in Australia.

The level of administrative and operational support ATS franchisees receive is also unmatched in the industry.

> ATS franchise territories are over 10 times larger than many other test and tag franchise systems

For potential franchisees we believe the ATS model offers significant advantages over our competitors in that the business provides:

- A significant level of national contract work servicing major networks;
- A highly user friendly online portal

that can be used by both ATS franchisees and their clients;

- Numerous business development tools for franchisee use;
- · Scheduling, invoicing and data management support;
- ATS franchise territories are over 10 times larger than many other test and tag franchise systems, which provides ATS franchisees with a huge scope for development;
- Franchisees receive one-on-one field sales support in their local area.

How do you see the sector in the future? How will you change the business up to remain relevant?

ATS's service offerings and systems change as the requirements of our clients evolve and develop. For example, ATS has recently expanded its service offering to include fire extinguisher inspection and testing in response to repeated client requests for this service.

The business's client base is expanding every day and ATS is subsequently seeking additional franchisees in all states of Australia to service this growing demand.

What kind of training and support do you provide franchisees?

Franchisees initially undergo a two week induction training program in Melbourne, and they receive ongoing technical training, ongoing technical support, local area sales support and training as well as access to the company's latest technology developments.

In addition, the ATS support office provides franchisees with a complete administration solution - from scheduling and invoicing work through to debt collection and lead allocation, it eliminates the need for franchisees to complete hours of administration each day.

What qualities do you look for in a franchisee?

ATS seeks franchisees that have a passion for safety, a friendly and flexible nature, a commitment to exceptional customer service and a desire to grow a profitable and successful business.

How much does an ATS franchise cost?

- Application fee \$2,500 + GST
- Franchise fee \$26,500 + GST
- Training fee \$6,000 + GST
- Equipment \$10,000 + GST
- Start up stock \$2,000 + GST
- Total \$47,000 + GST

Franchisees will also need to purchase a suitable vehicle for business use, which typically costs between \$18,000 and \$35,000 + GST.

The franchisee's vehicle choice needs to be approved by ATS prior to commencement and the vehicle should be black or white in colour. »



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Opportunities | Safety sector



We pride ourselves on our offering, fast turnaround, technical integrity, onsite service and convenience. economical pricing and our friendly customer focused team who deliver desired results

MOBILE TEST 'N' CAL

Andre Borell, the CEO of Mobile Test 'n' Cal discusses the business's offering, as well as the impact of the changing OH&S laws on the busines and broader industry.

What types of safety services does Mobile Test 'n' Cal specialise in?

Mobile Test 'n' Cal Australia Pty Ltd is Australia's leading provider of onsite services for the testing of electrical safety equipment and the calibration of electrical test and measurement instruments or meters.

Who do you primarily lend your services to?

Anyone from owner operator, man-in-avan style electricians all the way through to power stations, mines, hospitals, utilities and anyone in between.

What are your thoughts surrounding the harmonisation of OH&S laws?

HV testing of safety equipment, tools, and working equipment; along with the calibration of electrical test equipment and instruments is not currently governed by a national standard or code of practice.

It is instead governed by local state regulations, Acts or guidelines that vary greatly from state to state and often provide little in terms of consistency or methodology

behind what their guidance is based on.

Harmonisation therefore has little impact on the business. We are however on a mission to create a national guideline (showing logic behind its recommendations) for our services and are making steady progress.

How do other government regulations affect the state of your business?

Government regulations require regular high voltage testing of electrical safety equipment, inspection of height safety equipment and calibration of meters and instruments.

General OH&S guidelines tell employers they must provide a safe workplace for employees, which also necessitates the use of our service.

What sets your business apart from others in the safety sector? Why should someone invest?

Prior to us entering the market, testing and calibration was a part of the industry that often frustrated customers due to long lead times, the inability to get bookings for mobile services and exorbitant pricing.

We pride ourselves on our offering, fast turnaround, technical integrity, onsite service and convenience, economical pricing and our friendly customer focused team who deliver desired results.



How do you see the sector in the future? How will your business remain relevant?

We have a strategic three-year plan to have a van in every state or territory and have every franchise territory sold and being serviced.

This will enable us to offer our service nationally with total geographical reach within Australia. In these three years we will also expand and refine our service offering to handle even more of our clients testing and calibration needs in a more timely manner, while maintaining the highest technical standards we already offer.

What kind of training and support do you provide franchisees?

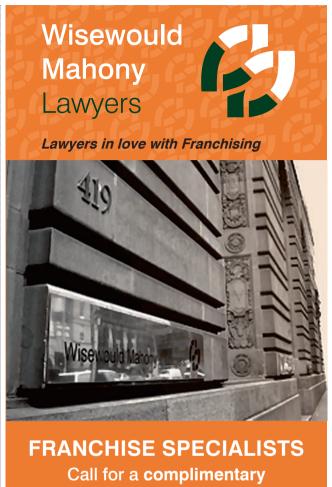
Full ongoing technical support is provided and includes training in new procedures as required. Initial training is an intensive two-week course with 10 units of competency.

What qualities do you look for in a franchisee?

Business acumen, technical competence and a customer service focused mindset are the keys to success with our franchise.

How much does a franchise cost?

Its \$220,000 + GST and includes all training, assets and equipment. »



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Opportunities | Safety sector



JIM'S TEST & TAG

The Jim's group encompasses service franchises that specialise in everything from mowing and pool cleaning to conveyancing and safety services - and the latter is bursting with opportunity.

James Jacka, the divisonal manager of Jim's Test & Tag talks about the business, the influence of external factors such as government regulations on its performance and the training and support it offers franchisees.

What types of safety services does Jim's Test & Tag specialise in?

- Testing and tagging of electrical appliances
- Scheduled emergency and exit light testing (bi-yearly inspection)
- Scheduled portable fire equipment

 fire extinguishers, hose reels and fire blankets
- First aid kit supply and top ups.

Who do you primarily lend your services to?

With almost 200 franchisees across Australia and New Zealand, our customers range from businesses with one to 40,000 employees.

What are your thoughts surrounding the harmonisation of OH&S laws?

Harmonisation has provided clearer guidelines and penalties across more states than ever before.

How do other government regulations affect the state of Jim's Test & Tag?

With representation across all states and territories of Australia and New Zealand; the variation in safety based legislation can confuse the end user and blur the intent behind safety.

What sets Jim's Test & Tag apart from others in the safety sector? Why should someone invest?

- It's a nationally recognised brand;
- We offer a robust franchise agreement;
- We have quality and safety certification;
- Franchisees receive local support through their franchisor;
- We offer robust training and manuals for all areas of the business;
- There's a variation in our service offering;
- We use the latest software and equipment to assist clients in running their small business.

How do you see the sector in the future? How will you change the business up to remain relevant?

Safety is an evolving sector that continues to see growth. Jim's Test & Tag will continously improve its technology to assist franchisees at a local level.

What kind of training and support do you provide franchisees?

- A four-week induction training program;
- · Locally based franchisor training to assist in the development of the business;
- Ongoing professional development through online learning;
- · Regional face-to-face meetings with ongoing learning opportunities;
- Annual conferences with fantastic content and the ability to share experiences with other franchisees and franchisors.

What do you look for in a franchisee?

People with the ability to develop relationships, who are motivated and have clear objectives to achieve the wealth and lifestyle balance they are striving for. »

Safety is an evolving sector that continues to see growth. Jim's Test & Tag will continously improve its technology to assist franchisees at a local level



GRIP GUARD

It's vital that floor surfaces are safe and slip-free, particularly in workplaces and other areas where OH&S compliance is paramount, which is why safety business Grip Guard is faring particularly well.

Patricia Simmons, the marketing director at Grip Guard non-slip took the Franchising Q&A.

What types of safety services does Grip Guard specialise in?

A range of floor safety solutions including:

- Non-slip floor treatments
- Anti-slip floor coatings
- Stair nosings
- Non-slip tapes

Who do you primarily lend your services to?

Facility managers, aged care facilities, healthcare facilities, schools, office buildings and residential facilities.

What are your thoughts surrounding the harmonisation of OH&S laws?

We would be pleased to see a harmonisation of OH&S laws as Grip Guard is continually asked to help businesses meet Australian Standards.

What sets your business apart from others in the safety sector? Why should someone invest?

Grip Guard is in the fortunate position to provide products and services that help businesses to meet their duty of care and avoid litigation.

Grip Guard's safety initiatives are not an optional extra but a necessity for businesses in their bid to protect their most valuable assets - their staff and clients.

How do you see the sector in the future? How will you change the business up to remain relevant?

Grip Guard continues their research and development so that they can continue to offer the most up-to-date floor and stair safety initiatives.

We strive to expand further into regional areas so that all Australians have access to the most technologically advanced safety services.



What kind of training and support do you provide licensees?

Grip Guard provides a three-day training program followed by 24 hour support to its licensees.

Grip Guard also undertakes a national marketing program with all enquiries passed to our licensees in the field.

What qualities do you look for in a licensee?

Our ideal licensee is organised, thorough, personable, prompt, courteous and has a great attention to detail.

How much will someone need to invest?

\$25,000 + GST. F