

## Franchisee funding model agreement extended

Taste Holdings, Nedbank and Brimstone Investment have announced the renewal of their partnership, Sisonke, which offers funding to potential franchisees that have the ability but lack the start-up capital to open a franchise. This funding model has been extended for a further two years, and whereas in the previous agreement funding was exclusively available to qualifying franchisees of The Fish & Chip Co., the offer now extends to qualifying franchisees of Zebro's Chicken as well.



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Franchisees usually have to contribute 50% of the costs of starting up a new franchise. This tripartite agreement means that they now only have to come up with R125,000 towards the total cost of a Fish & Chip Co or Zebro's fast-food franchise, which is worth R675,000, and the balance is to be funded by Nedbank. Franchisees do not have to provide any security or collateral, and the loan has to be repaid over five years at a prime interest rate.

Carlo Gonzaga, CEO of Taste Holdings, said: "The small-business sector in South Africa employs two-thirds of the national workforce and franchising contributes 10% towards our country's GDP. This confirms our view that franchising is corporate social responsibility in action every day. Innovative models, such as this tripartite agreement, are therefore our best defence against poverty and unemployment and we are encouraged that it has grown and now includes the Zebro's brand as well."

### Premium-quality chicken and chips

Zebro's is well known for premium-quality chicken and chips with a generous serving of sauce on top, at an affordable price, which represents great value for money. Aimed at the lower income segment, the brand follows Taste Holding's stated strategy for acquiring businesses with a significant overlap to its existing vertical integration capacity in manufacturing and distribution and is complementary to its existing Fish & Chip Co. brand.

The tripartite agreement further introduces entrants to a successful business model and reduces the risk of failure for new entrepreneurs. Since its inception two years ago, it has assisted in creating new job opportunities that are set to boost the South African economy in the long run.

The partners of the tripartite agreement have a shared vision to see black economic empowerment succeed by creating opportunities for previously disadvantaged people to penetrate the market. To achieve this they work in synergy to each other. Investment company Brimstone, which has a 12.53% share in Taste Holdings and 0.7% shareholding at Nedbank, provides a guarantee for part of the franchisee's obligations. While Nedbank offers the franchisee a preferential funding rate, and Taste Holdings eliminates the risk of failure for the franchisee by thoroughly vetting the store location as well as the potential operator.

"We look forward to welcoming our new franchisees who will take the business from strength to strength, and who will continue to help us stimulate economic growth," concluded Gonzaga.

For more information, go to [www.tasteholdings.co.za](http://www.tasteholdings.co.za)

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