

# Franchising What's in it for you?







## What is in it for you?

Thank you for your interest in finding more out about a franchise with one of the larger residential franchise builders and three-time HIA NSW Professional Builder of the Year award winner.

Integrity Franchising were a national finalist in the Optus My Business Awards 2018 Franchisor of the Year. Below you will find some information which pretty much tells you everything Integrity New Homes Franchising will give you to help your business grow and be even more successful.

Integrity New Homes Franchising specialises in assisting franchisees in design and construction on flat and sloping blocks of: new residential homes, units, town houses and medium density projects and renovations. Franchisees currently build in Australian Capital Territory, New South Wales, Queensland, South Australia, Victoria and Western Australia.





#### **How The Franchise Works**

Every franchise is an independently owned company operated by a licensed builder who contracts directly with clients offering homes in an exclusive building territory.

Each franchisee has the flexibility, with help from the franchisor, to make changes to the Integrity franchise system to suit individual regional market requirements. Franchisees maintain all the benefits of an independent business owner but with franchisor support and access to the resources of a large successful residential building company.

The directors once owned and operated three very successful new home building franchises in New South Wales. They know the issues facing franchisees and have incorporated features in the Integrity New Homes Franchising system which consider things from a franchisee's perspective.



The Integrity New Homes Franchising iBuild Builder's Licence Solution is available, enabling franchisees to access a residential building licence in Queensland, New South Wales, South Australia, Victoria and Western Australia.

In some cases a franchisee may be able to operate their building franchise under the Integrity New Homes Franchising licencing umbrella allowing the franchise to build a business while organising their own licence.

## **Bills of Quantity**

Our extensive experience in franchising with some of Australia's largest building companies shows that for every builder there is a different way to create a bill of quantity (BOQ). Integrity New Homes Franchising will give you, an uncosted copy of every BOQ we have created for one-off and custom homes where they are available. These BOQs are current as at the time of contract and are available upon request.

We also provide you with Integrity New Homes Franchising's retail price lists covering a range of locations where franchisees build, including the Australian Capital Territory, New South Wales, Queensland, Victoria, South Australia and Western Australia.



## Our **Clients Say**

Hear it from our satisfied franchisee owners.

We took on an Integrity New Homes franchise and this was a great way to expand our business and offer potential clients much more. Along with numerous house designs, we have found the Integrity New Homes management/estimating system very good and easy to use. Glenn and his team are very supportive and always more than happy to help us.

Michael Fischer Kingaroy, QLD

Becoming an Integrity New Homes Franchisee has proved to be a very good business decision for us. If you are thinking of buying into a building franchise, I would highly recommend Integrity New Homes.

#### Denise Horwood Inverell, NSW

Becoming a part of Integrity Franchising has helped to grow our business significantly. We would have no hesitation in recommending Integrity Franchising to any builder looking to expand, incorporate processes and have ongoing support.

Mark Redding Kiama, NSW







## **Facade examples**









## **Sales and Marketing**

There is ongoing sales training along with a complete range of sales processes, paperwork and systems which will not only help you sell more homes but provide you with greater legal certainty in the event of a dispute.

The extensive resources of Integrity New Homes Franchising's marketing are made available to every franchisee. This includes: press and electronic advertisements; web site hosting; brochures; signage (including site safety signs); regular electronic newsletters; professionally photographed display homes; and high quality artist's impressions. The company has access to a full-time paid from the corporate fund graphic designer.

All this material is imbedded in the Integrity developed iGyro™ software package which is described below in the section titled Building Company Management System.

## **Suppliers**

It is very easy for any large franchise building company to tell you "no one buys better than us". Talk is cheap, so at Integrity we allow you to compare your buying rates on key products used in any new home with our supplier pricing.

The savings go beyond building materials and extend to phone service costs and insurance cover. This delivers bulk buying savings to you. You will be eligible to claim any rebates that apply for every home you build.

Our aim is to develop a long-term relationship which is open, honest and mutually beneficial. We like to rely on substance rather than hot air.





Integrity New Homes Franchising has developed it's own software package, called iGyro™ to manage every job from initial contact and deposit, right through to hand over and maintenance follow-up. It is a complete and comprehensive, easy-to-use construction management system, developed by a building company... not a team of computer boffins. iGyro™ will streamline your construction business and help ensure nothing slips through the cracks. We are constantly making updates and improvements. We have also included workplace health and safety systems along with site quality control systems and a client portal.

iGyro™ is provided to all franchisees as part of the initial franchise fee and made available to every member of the franchise team. There are no ongoing software fees and we also host the database through the world-class Fujitsu Data Centre in Melbourne which gives you the capacity, security and back-up systems of a massive corporation. Integrity requires access to the database to remotely source monthly reports and to update and maintain the system.

It covers every aspect of the operation of a building company except accounts and post contract estimating where we recommend other third party tools.

Integrity New Homes Franchising has a full-time programmer on staff who are responsible for maintenance, training, development, problem solving and creation of ongoing improvements and refinements.

For more information head to www.igyro.com.au

## **Project Management Software**

One of the biggest challenges facing growing building companies is the ability to effectively manage multiple construction projects and prudently control the ensuing flow of cash into the business. Too many builders' rely on their memory and scrawled notes on scraps of paper to manage this major aspect of their business.

Identifying this as a critical issue, Integrity developed iDule™, a computer driven project management system for supervisors to control every aspect of home construction including the ability to remotely order, call up and document the achievement of building milestones.

The office and external suppliers can access the supervisors' system for constant updates on the status of every job. For example, as soon as the slab down stage is reached and checked off as completed, a computer generated message goes back to head office to generate the progress payment.

Integrity New Homes Franchising provides and maintains all the software within the existing fee, all the franchisee has to do is provide a laptop. As with all Integrity New Homes Franchising software it is simple and easy to use and assistance is only a phone call away. It is also optional, so if you feel your business is not ready for iDule<sup>™</sup>, then you can continue to use your existing systems.



#### **Service Hub**

Integrity New Homes Franchising's centrally based special skills teams provide services to franchisees and acts as a hub from which expertise can be accessed as required. The Integrity Service Hub allows franchisees to access a range of fee-for-service professionals as an alternative to what is available in local marketplaces.

The Integrity New Homes Franchising Service Hub provides services in: digital media marketing, design and drafting, graphic design, information technology, estimating, accounting, building approval support (not available in all markets) and contract preparation.

Call 0428 536 021 for more information.

#### **New Software**

Aside from iGyro, iProx and iDule which are provided when you become a franchisee we are also finalising an in-house developed post contracting capability. This estimating function will be an extension to the functionality of iProx and will streamline the way you create and issue purchase orders. Until that time, it is suggested your existing post contract estimating procedures may be used. Integrity New Homes Franchising currently maintains an in-house price file for the proprietary Databuild estimating and accounting software – this will be phased out when the post contract estimating tools are added to iProx.



#### The costs\* are:

A one-off franchise fee - this fee covers the costs of creating the franchise agreement, supply of the start up materials and training and travelling costs during the initial period. It is a flat fee paid by all franchisees and delivers access to an exclusive franchise territory.

#### \$30,000\*\*

Payment plan of \$3,000.00\*\* per month for 12 months also available.

iDule™ - FREE.

Ongoing system maintenance, upgrades and training are also provided free-of-charge.

*i*Gyro<sup>™</sup> - FREE.
Ongoing system maintenance, upgrades and training are also provided free-of-charge.

*i*Prox™ - FREE.
Ongoing system maintenance, upgrades and training are also provided free-of-charge.

Induction and start-up training is provided free-of-charge along with regular field visits. Attendance at conferences and some training seminars (including transport and accommodation) are at the franchisee's expense.

## **Franchising Details**

#### Does the Franchise Have to be Renewed?

Franchise territories do not have to be renewed and, subject to mutually satisfactory performance, can be on-sold and essentially last the lifetime of the director/s. There are no restraints of trade if you choose to leave at any time.

#### **CoOperative Levy**

There is a small levy payable on each job.

These funds are paid into a dedicated account and are spent on marketing activities (including advertising). All franchisees pay the same percentage and supplier rebates are paid into this account.

#### **Royalties**

There is a sliding scale of royalties applicable on the following homes: specs, investment properties, one-off designs, renovations, standards and multi-unit dwellings. The royalties recognise performance over a 12 month period and depending on individual circumstances may be offset by savings achieved through improved supplier rates.

There are no royalties on display homes which are open to the public for a minimum of 12 months plus you will also receive free and discounted products from Integrity preferred suppliers to further reduce the cost of building display homes.

\*All specific costs are provided on application.

\*\*GST is payable on royalties, franchise fees and the marketing levy.

There are no royalties for one franchisee directors personal home every 12 months.



## **FAQ'S**

#### Do I need to find my own suppliers?

No. At Integrity we allow you to compare your buying rates on key products used in any new home with our supplier pricing.

#### Can I set my own BOQ's

Integrity will give you, an uncosted copy of every BOQ we have created for one-off and custom homes where they are available. These BOQs are current as at the time of contract and are available upon request.

Every franchisee sets their own pricing and has control of setting their margins.

#### Does Integrity help with estimating and scheduling?

Yes, Integrity has developed a reliable and proven quick estimating system called  $iProx^{\mathbf{M}}$  which is constantly updated and customised for every Franchisee.

#### Does the building franchise need to be renewed?

Franchises do not have to be renewed and subject to mutually satisfactory performance can be on sold and essentially last the lifetime of the director/s.

## Can Integrity help with multiple construction projects?

Yes, one of the biggest challenges facing growing building companies is the ability to effectively manage multiple construction projects and prudently control the ensuing flow of cash into the business.

## Do I need a builders licence to buy a building franchise?

If you have the skills but not the licence we may be able to help with Integrity New Homes' iBuild Licence Scheme. Contact us to find out more.

## What is the recommended start up capital (exluding franchisee fee)?

It is recommended to have \$100,000 of start up capital.

## Is franchisee obligated to build a display in a certain period of time from the start date?

There is no obligation to build a display home.

## What is the national marketing % payable by franchisee?

0.2% of turnover (revenue)

## What is the minimum expected local marketing % required of the franchisee?

Not Specified

#### Does the franchise fee cover office fitout?

No, yet no office is required.

#### Is a wrapped ute / work vehicle compulsory?

It is not compulsory, yet is encouraged.

## Is the royalty a certain % of each contract and if so what is the %?

2.5% (reducing as the business grows)

### **Our Commitment To You**

Integrity New Homes Franchising is committed to supporting and working with every franchisee to achieve the highest level of success they can. The cornerstone of Integrity's success as a franchised building company is ensuring we work with the best and keenest builders who are comfortable being part of a franchise team.

## **Next Steps**

Go to www.integrityfranchising.com.au/contact to:

- Talk to existing franchisee builders;
- Have your questions answered;
- Meet the team;
- Access all the resources to help your business; and
- Lift your building business onto the NEXT LEVEL.



## Meet The People Who Will Help You Be Successful



Glenn Leet
Director

Glenn is very hands-on with the business and personally business coaches every franchisee using his unique combined experience as an Accountant and Residential Home Builder. Glenn has a Bachelor of Business degree and a Diploma in Building and Construction along with many ancillary certificates and awards. He is also a Committee Member with the Housing Industry Association and former advisor to the Reserve Bank of Australia.

He built his first home while a full-time student and has extensive hands-on experience as a trade contractor and building supervisor. Glenn has been the driving force behind the establishment and growth of Integrity New Homes with responsibilities including: all aspects of contractual and construction responsibilities; strategic direction; recruitment; training; systems development; supplier negotiations; dispute resolution; and marketing.



Tim Martin
National IT Manager /
Development Programmer

Tim is responsible for Integrity's visionary software products which have been brought to market with a philosophy of keeping things simple. Good design is always about being focused on the end user and by having a clear goal in mind.

Tim has developed the iGyro™, iProx™ and iDule™ software programs by carefully listening to key team members and then delivering effective uncomplicated software that needs minimal training to operate. Tim has a Bachelor of Information Technology majoring in Software Engineering and has wide experience in developing and writing software for builders.



**Angela Leet** 

Interior Designer / Colour Consultant

Angela is passionate about giving builders and their clients a beautiful outcome with their product selections whilst staying within budget.

She is a qualified interior designer and combines an unusual mix of design flair backed by many years experience doing selections and furnishing builders display homes.



**Daniel Cooper** 

Senior Building Designer

Daniel has a Diploma in Building and Construction and a Diploma in Building Design which makes him the perfect combination of builder and designer to provide cost effective and innovative designs to our franchisee builders.

Daniel has over 25 years experience in construction so brings a wealth of industry knowledge. He has won numerous awards for his custom design homes. Daniel prides himself on client satisfaction and service.



**Brad Rathbone** 

Social Media and Marketing Manager

Brad produces what you experience digitally for our Integrity Franchising social media accounts. He is passionate about communicating what makes our business stand out from our competitors.

His creative skill set consists of social media management, creating digital assets through video, photo or graphic design and email marketing.



Sachin Jose

**Building Estimator** 

Sachin delivers precise pre-contract pricing for both simple and complex residential homes and provides bill of quantities for the same.

He is well versed in all aspects of construction and is proficient in estimating software and conducts training sessions on estimating with our franchisees by request. Sachin is a graduate in Civil Engineering (B.Tech).



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All costs and prices provided will have GST added to the figure. Integrity Franchisor Pty Ltd prior to publication undertook a mystery shopper search of four (4) of our nearest competitors (as determined by Integrity Franchising Pty Ltd) and found our maximum royalty rate to be lower than that of the four (4) nearest competitors minimum advertised royalty rate and does not constitute an offer of price matching or price guarantees. Integrity Franchisor Pty Ltd ABN 39640623212. (VER: 05/22)