THE COST REDUCTION COMPANY

'Savings Through Innovation'

Franchise Prospectus

2023



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Would you like to own a recession-proof white collar business, kickstarted with intensive high-quality training and sales support that will deliver fast organic growth year on year with an anticipated net profit to you of over £100K by year 3?

Read on...

Why would you buy a Cost Reduction Company Franchise?

We think it really ticks all the boxes...

- You will be working for yourself but not by yourself.
- Our excellent reputation, training and sales support will help you win new clients.
- Demand for your services is extremely high.
- This is a scalable franchise that really allows you to develop a substantial, profitable business.

A Message from our founder



Welcome to The Cost Reduction Company and thank you for requesting our prospectus.

Nigel Ward

N. Ward

All organisations are under pressure to reduce their cost base whilst minimising their impact on the planet. The Cost Reduction company is retained by organisations both to identify how to do so and then deliver on the savings programme.

We are looking to award franchises to capable, experienced professionals who are looking to take control of their working lives, generate a recurring income and build a valuable asset that can be sold in the future.

Our aim is to become not the largest but the most respected cost management consultancy network in the United Kingdom. Whether you are looking for a better work life balance, a substantial income or the satisfaction that you are doing your bit to help the environment, then this could be for you.

I would be delighted to share our business with you and be part of your future success.

What do we do?

In its simplest form, we save organisations money through effective procurement, reducing consumption and embedding longer term, sustainable behavioural changes.

What do we mean by "sustainable'? We do not just advise on how to make cost savings that coincidentally have a positive environmental impact. We also advise on how to embed better organisational behaviours to improve cost-effectiveness in the social and economic space too.

As a published author Nigel addresses the issues over consumption in his book, Using Less Stuff. Combined with our online behavioural change programme, we are on a mission to disrupt the cost management industry.

The Cost Reduction Company was formed in 2009 in Henley-on-Thames. Our first client was a major private school which saved £650k in the first 2 years as a result of our work. We still dominate this marketplace and with 2,600 private schools in the UK there is plenty of room for us to grow.

From here we expanded to provide our sustainable cost saving services to many commercial organisations.

> *"WE SAVED £100,000*
>
> *when we replaced the entire print/copier facilities of an organisation. CRC facilitated the purchase of 50+ units at trade prices as opposed to purchasing via the manufacturer's approved suppliers at hugely marked up cost."*
>
> Health Care Company

What do our clients say?

"I approached the water project with The Cost Reduction Company with a lot of scepticism as we thought we had already exhausted the opportunities to reduce consumption. The Cost Reduction Company delivered precisely what they said they would; innovative technology, simple to maintain and delivering savings."

Head of Estates, Royal United Hospital Bath

NHS
Royal United Hospitals Bath
NHS Foundation Trust

"I have found working with CRC a beneficial experience as I would not normally engage these types of businesses in my School. They have very successfully recovered for us a considerable amount of money going back in time and put in place cost savings in the future. Most importantly their methods and the processes they used have saved me a lot of time and energy through their expertise and detailed scrutiny. I highly recommend them to you."

Bursar, Cheam School

CHEAM

> *"The Cost Reduction Company identified a utilities overpayment. Despite auditors and bill validation specialists having reviewed and approved the accounts, CRC were able to reclaim the money that had been outstanding for nearly 6 years."*
>
> Berkhamsted School

BERKHAMSTED SCHOOL

ETON COLLEGE

LEICESTERSHIRE COUNTY CRICKET CLUB
ESTABLISHED 1879

Bilton Grange

CALDICOTT

ST JOHN'S COLLEGE
UNIVERSITY OF CAMBRIDGE

ISLINGTON PROPERTIES

THE DITCHLEY FOUNDATION

Dauntsey's

THE KING'S SCHOOL 1831

EDGE GROVE

Ramsay Health Care

GREAT WALSTEAD SCHOOL

We typically work on a contingency basis, so our clients pay our fees from the savings we make for them. No win - No fee, *although we have never not created wins for our clients!*

Why do people buy our services?

Increasing the profit margin and freeing up capital for reinvestment are key drivers for all organisations. The Cost Reduction Company has been proven to deliver significant savings to client organisations without compromising quality of services from suppliers.

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Consumption & Environmental

Using Less Stuff Behaviour Change Programme
Energy Consumption
Photo Voltaic Lighting
Recycling & Waste Management
Heating/boiler Management
Consumption Monitoring
Building Management Systems
Print Reduction
Alternative Energy Systems

Utilities

Telecoms
Electricity
Gas
Water
Wastewater & Sewerage
Oil & LPG

Variable Costs/Services

Office Supplies /Stationery
IT Consumables
Photocopiers/Printers/MFDs
Cleaning services
Catering Services
Transport
Funding/Financial
Insurance
Grounds Maintenance
Security
Staff/Human Resources



> *"Without the drive, momentum and expertise of the Cost Reduction Company our new contract for purchase of wines, spirits and beers would never have been concluded. We now have a first-class supplier, and are achieving not only savings, but also a larger volume of business."*
>
> Chairman of the Brook Hotels

How much will I earn?

Having stress-tested this business model, we are confident that with this ultra-low overhead business you will be growing your profits year on year. One of the truly great things about this business opportunity is that the clients you work with require your services on an ongoing basis. It is very rare that your service is a one-off.

Opening Doors

We continue to raise awareness of The Cost Reduction Company brand through our centralised marketing activities.



> *"The Cost Reduction Company have successfully reduced the cost in our business by £200,000. We have found them very professional and thoughtful. Most importantly for us, they have worked with us in developing ideas, they have been understanding of the traditions and complexities of the organisation."*

Bursar, Bradfield College

How will I secure clients?



Introduction to contacts

Alongside your own networking and marketing activity which we will help you with, we will provide marketing collateral and warm introductions to business contacts in your area that we already deal with. Web pages, LinkedIn and social media will be set up for you. You will benefit from our centralised marketing to assist in your sustainable and profitable growth. Everything you do will be based on our ethos of high quality service and client satisfaction.

What training will I receive?

The success of our business is built on the fact that we pass on our knowledge and expertise to our franchisees. The training we have developed will give you everything you need to work to the standards required by your clients and help to grow your business quickly and efficiently.

As a valued franchisee you will be exceptionally well trained and receive the best possible support in all aspects of starting and running your franchise. Following your intensive initial training course, you will be mentored by our founder, Nigel Ward. He will personally oversee all aspects of your business including marketing, client acquisition and project delivery.

You can then accompany him at his client meetings to gain experience of 'real world' conversations and likewise, he will accompany you at your first meetings to assist with client acquisition and project delivery.

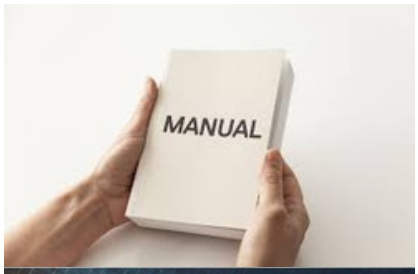
We will give you everything needed to ensure your work is to an exceptionally high standard and because of this your clients will retain your services long into the future.

It is important that high standards are always maintained and the training will be reflective of this. You will not be on your own until you are totally ready and confident to undertake the diversity and scope of work required. Even then, ongoing support will always be available to help you take your business to the next level.

The franchise package: What is included?

Your franchise package has been devised for one main purpose and that is your early success in your cost management career.

Listed below is everything that's included and all of this will be delivered through your first year.











- Detailed Operational Manual
- Marketing Launch
- Initial training at head office
- Industry updates and training from key suppliers
- Industry leading CRM package
- Social media accounts
- Website Page
- Stationary
- Ongoing support and mentoring

Your business set-up and accounting done for you

We do not expect you to do the books and compliance filing with Companies House, so we will introduce you to a specialist accountant who will do this for you on an ongoing basis.

From setting up your company to delivering real-time financial information to measuring and monitoring your progress - it's all taken care of!
You won't just have a dedicated accountant; you'll have a business partner who will come on the journey with you to oversee your company finances.

Financial guidance will be provided so that your important numbers including Gross and Net profit, Cash Flow, Debtors and Creditors make sense to you and it'll be conveyed in plain English. This gives you complete peace of mind and a total understanding of all financial aspects of your growing business.
Everything will be in place to free you to focus on the day job, including:

Start Up
From company formation, HMRC registrations and finance function implementation and training (Receipt Bank, Xero/QuickBooks), you will benefit from a seamless start of your journey.

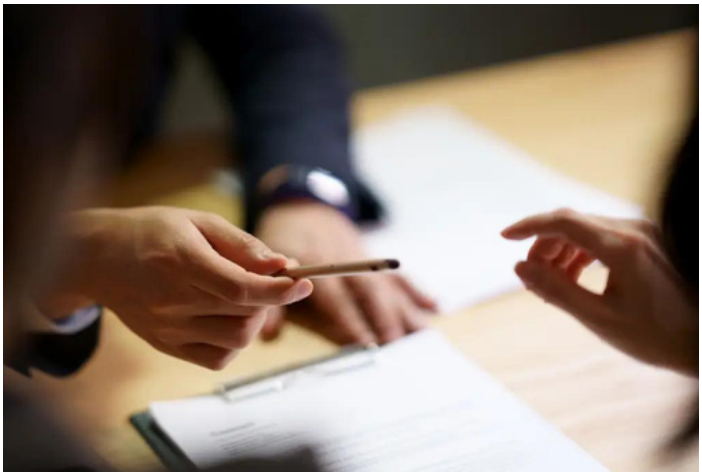
Business and Tax advice
Delivered by a partner who knows the business inside out in order to maximise profitability and minimise tax exposure.

Compliance
Sleep well at night and don't worry about Companies House and HMRC because you'll have a qualified accountant in your corner to take care of it all.

Reporting
By implementing the right systems you'll have access to your key numbers in real-time, which can be leveraged to drive performance.

The Cost Reduction Company franchise opportunity and pricing





Initial franchise fee : £18,500

Management fees as a % of turnover:
12.5% for self generated business
25% if we introduce you to a client

Minimum fees:
1-18 Months £295
18-30 Months £495
30+ Months £795
(whichever is greater)

All fees subject to VAT at the prevailing rate.

Next Steps...
Come and meet us

Whilst we would like to meet with you face-to-face, we appreciate that this may not be possible or prudent so we are more than happy to have a Teams meeting or an initial phone call.

We will take you through the details of the business and share all the relevant information that we are sure will help you make an informed decision.

We hope our prospectus has given you an idea of our business model and the remarkable low cost, low risk opportunity.

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