

# accounting franchise offers BUSINESS FUNDING

## NEW FRANCHISEE HELPS SBA ADD BUSINESS FINANCE TO ITS RANGE OF SERVICES

⇒ With a background in the analytical side of the banking and finance industry, Mike Hartley is not a man given to impulsive decisions. That's why, before he bought his Small Business Accounting (SBA) franchise, he spent six months putting SBA through what he terms 'robust due diligence.' The process included interviewing franchisees as well as franchisor Adam Parore, and paid off handsomely. Not only did Mike end up owning his own SBA outlet but his previous experience brought a new service to SBA clients and a whole new revenue stream to the franchise: business finance.

'We are continually working on SBA's service offering,' explains Adam Parore. 'As New Zealand's largest supplier of book-keeping accounting services for small-to-medium sized businesses, we have a very good understanding of what our clients need and, right now, business finance has become an issue for many. When Mike and I started talking, he suggested that he apply his knowledge, experience and contacts to enable SBA franchisees to offer access to business finance. That sits very nicely alongside our mortgage broking system, which is already included in the SBA franchise package and can generate up to \$60,000 annual turnover for franchisees. Business finance is an area that offers even greater opportunities.'

SBA's track-record as the approachable face of accounting, which has already won them many clients, forms an ideal platform from which to launch the new service. 'Small business people throughout the country know that they can rely on SBA for prompt, affordable bookkeeping and accounting services,' says Adam. 'Now they will be able to benefit from assistance with the funding aspects of business too.'

### SURE-FIRE WINNER

SBA is a little different from other accounting businesses. For a start, franchisees need not be chartered accountants – all they need is some experience in business management or bookkeeping 'and a healthy dose of common sense,' as Adam puts it. SBA franchisees work with clients on a regular basis to keep their financial management accurate and ensure that they have up-to-date information on which to base management decisions. The other factor is that SBA works from street-front premises, attracting additional business through high visibility locations. The franchise requires an investment of around \$38,000 +gst, with up to \$15,000 additional capital for fit-out of premises with computers, software and furniture. Training is provided in all aspects of running the

business and new services, such as business finance, are launched only after proper evaluation, trial and training. There



HIGH-VISIBILITY LOCATIONS ATTRACT NEW CUSTOMERS ALL THE TIME



MIKE HARTLEY: 'I'VE REALLY HIT THE GROUND RUNNING'

are currently 35 SBA franchisees and continuing demand means more opportunities are available in many parts of the country.

Having opened the doors to his franchise in the Auckland suburb of Epsom in March this year, Mike says he still can't quite believe how well things have started. 'Maybe it's just the first flush of success, but I've really hit the ground running. My sign-up rate is double the SBA average and I've also had good interest shown in business finance – I'm working through a number of applications right now. The SBA model of giving accounting a shopfront and a friendly face is a sure-fire winner. About 60 percent of my customers have been walk-ins with most working or living locally, just as I do myself. My presence on the SBA website has also worked well with two sign-ups on the day I went live. The website has also brought me the New Zealand arm of an Australian business as a client, so the system works.'

Mike suggests that an important part of the success formula is getting the location right. While he was keen on the idea of having his SBA franchise close to home, his analytical background demanded that he trawl through statistics to gain an understanding of the numbers of small businesses operating, and small business owners living, in the Epsom area. Having a cinema and restaurants nearby is a bonus, as several of his clients discovered SBA after going to the movies or dining out, even though the outlet itself operates normal business hours.

### THE FRANCHISE FOR NZ SMALL BUSINESS

Mike's enthusiasm positively bubbles over when he talks about the synergy SBA has with NZ's small business owners, especially those who are buying or operating their own franchise. 'SBA franchisees understand and empathise with them. Most of us have been there. We know what it's like juggling income generation with admin, and know what can happen when things go wrong. One of my new clients is a franchisee who got into trouble with the IRD because he'd been doing his GST incorrectly. SBA can prevent that kind of problem right up front. Small businesses account for something like 95% of all the country's enterprises. SBA offers their owners the help and support they need to handle the admin and get on with their real work.'

'I think the business and the service we offer is superb and in some ways SBA has hardly scratched the surface yet. If you have some business nous and an ability to sell yourself, I definitely believe there hasn't been a better time to invest in an SBA franchise.' ■

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