



**FASA**  
THE FRANCHISE ASSOCIATION  
OF SOUTH AFRICA



**Sanlam**  
Wealthsmiths™

## **PRESS RELEASE**

**ATTENTION: NEWS & BUSINESS EDITORS  
FOR IMMEDIATE RELEASE  
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### **FRANCHISE AWARD WINNERS SUCCEED AGAINST THE ODDS**

The Franchise Association of South Africa's Franchise Awards for Excellence in Franchising, sponsored by Sanlam and held this past week-end as part of their annual Franchise Business Festival, honoured those franchise brands that have bucked the negative trends to show resilience and growth in these trying times.

Commenting on the finalists and winners in the categories, *Franchisor of the Year, Franchisee of the Year, Newcomer Franchisor of the Year, Franchisor: Leading Developer of Emerging Entrepreneur, Job Creator of the Year, Brand Builder of the year and Field Service Consultant of the Year* - Tony Da Fonseca, FASA's Chairman for 2017/8 and MD of the OBC Group, believes that the industry's saving grace is the fact that, by its very nature, franchising is entrepreneurial, flexible and forward-thinking. "Despite the on-going recession that is impacting heavily on small businesses, the franchise sector continues to be resilient and offers its franchisees a better chance of surviving the ups and downs – largely due to the strong business format and support system inherent in franchising."

Franchising has proved, time and again to be a much lower risk investment than starting a new business, with FASA's survey, sponsored by Sanlam, showing that whereas 93% of new small businesses fail within two years of start-up, only between 5 and 7% of franchised businesses fail. The business model of franchising is globally one of the soundest business methods and in South Africa has grown to 757 franchise systems with a network of 31 111 franchisees, employing close to 400 000 people and contributing 11.6% to South Africa's GDP.

Following on from sponsoring the FASA Surveys, Sanlam decided to sponsor the FASA Awards to give recognition to business owners for their efforts to grow the economy and for providing much needed jobs. Says Kobus Engelbrecht, Marketing Head, Sanlam Business Market. "We recognise that business ownership is a very lonely road to travel and recognition very rare and as the franchising industry is very important to the South African economy and therefore to us, we are very proud to sponsor the 2017 FASA Franchise Awards".

FASA's Franchisee satisfaction survey also shows a high level of franchisee satisfaction (82%), an extraordinary high level of longevity in business with nearly one in two (44%) in business for more than ten years, and 62% in business for more than five years. The overall sentiment amongst franchisees surveyed is that they would highly recommend franchising to others because of the reputation and quality of the franchise brands, the strong support they receive and, as one franchisee put it *'I would rather be in business within a franchise system than be facing all these challenges on my own.'*

The FASA Awards, according to Vera Valasis, the Franchise Association's Executive Director are the industry's way of acknowledging the franchisors and franchisees that are still climbing the ladder of franchise success and who aspire to reach the heights of the icons in the industry and who serve as examples to those that are still growing their brands.

"This year's franchise entrants reflect the pockets of excellence that we find in a range of business categories – even in tough economic times", says Vera Valasis. "There are always businesses that do well in tough times or are able to find a 'niche' that sets them apart and those who, by default, thrive on the back of challenging conditions."

This year's FASA Franchise Awards reflect how brands can, and do rise above the challenges to be successful, as the winners in this year's award have shown.

- Winner of the prestigious **FRANCHISOR OF THE YEAR** award, **Car Service City** is proof that the automotive services industry has benefited from motorists repairing rather than replacing cars. The growth of their brand is reflected in their good reputation and their accountability to their customers, franchisees and employees. *Runners up were Kauai and Sorbet.*
- **FRANCHISEE OF THE YEAR** winner, **Madelein Van Staden of Placecol Skin Care Clinic** in Pretoria, believes in the classic 'lipstick effect theory' that, in economically challenging times, consumers (and in this case women) may tighten their belts in some areas but will still spend on beauty treatments and products to boost their morale and stay positive. *Runners up were Jaco Uys of Roman's Pizza, Groblersdal and Kalai Moodley of Perfect 10, Ballito.*
- **NEWCOMER FRANCHISOR OF THE YEAR** winner **Body20** is testament to the growth in the Health & Body culture sector in franchising, which, according to FASA's recent franchise survey, makes up 5% of the franchise pie. Body20 helps time-strapped people get the equivalent of 5 conventional weight-training sessions in just 20 minutes with their innovative EMS fitness system. *Runners up were Sherpa Kids and Rocomamas.*

- In line with FASA's commitment to encouraging growth in BEE franchisors and franchisees, **the FRANCHISOR: LEADING DEVELOPER OF EMERGING ENTREPRENEURS** award went to **Hot Dog Cafe**, a pioneer in developing government funding programmes that nurture entrepreneurial ownership, skills transfer and job creation. *Runners up were Choprop and Sherpa Kids.*
- Winning the **JOB CREATOR OF THE YEAR** award is **Sorbet**, the beauty salon group that employs 2 400 people in their 177 outlets – many of whom are trained through the Sorbet Empowerment Foundation, an upliftment programme committed to building skills and job creation. *Runners up were Car Service City and Hot Dog Cafe.*
- Marketing, in today's difficult trading environment and with fast-moving social-media trends, requires lateral thinking and health food brand **Kauai**, winner of the **BRAND BUILDER OF THE YEAR** award, hit the target with stores in 93 Virgin Active Health Clubs and partnering with Discovery Vitality and Discovery Insure through rewards programmes, apps and newsletters. *Runners up were Perfect 10 and Placecol.*
- Central to the success of any franchise is the control and servicing of the many franchisees that make up the franchise. FASA recognises the role that field service consultants play in mentoring and monitoring the operations of franchisees and has an award for the best **FIELD SERVICE CONSULTANT**. **Nanou N'sa of Hot Dog Cafe** wins this award and a trip to the USA's International Franchise Association's Convention and Exhibition in 2018. *Runners up were Navin Sawnarain of John Dory's and Eric McDermott of Rocomamas.*

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ISSUED BY:	GO COMMUNICATIONS
ON BEHALF OF:	The Franchise Association of South Africa (FASA)
CONTACT:	Giuli Osso
TEL NO:	011 802 1602
CELL NO:	083 377 6721
EMAIL:	giuli@gocomms.co.za