

Kitchen business continues DREAM RUN

DREAM DOORS FRANCHISE SALE SHOWS WHAT IT'S WORTH

⇒ After just 16 months, the first Dream Doors pilot franchise in New Zealand turned its initial investment into \$250,000 when it was sold recently. 'Not a bad return from a \$5,000 franchise fee plus set-up costs,' says franchisor Derek Lilly happily. 'And now I can work full time with all our franchisees throughout New Zealand.'

Meanwhile, Ross Williamson is the new owner of the franchise, in Wanaka, and joins Dream Doors franchisees in Queenstown, Christchurch and Auckland with several more about to come on board. 'We deliberately set a very low entry fee because our aim is to build a nationwide franchise and we didn't want to have to turn down good people because of the money,' explains Derek, who originally co-founded the franchise in the UK before moving here in 2007. 'But even so, I can't quite believe how fast Dream Doors has taken off in New Zealand. The custom-fit kitchen and re-facing service we provide obviously fills a unique niche in the marketplace.'

And the Wanaka pilot franchise provides the proof. 'When I first suggested it could achieve \$250,000 turnover in the first year, everyone thought I was being overly optimistic,' recalls Derek. 'But actually it exceeded \$400,000 and when Ross purchased it on September 1, turnover for this financial year was tracking well above that figure.'

Ross Williamson confirms this, describing his new acquisition as 'working flat out.' Coming from a man of his experience, that says a lot. In the late 1980s Ross worked with his wife Nancy who was making a big impact on the Auckland gym market with 'Mainly Women'. At the same time, Ross also put his talents to use as a yacht broker. For 18 years Nancy and Ross built the business, expanding to several locations and employing some 40 staff before selling out in 2003 and moving to Wanaka where Invercargill-born Ross's grandparents had built a crib in the 1920s.

SAVING PEOPLE FROM POOR QUALITY

Not ready for retirement, Ross set up a small painting operation. 'That actually gave me a telling insight into the co-ordination and quality issues facing owners and developers fitting kitchens,' he laughs. 'You wouldn't believe the amount of Selleys *No More Gaps* I've used to hide inaccurate measuring, defects and poor installation. But of course, it's no laughing matter to see how many people are getting short-changed on quality.'

Then, having seen more than enough examples of bad workmanship, Ross was introduced to Derek by a friend. 'We had a good talk, and I liked what I heard. The business fundamentals seemed right and the overheads are pretty low. While franchisees must have signwritten vehicles and a small showroom, there's no big capital outlay in stock or a big wage bill. I also liked the way Dream Doors essentially project-manages each kitchen fit-out from measuring and designing right through to cabinetry construction by a highly experienced joiner and final installation. As I've seen all too often, without someone co-ordinating the various trades, the process can be disastrous and drag on for ages.'



DEREK LILLY (LEFT) WELCOMES NEW WANAKA FRANCHISEE ROSS WILLIAMSON

After meeting Derek in early August, Ross wanted to find out more. 'I went through due diligence, had the financials scrutinised and analysed the market. It all stacked up and on 1st September we took over the Wanaka Dream Doors franchise. Not only did we purchase existing supply and install arrangements – we also secured Holly Sommerville, a graduate in spatial design, as our brilliant on-staff kitchen designer. However I don't intend keeping Holly all to myself and she will still be available to assist fellow Dream Doors franchisees.'

TIME TO QUIT DREAMING

While most of Ross's current business is supplying new kitchens, he reports there is also steady growth in re-facing work. 'Much of our housing stock was built in the 1980s and 90s and many kitchens are beginning to look tired and dated. Refacing is a low-cost way to up-spec kitchens very successfully to increase appeal, sales value or rental returns. As word has spread, we're getting a lot of enquiries from referrals and relationship building and we also get a good response to our regular interview-style spots on Radio Wanaka.'

Ross cheerfully admits he is totally sold on Dream Doors. 'If I hadn't been, I wouldn't have invested a quarter of a million,' he says. 'But I reckon I can earn a healthy ongoing income from the business and have every intention of at least doubling my original investment if and when I sell. The ingoings are so reasonable that, providing they do everything right and apply all the systems Dream Door has developed, I can see other franchisees repeating Wanaka's financial success, too. My advice? Quit dreaming and go for it!' ■

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