

**An exciting opportunity to become  
a Franchisee of The Satellite Shop  
in your own area**





## The Story so far

Based in Tunbridge Wells, Kent the business started as “Dishlink” in 1989 with the launch of the first Astra satellite and Sky as a broadcaster in the UK.

Very basic analogue satellite systems were installed to receive a limited selection of channels. Dishes were then installed to receive more satellites and channels, systems became more sophisticated and the demand for professional installation quickly grew.

Over the years more products and services have been added and with the launch of Sky's digital broadcasts back in 1998 came a massive opportunity. Dishlink changed its name to The Satellite Shop and began upgrading new & existing customers systems to Sky digital. TV aerial installation was introduced as a service in 2001.

With the digital switchover due to be complete by 2012 the demand for Digital TV is greater than ever. The Satellite Shop is poised to satisfy that demand. The Satellite Shop has an excellent relationship with all its suppliers & service providers. It has set up strategic alliances with other retailers and commercial partners to enhance their proposition and ultimately win more customers. The Satellite Shop has retail outlets in Tunbridge Wells, Kent and Redhill, Surrey. The owner Phil Millington quotes “The business has grown organically over the past 18 years and we see Franchising as the best way to expand quickly, we hope to have 30 Franchises in operation by 2012”.

The Satellite Shop's success has come from its ability to change in response to customers demands. It offers a seamless supply and installation service with reliable back up. Phil Millington quotes “our customers like the flexibility we offer - they can come to us and get everything in one place and deal with the same people throughout. It is vitally important that our customers get this reliable & predictable service every time”.

## Products & services

### ■ Sky Television

Sky Plus, Sky HD and Sky multi-room systems. Opportunities for new and existing customers to upgrade. Service calls to resolve system faults, links to extra televisions & accessory sales all providing income opportunities.

### ■ Freesat

A reliable dish alternative where Terrestrial digital (Freeview) cannot be received. Sky offer a non subscription service and the BBC also have a Freesat service that includes several free HD channels including BBC and ITV.

### ■ Foreign Channels

Hundreds of foreign language channels broadcasting from different satellites over Europe and can be received with a dish and receiver. The demand for this service had grown considerably over the past few years with the expansion of the EU and more ex-pats in the UK wanting to view their home TV channels.

### ■ Plasma - LCD TV

The Satellite Shop are agents for Panasonic although other makes are available too. There are income opportunities from supply and installing, brackets and stands, interconnecting cables etc.

### ■ Aerials

The majority of TVs are now sold with digital tuners inbuilt so there is an increased demand for digital aerial upgrades to receive the channels. With the digital switch-over in 2012 the demand will be even greater. Extra points, high gain antennas and amplifiers all increase profit margins.

### ■ Home Cinema

The satellite shop sell high quality yet simple to use Home Cinema and AV equipment. Systems are installed to integrate DVD, Sky Plus, Ipods, Games consoles etc. The OPUS range of Multiroom AV also allows equipment to be centralised and fed to a control panel in each room. Planning, design and first fix wiring with final equipment supply and installation offer great income opportunities.

## What we will require from you

Total commitment to provide customers with high levels of service.

A good basic understanding of the products & services sold.

Willingness to learn new skills and stay ahead of the game.

Be able to promote The Satellite Shop in the correct manner.

Increase local awareness of your business in as many ways possible.

Monitor all aspects of the business regularly.

Communicate effectively with all of your employees.

Display all the latest equipment within your shop.

Recruit competent personnel who are not only knowledgeable about the products that we sell but also enthusiastic about them.

Ensure that all installation staff are of the highest calibre possible.

Manage the day to day business whether you have one shop or more.

Continually train all your staff about the products and services available to your customers.

Manage the strict control of the Satellite Shop's business systems.

Order new product lines on time from our accredited suppliers.

Plan and implement any local promotions on a regular basis.

Comply with the Satellite Shops advertising and promotional activity.

Report your sales to Head Office on a monthly basis.



## What you will obtain from us

The Satellite Shop will grant you the right to trade using The Satellite Shop name and logo

Up to a three week initial training programme which would include one week spent at Head Office, one week spent working within The Satellite Shop in Southborough and one week spent with service engineers

A comprehensive Operations Manual

Assistance with shop site selection and shopfitting.

A Launch Package including letterheads, business cards and staff uniforms.

Utilise the proven business systems already developed by The Satellite Shop.

Marketing and promotional support.

A protected Territory.

Benefit from our relationship with many established suppliers & business partners.

Benefit from the best trade prices that we have negotiated with our suppliers.

Inclusion on The Satellite Shop web site.

Day to day help and advice.



## What are the key elements of The Satellite Shop Franchise relationship ?

These are:

- **Your Franchise Agreement**
- **Your Territory**
- **The Financial Linkages**

### Your Franchise Agreement

This contains details of both our and your obligations

It also grants you the rights to use:

- The Satellite Shop name
- The Satellite Shop logo
- Our systems and method of operating the business
- Our know-how and intellectual property
- Our Training and Technical advice

### Your Territory

We will grant you a specific territory and to assist you with the all important site selection.

You will also have the opportunity to appoint your own team of staff to meet the retail and service demands from your shop.

You may be given opportunities to service customers from outside of your territory subject to our written agreement but you are restricted from canvassing for customers outside of your territory.

### The Financial Linkages

In principal these are Financial Linkages:

- An Initial Fee
- A Training Fee
- A Marketing Pack Fee
- An on-going Management Service Fee
- Advertising and Promotion Fee

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## An Initial Fee

The fee covers the cost of:

- The rights to use the name
- The provision of a comprehensive Operations Manual

## A Training Fee

This relates to the Training as set out in the Franchise Package

## The Marketing Pack (Launch)

This relates to the cost of devising and implementing a tailor-made marketing pack to launch your business.

## On-going Management Service Fee

This relates to the continuing use of the name, the On-going Management Support and day-today advice.

## Advertising and Promotions Fee

This relates to the advertising and promotion that The Satellite Shop will undertake on behalf of all Franchisees in order to promote brand awareness.

## What You Can Earn

Key factors when considering the financial information  
The trading performance of different territories will never be the same.

Furthermore, the sales and profit achievement of a Franchisee of The Satellite Shop will not only relate to its individual territory and customer profile but also very much to the performance of the Franchisee.

The financial illustrations provided here give you an idea of the profitability that can be achieved if sales, gross margin and expenditure targets are met. It is stressed that they have been produced for guidance purposes only.

The figures given do not constitute either a forecast or a guarantee or form part of any contractual offer.

Cont...



the  
**SATELLITE**  
SHOP

Once your territory has been confirmed, it is recommended and advised that you and your Accountant prepare detailed Sales and Profit & Loss projections which may be lower or higher than the illustrations provided.

	Year 1	Year 2	Year 3	Year 4	Year 5
	£k	£k	£k	£k	£k
Sales <sup>1</sup>	350.0	420.0	483.0	531.3	557.8
Gross Profit	143.5	172.2	198.0	217.8	228.7
Expenditure <sup>2</sup>	116.0	130.4	143.2	154.7	162.3
Surplus <sup>3</sup>	27.5	41.8	54.8	63.1	66.4

*1 - Sales Excluding VAT.*

*2 - Including management service fee.*

*3 - This is shown before Drawings, Pension Contributions, Depreciation, Other Finance Costs and Taxation. Detailed Financial Illustrations will be presented to you at a follow-up meeting.*



## Investment for an 800sq Ft shop

Initial Franchisor Fee	£7500
Training Fee	£2000
Launch Fee	£1000
Legal Costs	£3000
Opening stock	£13100
Shop fitting	£12200
Office /staff area	£1770
<b>Total</b>	<b>£40,570</b>

+VAT and working capital

## What are our key benefits

When you join The Satellite Shop as a Franchisee, you will be joining a retail organisation that:

Has an excellent reputation.

Provides you with an extensive range of products and services.

Is always on the lookout for new products & services.

Offers repeat business income.

Grants you a protected territory.

Allows you to build your own business asset that you can sell.

Provides you with initial and on-going training.

Provides you with a comprehensive Operations Manual.

Offers you an excellent start-up package.



## Faqs

### Q. How long is my Franchise Agreement for?

A. The agreement is for a period of 5 years with an option to renew for a further 5-year period.

### Q. What happens at the end of the second five-year period?

A. Before the end of that period, you should contact us with reference to a further agreement. We will either grant you a new Franchise Agreement or, alternatively, you will have the right to sell the business to an approved purchaser subject to you not being in breach of your Franchise Agreement.

### Q. Am I allowed to sell the business before the end of the tenth year?

A. Yes, subject to the Terms of the Franchise Agreement. However, you are strongly advised not to consider selling the business in the first three years as the value is likely to be less than in later years.

### Q. In addition to Training do you help me launch the business in my area?

A. Yes we do with our own special Marketing Pack.

## Whats next ?

*Once you have had an opportunity to consider The Satellite Shop Franchise Opportunity, we would like you to:*

Discuss it with your Partner, family or someone close to you.

Draw up a list of any questions you may have.

Draw up a list of reasons why the opportunity is right for you and why you believe you will be successful.

Allow time to consider the commitment you are making.

Have a further meeting to discuss and agree your territory.

Agree a start date and reserve your territory.

Produce a Budget/Business Plan.

Draw up an Action Timetable relating to Training, Stationery and your Launch Programme.

Sign the Franchise Agreement.

Commence Training and your territory marketing.

Locate your premises and agree tenancy terms.

Arrange shopfitting and associated items, signs, phone, internet etc.

Commence trading



## Notes

