

# MAC TOOLS®

GREAT TO WORK WITH



# FRANCHISE PROSPECTUS



**GREAT TO WORK WITH**



# BE YOUR OWN BOSS

## DREAM OF BEING YOUR OWN BOSS?

Being your own boss is something many of us dream of.

Starting your own business can come with a lot of risks, especially in today's economic climate. Many business owners fail because they had no one to turn to when they ran into difficulty. With a Mac Tools franchise you can have the best of both worlds.

The Mac Tools franchise provides you with everything you need to take the road of success. As a Mac Tools franchisee you can be your own boss and fulfill your dream of starting your own business, whilst receiving the full support of the Mac Tools franchise team.

The Mac Tools franchise is a great business for people who build relationships easily. Your customers work in the automotive industry and they look forward to browsing through your high-quality tool selection every time you drive up to their workshops. Some mechanics refer to our vans as Aladdin's cave!

If you would like to receive more information on how to be your own boss and start your own business with Mac Tools, why not fill out the enclosed application to request a call from the Mac Tools team.

**StanleyBlack&Decker**



I thought it would be better to become a franchisee rather than trying to start my own business, especially as I didn't have any ideas upon which to start a business! Within franchising there is usually plenty of support available too and always someone you can call. After looking into what Mac Tools had to offer, I was confident in their business model and franchisee network.



**Stuart Hanley**  
Mac Tools Dumfries



# ABOUT FRANCHISING

## THE FRANCHISE SUCCESS STORY IN THE UK

The franchise industry contributes a staggering £13 billion to the UK economy according to the 2012 NatWest bfa franchise survey. The franchise success rate is even more impressive with 91% of UK franchisees running a profitable business in 2011/2012.

When comparing this to the findings on business success of the 2012 Inside Startups census, these figures deliver a clear statement. Franchising creates business success in the UK!

1 in 3 UK businesses fail within their first 3 years of operation (2012 Inside Startups census), whereas only 2.6% of franchises closed their doors due to business failure in 2011/2012 (2012 NatWest bfa franchise survey).

Franchising as an industry has grown significantly over the past 30 years. Although franchising is often viewed as

an industry within its own right, it actually spans across many different industries. It is a growth model that allows businesses like us at Mac Tools to establish a world-wide brand, whilst ensuring that every Mac Man has an interest in the Mac Tools business success by creating success for their own franchise.

It is clear that any new business is a risk but the comfort of knowing that you are starting a business with a proven model and a track record of success will set aside some of those start-up nerves.

The British Franchise Association is a great starting point to help potential franchisees recognise a good franchise.

If you would like to find out more about the benefits of franchising visit the bfa website today at [www.bfa.org](http://www.bfa.org)



The bfa website was a great starting point to determine the Mac Tools franchise set-up. After my wife told me about the concept of franchising, my research made it clear that it was a much better option than trying to go it alone. The backing of a massive organisation can't be underestimated. Although it might seem like you are just one person out on the road, having the Mac Tools support is very useful as it helps with all aspects of the franchise. The main appeal of the franchise option was the fixed start-up costs and the already proven franchise system, whereas starting a new business is a much bigger financial risk.



**Nigel Hammond**  
Mac Tools Southampton

## GREAT TO WORK WITH



I have always wanted my own business, so I can be responsible for my own destiny and success. As a mechanic I always used the Mac Tools brand so I believe in the product I'm selling 100%.



**Chris Wood**  
Mac Tools Stroud

## ABOUT MAC TOOLS

Mac Tools was founded in 1938 in the USA by seven men who wanted to manufacture the finest tools in the world.

Today, Mac Tools has a global product line in excess of several thousand items, and still uses the direct sales approach with a mobile sales force of franchisees. The Mac Tools philosophy of excellent quality, price, innovation and service remains unchanged over the years, and the company spirit that made us successful in 1938, is the same spirit that makes us a leader in the automotive tool and equipment business today.

In 1990 Mac Tools expanded to the UK and since then we have quickly become the number one choice for professionals all over the country. We now have more than 130 UK franchisees, who are operating in a potential UK market of over £150 million. Over the last four years Mac Tools UK have achieved 25% year-on-year growth in what is considered to be a flat market.



## STANLEY BLACK & DECKER AND MAC TOOLS

In 1910, S. Duncan Black and Alonzo G. Decker started their shop, similar in size at first, in Baltimore, Maryland. Six years later they changed the world by obtaining the world's first patent for a portable power tool, and the company they built has been changing the world ever since.

In 1843, Frederick Stanley started a small shop in New Britain, Connecticut, to manufacture bolts, hinges, and other hardware from wrought iron. With superior quality, consistent innovation, and rigorous operational improvement, Stanley's company became a leading brand defined excellence, and so did his innovative products. In 1980 Mac Tools became part

of the Stanley brand family, 1990 saw the company further expand its operations to the UK market.

Both Black & Decker and Stanley grew in parallel over the ensuing decades, amassing an unparalleled family of leading brands and innovative products and an even more impressive wealth of industry expertise.

In 2010, the two companies combined to form Stanley Black & Decker, to deliver the tools and solutions that industrial companies, professionals, and consumers count on to be successful when it really matters.



Call **08450 6000 60**  
or email [franchise@mactools.co.uk](mailto:franchise@mactools.co.uk) to find out more.

## THE MAC TOOLS FRANCHISE PACKAGE

The Mac Tools franchise package provides you with a full support team. Here are some examples of the support you will receive:

### Your Mac Tools licence

-  5 year franchise agreement to operate in a pre-defined territory with a minimum of 450 customers
-  Allows you to operate under the highly reputable Mac Tools, Facom, DeWalt, and Britool Expert brands.
-  Gives you a proven system to help you build your own successful business.
-  Gives the ability to build your territory into a valuable asset and sell on as a going concern.

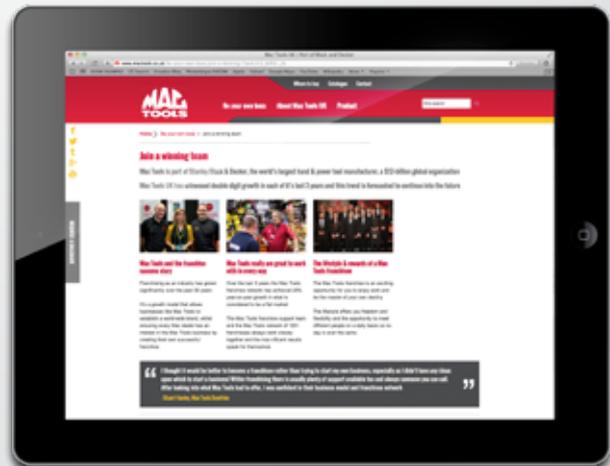
### Train, Launch & Coach (TLC)

-  Training – 2 weeks at Sheffield HQ, followed by
-  Launch – 2 weeks of immediate field support in building your business within your territory
-  Coach – 12 month programme ensuring you are meeting your business objective
-  Ongoing training, development and support will be provided.

### Professional marketing support

-  Promotional flyers catalogues, information leaflets and online support will help you to drive sales.
-  There are regular regional meetings where you'll meet other franchisees, receive training and can take advantage of new products and promotions.
-  You can attend the Toolfair exhibition which offers an opportunity to meet other franchisees and buy the latest tools.
-  You will have access to exclusive sponsorship and brand recognition deals.
-  No ongoing management service fees.

To receive more detailed information about our franchise package please contact us.



I quickly assessed that a Mac Tools franchise offered good value for money and great support. Other franchises didn't offer the same levels of help and often had high monthly charges. Aside from the initial franchise fee, Mac Tools get their money from the tool sales that a franchisee achieves, so it is in their interest to ensure each franchisee is successful.



**Nigel Hammond**  
Mac Tools Southampton

“

After initial approaches and investigations, I thought I could see an opportunity, at 55 years old, to improve my standard of living, improve my job satisfaction, improve my retirement outlook and hopefully build a business that can be kept in the family. After days out with other franchisees I saw what can be achieved after 1 year, 10 years and 12 years. The rewards, job enjoyment and satisfaction were obvious and lead to an easy decision to pursue the chance of becoming a Mac Man.

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**Steve Marchant**  
Mac Tools Northampton

## THE REWARDS AND LIFESTYLE OF A MAC MAN

The Mac Tools franchise is an exciting opportunity for you to enjoy work and be the master of your own destiny. A van franchise is different to other franchise options in the sense that being out on the road is a definitive lifestyle.

This lifestyle not only offers you the freedom to travel your own route and the flexibility to stop at different places within your territory but also to meet different people on a daily basis. So you can truly enjoy work as no day is ever the same.

Mac Tools provides you with a professionally-equipped van which will be stocked with a world class range of products for you to sell. The Mac Tools line consists of over several thousand professional tools including screwdrivers, ratchets, wrenches and assorted air tools, as well as its own toolboxes. We do not expect you to know all the product range to be a successful franchisee. Some of our best franchisees do not have an automotive background.

The secret to making money with the Mac Tools franchise is to build long lasting relationships with your customers. You will be allocated a territory, with a database of all the known automotive relevant outlets within it and you will then be able to sell directly to customers by calling into their workshops on a regular and reliable basis.

At Mac Tools we understand that, like with all businesses, making money is at the heart of your success. That's why there is no charge from Mac Tools for ongoing royalties so you keep 100% of your profit. Existing Mac Tools franchisees are typically earning gross profits ranging from £50,000 to £75,000 from one territory. Mac Tools provides a full support team. Here are some examples of the benefits you will receive through your Mac Tools licence:

-  Mac Awards programme that enables our franchisees to generate higher margins and win trips to the USA
-  Sponsorship programme that sees Mac Tools franchisees being part of motorsport events
-  Marketing material is provided free of charge
-  Access to vendors to compliment the Mac Tools product ranges.

Although most of our Mac Franchisees run their business in their own right, many Mac Tools franchisees have also decided to turn their franchise into a family business. Where partners help with the administrative side of the business or where sons, brothers and even brothers-in-law have joined the Mac Tools franchise network as well. This is a rewarding opportunity to share your passion for Mac Tools with those closest to you and create a family business you can be proud of.

The rewards of the Mac Tools franchise are not just limited to your profits and work-life balance gains. Mac Tools also has a bespoke reward programme in place, where on an annual basis franchisees are recognised for their performance. This usually results in friendly banter amongst the network as our franchisees are seeking to outperform each other as part of a friendly competition every year. In 2012 more than half of Mac Tools' franchisees met at least the Bronze award criteria at our February Tool Fair and were awarded trophies for their outstanding performance.

The top-performing franchisees were rewarded with an all expenses paid trip to the US Mac Tools Toolfair, held in Dallas.



“

My family and I have been rewarded by Mac Tools with trips to America for the last seven years, meaning that we have been able to see a lot more of the world than we would have done otherwise. These rewards are brilliant and definitely offer a great incentive to be part of the Mac Tools franchise network.

”

**Matt Richmond**  
Mac Tools Birmingham



## DELIVERING SUCCESS OUR SUCCESS DEPENDS ON YOURS

At Mac Tools we take our franchise commitment very seriously. We recognise that mutual commitment is key for delivering success across our franchise network.

### Your commitment

Your commitment is to adopt the Mac Way, selling the Mac Tools product ranges on a regular and reliable basis to your customers, ensuring that you are 'GREAT TO WORK WITH'

### Our Commitment

Our commitment to you is to train, launch and coach (TLC) you in delivering the Mac Way and support you to become a successful franchisee. We will do this by providing you with a comprehensive support structure and ensuring that we are 'GREAT TO WORK WITH'! Our head office support team and regional field support team are never more than a call away. In the spirit of delivering success we also have regional Mac Tools council meetings, providing you and us with the opportunity to share best practice.

## JOIN A WINNING TEAM

### "A Mac-nificent team"

The Mac Tools franchise support team and the Mac Tools network of over 120 franchisees have worked closely together over the past years and the magnificent results speak for themselves:

- Half of the network achieved awards at the February 2013 Toolfair
- Our top franchisees are generating revenues in excess of £350,000 per year
- Five top-performing franchisees were rewarded with an all-expensespaid trip to the US Mac Tools' Toolfair in Dallas
- Mac Tools won the Best Overall Marketing Campaign Award at the 2013 Franchise Marketing Awards

- Franchisee John Booth won the 2012 Startups Award in the Best Franchisee of the Year category
- Launches of new popular products and toolboxes through the input of franchisees and staff
- In 2013, the Mac Tools franchise support team and franchise network have already raised more than £15,000 for automotive charity BEN through collective efforts and team challenges.

The Mac Tools success stems from a deep committed desire and passion of everyone in the HQ team and the network to do their best to help each other.



I actively participate in the Mac Tools council meetings, where franchisees get together to not only give advice to each other but also to Mac Tools. In 2012, Mac Tools approached me and a handful of other franchisees to seek advice and guidance for the new MB7500 toolbox. After speaking to some of my customers, I was able to suggest a number of modifications, enabling Mac Tools to bring the MB7500 toolbox to the market at the right price, with the correct features, and benefits that were necessary to meet the customers' demands. The MB7500 toolbox has been launched and is already popular amongst our customers. It's great to see that my input has made a difference.



**Mike Cheffings**  
Mac Tools Stockport



I would definitely consider buying another Mac Tools franchise. My biggest recommendation for someone who was planning to buy their first franchise would be to get your finances in order. You'll need more money than you think you do, to make sure things are comfortable. Look into the different options for borrowing some money as well as ways to generate the best cash flow.



**Mick Crook**  
**Mac Tools Oxford**

## MAKING THE RIGHT CHOICE

Choosing a franchise is probably one of the most important decisions you will ever make. This is not just limited to the decision of which franchise is right for you but also is franchising as a model right for you. At Mac Tools we want to make sure that you make the right decision in choosing us, just as much as we in choosing you. The six steps below are there to provide you with guidance on what franchise options to consider

### Define Your Investment

A franchise is an investment, not a job with a guaranteed salary at the end of each month. So, before you investigate franchising, you need to establish the level of investment you can comfortably afford to make. You need to be realistic and consider that, when you start a business, you are unlikely to take a significant salary from it during at least the first six months.

It is important to ask yourself how much you need to earn to support your current lifestyle and financial commitments over the first 12 months of your new business and how will you be able to finance this.

One of the biggest reasons for business failure in the UK is that the owner doesn't have the correct levels of funding. We don't want you to be one of them and it will remove some of the pressure of starting the business if you are able to comfortably afford your living without having to rely on your business being a smashing financial success from month one.

### Does it Suit You?

Far too many people forget to judge their own suitability for a franchise opportunity, yet this mistake can lead to years of unhappiness for you and your family. You must consider whether a franchise suits you, your needs, your wants and your family.

### Choose the Industry Sector

There are many questions you can ask to see if the industry will provide you with a sustained level of business over the foreseeable future:

Is it currently a strong market?

Can the demand be sustained, either by natural need or promotional incentives?

Is the industry in growth or decline?

Do just a few key providers dominate the market?

How is market share taken?

Could other industries expand easily in to this sector?

### Seek Professional Advice

Qualified professionals will help you to understand the small print and guide you in preparing your business plan. Good advice will come at a cost but it is money well spent in the long term. Franchise agreements are a legal document and therefore you need your own legal representation before signing and we would always recommend engaging a franchise specialist solicitor. The British Franchise Association (bfa) has a number of approved professionals specialising in the franchise industry and are a great source for independent advice on legal, financial and commercial aspects of your franchise.

### Evaluate the Information

Objectively compare the options on paper using the standard questions and a formatted system similar to a pro's and con's list. It also often helps to seek outside assistance at this stage from someone who has not become emotionally involved in the research up to this point. This will give you a fresh perspective and might raise issues that you need to clarify further before signing on the dotted line.

### Make Your Decision

If you have completed steps one to five, making your decision to join a franchise should be easy. However, if you don't feel 100% sure, simply start the process again.



# THE FRANCHISE JOURNEY

## STEPS TO BECOMING A FRANCHISEE

The Mac Tools franchise approval and recruitment process is split into 5 key steps. This is what we call our franchise journey, which gives both you and us the opportunity to identify whether the Mac Tools franchise is the right choice for you.

### First contact

**Step 1** - We receive your application and call you to discuss any further details we might need.

### Discovery 1

**Step 2** - Interview 1. Discovery Day. We come and meet you at your house to present the Mac Tools business and understand if you are suitable to join Mac Tools.

### Discovery 2

**Step 3** - Go out on at least one van ride. We also provide you with access to our franchise network to ensure that you are able to have a full understanding of the business before progressing to step 4

### Discovery 3

**Step 4** - Interview 2. Commitment to proceed from both of us. Final meeting at a Mac Tools office where you will meet another member of the team. We will ensure that you are suitable to join the business and if successful begin the business set-up.

### Business preparation

**Step 5** - We support you through the business set-up process so that when you become a franchisee you are fully prepared to concentrate on building your business.



Call **08450 6000 60**  
or email [franchise@mactools.co.uk](mailto:franchise@mactools.co.uk) to find out more.

## DISCOVERY MEETING

The Mac Tools discovery meeting is designed to help you discover Mac Tools as a franchised organisation. A Franchise Recruitment Manager will visit you at your home and during the meeting the recruitment manager will:

- Want to understand your motivations and ensure that you are suitable for the business. We want to ensure that you can build relationships with people, have the right attitude to succeed and align our expectations
- Present the Mac Tools business model to you
- Share recent results and the Mac Tools vision
- Present the business plan
- Understand your financial situation
- Present the available territories
- Next steps and questions



### Due diligence

Due diligence will make the difference between you regretting your decision and you absolutely loving your new business. A franchise is a long-term commitment. In the case of the Mac Tools franchise it's at least a 5-year commitment and you will need to make a financial investment to start the franchise. It's not like any other job where you can just pick up and leave without any financial losses, therefore research is very important, like one of our franchisees Mark Willgoose recently said:

*"I just wanted to make sure that I was making the right decision and didn't join a "Mickey Mouse" business."*

And, which is something that we encourage everyone to do prior to joining our network.

### Are we right for you?

We recognise that your franchise is your business but as the public face of Mac Tools, we always make sure that you have a support team behind you, giving you a competitive advantage through our Mac Tools systems and processes. Your success will be ours, so we're dedicated to helping you win customers, retain them and grow your business as a result of that. We are a close community, some might say like a second family. We are committed to do the best we can at all times and the results and rewards our franchisees receive at our bi-annual toolfairs reflect that.

### Are you right for us?

Experience is an advantage, attitude is essential.

Previous sales and business experience will give you a good head start. A basic knowledge of mechanics' tools will help you a lot, but if none of that applies to you, don't rule yourself out. We have a great TLC programme that has seen a number of franchisees succeed with no previous automotive technical experience, but what they did have was the right attitude and the will to succeed through their own hard work.





NatWest has been working with Mac Tools since they began franchising and will provide funding of up to 70%, subject to an assessment of the individual and their plan.



**Mark Scott ACIB. QFP Director**  
Franchise Development, NatWest/RBS Franchise Team

This will not only help you to secure franchise funding for your franchise package but also support you in growing your business.

## FRANCHISE FINANCE

Making sure you have your franchise finance in order is a key aspect when considering the Mac Tools franchise. Here are a number of key facts on your investment and returns:

### Your investment

Starting your own business can be expensive but with a Mac Tools franchise you can gain the advantages of world-class brands at an affordable investment level. Our franchise fee of only £5,000 gives you re-sale rights, which is an investment for both now and the future. You need to have at least £3,750 of liquid capital and we can help you source franchise funding for the remainder of the £50,000 starter package.

### Your rewards

Most of the startup package is used to buy stock and ensuring that you have sufficient working capital as you build your business. Managing your margins and cash flow is key to the success of your business and we will provide guidance in how to do this and maximise your business potential. Our existing franchisees are typically earning gross profits ranging upwards from £50,000 from one territory and there are various territories available across the country giving you the opportunity to expand to a second territory within due time.

### The Mac Tools franchise investment

Mac Tools is a great franchise investment for those who are prepared and able to make both a personal (your time and effort) and a financial business investment. Our total franchise package costs £50,000 excluding VAT (VAT is reclaimable).

### We offer two options to finance your Mac Tools franchise:

- With £15,000 liquid capital and a £35,000 bank loan you receive our highest trading terms
- With £3,750 liquid capital and a £8,750 bank loan, Mac Tools will provide the remaining finance you will receive our lower trading terms

At Mac Tools we have established close relationships with many of the UK's major banks to provide you with accessible franchise funding.



To get my franchise started, I put in some of my own money and then used a bank loan from HSBC. They came to my house and conducted an interview to check over the business plan and were happy with the figures.



**Stuart Hanley**  
Mac Tools Dumfries



The training was really great and it provided me with a real grounding of knowledge. My first few weeks out on the road have been brilliant as all of the garages are really receptive.



**Dean Fitzgerald**  
Mac Tools Coalville

## TRAINING

We understand that the best way to stay ahead of the competition is through continuous development and training. Therefore, Mac Tools ensures that the high levels of training are developed even further on a continuous basis. Our TLC training programme consists of in-class and field-based training to ensure that you have all the tools you need to establish and run a successful business.

## THE MAC TOOLS TRAINING, LAUNCH AND COACHING PROGRAMME

At Mac Tools we offer a comprehensive training and development programme.



**Training** - 2 weeks initial training based in UK headquarters



**Launch** - the following 2 weeks to launch and establish your business within the territory



**Coaching** - your 12-month coaching programme

The initial 2 weeks of training in Sheffield will teach you everything you need to know to get off to a flying start. We support this by providing a further 2 weeks of launching your business with a Field Support Manager. These 2 weeks will help you put into practice what you have learnt in your initial 2 weeks and be the catalyst for growing your business.

The Mac Tools TLC programme ensures that not only Mac Tool's franchisees but also their support staff receive continuous training that allows them to fully utilise their skills-sets.

The development and TLC Training programme will provide you with the necessary skills in:

- The Mac Way
- Product knowledge
- Business knowledge
- Your personalised operating system
- Selling and collecting confidently
- Plus much, much more



Training is all about evolving and that's why I believe that, just like our franchisees evolve through our training, the training itself also needs to continuously evolve so that the Mac Way can facilitate further growth for our franchisees and Mac Tools itself in the years to come. I know from my own experience that joining a franchise is one of the most important decisions in someone's life and so we want to make sure that we deliver training and development that does justice to that decision. This new programme is committed to make the Mac Tools training experience second to none and delivers our business promise of being 'Great To Work With'



**Stephen Gotz**  
Mac Tools Franchise Training and Development Manager



## MAC TOOLS SUPPORT

We will support you throughout your life as a Mac Man. We acknowledge that as you develop your needs for ongoing support develop as well. Therefore we have developed a franchisee ongoing support model to suit your needs.

The Mac Tools support is not just limited to fixing problems as they occur, it is about continuously providing you with everything you need to make your business successful. The list below gives you an idea of what will be provided:

### Professional marketing support

- Promotional flyers, catalogues, information leaflets and online support will help you to drive sales
- There are regular regional meetings where you'll meet other franchisees, receive training and can take advantage of new products and promotions
- You can attend the Toolfair exhibition which offers an opportunity to meet other franchisees and buy the latest tools
- You will have access to exclusive sponsorship and brand recognition deals

### Business support

- Brand new fully-liveried, professionally-equipped Mobile Display Vehicle (please note: the vehicle will be subject to a lease agreement)
- Laptop computer with personalised Mobile Business Assistant software - a custom-designed computer programme to assist you with the running of your business
- Phone and email support at HQ
- Fully branded stationery, marketing materials and workwear
- Monthly field support from your Regional Franchise Manager
- 12 month development programme
- Regional Mac Tools council meetings, providing you and us with the opportunity to share best practice
- 30-day credit account to support cash flow in your business.

“

I have been provided with full support and backing from the team at Mac Tools so would definitely consider buying a franchise with them again. For now, I plan to carry on running the franchise I have at the moment but eventually I would like to become a Regional Manager for Mac Tools so that I can offer other people buying a franchise the same quality of support that I have received.

**Graeme Neil**  
Mac Tools Ayrshire

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I always carry a tote bag into the garages to show customers what tools I have on offer, recognising that often they are too busy to leave the garage to see what I have on my van. The results of my customer service are tangible in my business success. My sales have increased year-on-year, building on my initial success as “Rookie of the Year” in 2011; I was awarded a “Gold Award” in recognition of purchasing over £100,000 worth of tools in 2012.

**Claudio Zanobini**  
Mac Tools Exeter

”

# MAG TOOLS<sup>®</sup>

FRANCHISE PROSPECTUS

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