



Mr Spike Prospectus

We have franchises available in various areas. The Western Cape, the Eastern Cape and Namibia are however already fully franchised. We have franchise opportunities open in Gauteng and Natal.

For further information, please read our prospectus as listed below. If you wish to apply for a franchise, please contact [Gary Pollastrini](mailto:gary.pollastrini@mrspike.co.za) via email or mobile 082 552 2230.

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Executive Summary

Investing in Mr Spike will give you scope to grow and manage your own business. A Mr Spike franchise provides the following:

- Exclusive rights to distribute elegant and effective products to a growing market
- Advantage of optional centralized advertising
- Shared information on advertising in other areas
- No time spent and lost on manufacturing or developing of tools
- No outlay for machinery or manufacture maintenance





History and Nature of Business

Mr Spike offers affordable perimeter security. Our company, which was formed in 1996, manufactures and supplies security rail spikes and electric fencing to numerous retailers, hardware stores and especially direct to the public through franchises. Our elegant products have been installed at numerous houses and corporate properties throughout South Africa.

Mr Spike currently offers five unique spikes, suited to fit pre-cast walling, brick walls as well as steel and wooden fences. The Spikes stand between 55mm and 110mm in height and come fully galvanized and powder-coated. Non-retractable fasteners ensure a steady fit on any wall.

Due to our product's rigid nature, maintenance of the perimeter security is virtually nil. The sight of the spikes is an immediate deterrent to prospective intruders.

Another area where we've enjoyed enormous success is in electric fence installations. These intruder barriers are effective in keeping people out and we have developed our own products to be successful in this market.





Current Manufacture and Engineering Expertise

Machinery

Experienced engineers are involved in the design and manufacture of all Mr Spike presses and tools.

Product fasteners

Cost effective chrome expander non-retractable fasteners are used for installations.





Product finishes

We hot-dip galvanize all of our products that can be galvanized and we powder-coat our products in the following colours; white, cream, green, brown and black.

Basic applications

The spikes and electric fence brackets can easily be attached to a variety of walls i.e. all brick and concrete walls, as well as steel and wooden fences.



Advantages of a brand name and centralized advertising

A franchisee's key market is the homeowner. Mr Spike's successful marketing strategies are shared with all franchisees.





Signage and logos for Mr Spike have been developed and marketed over a 9-year period. The franchisee benefits from this immediately and without the cost of designing his own.

Print media advertising

The large cost of advertising in areas such as the Yellow Pages, Homemakers Fair and glossy magazines, is shared among the franchises in a central area. Advertising for a franchise thus benefits from increased exposure to the public at a reduced cost. All leads received on our Mr Spike toll number will be forwarded directly to the relevant franchisee via sms communication containing all pertinent details of the prospective client.

Current South African Market

The security market increases with the crime rate as people today require more and more security. The market differs in each area due to fluctuations in crime levels. It is our experience that security and service (and not just price) is the main concern of our clients. Successful sales are based on good service and the availability of our product.

Your monthly running expenses depend on your current infrastructure and effective management thereof, such as how many people you employ, how many vehicles are on the road etc. We advise you on how to set up your infrastructure.





Initial Costs and Set UP Expenses

In order to supply Mr Spike products to franchises at competitive prices, the franchises are structured as follows:

Our franchise fee is R165,000.00 excluding VAT.

This includes:

- Rights to distribute Mr Spike products in an allocated area
- Free access to the Mr Spike national toll number
- Sales training





- Measuring wheel
- Samples of spikes & electric fence brackets
- Initial business cards, pamphlets, invoice books and stamps
- Installation training
- Sign writing of a vehicle
- A sign written fully equipped trailer, including installation tools
- Mr Spike caps and T-Shirts
- Correx advertising boards
- 30 x 30cm installation boards

Other than the purchase of stock, the only recurring cost is for advertising and the monthly franchise fee of R2,000.00 excl VAT at a 10% escalation per year.

Pricing

The franchise is structured in such a way that the franchisee purchases Mr Spike products from the Principal at reduced rates, thus enabling franchises to enjoy good profit margins.





Product		Fully galvanized		Fully galvanized & powder-coated	
		Rand / meter		Rand / meter	
Supra Spike	Recommended retail price				
	Franchise price				
	Gross profit				
Vibra Spike	Recommended retail price				
	Franchise price				
	Gross profit				
<p>These prices are a realistic example, yet are not to the cent accurate.</p> <p>(Pricing removed due to public access. Prices available on franchise application.)</p>					

The above profit margins are based on supply to retailers only. Installations for the public results in better profit margins. Our products are easy to install, and so good returns are generated on these installations. For distances of less than 20m long that need to be secured for an individual client, we charge a minimum installation fee of R285.





MR SPIKE

PERIMETER SECURITY





Current Franchises

Branch	Contact Person	Contact Number
Mr Spike Head Office	Gary Pollastrini	082 552 2230
Mr Spike North CA	Garth Babin	083 412 7466
Mr Spike West Coast CA	Garth Babin	083 412 7466
Mr Spike South CA	Debbie van Pareen	084 359 8610
Mr Spike Winelands	Kallie Morton	082 435 4050
Mr Spike Overberg	Altus Mostert	082 800 7154
Mr Spike Worcester	Altus Mostert	082 800 7154
Mr Spike Garden Route	Retief van Aswegen	083 284 3320
Mr Spike Port Elizabeth	Tim Butcher	084 250 7220
Mr Spike East London	Wayne Harris	082 651 3763
Mr Spike Namibia	Ettienne Stipp	09 264 61 227 377