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Learn the fine print of leases before you sign

# FRANCHISE ZONE

EVERYTHING YOU NEED TO KNOW ABOUT FRANCHISING AND BUSINESS OPPORTUNITIES

INSIDE TRACK

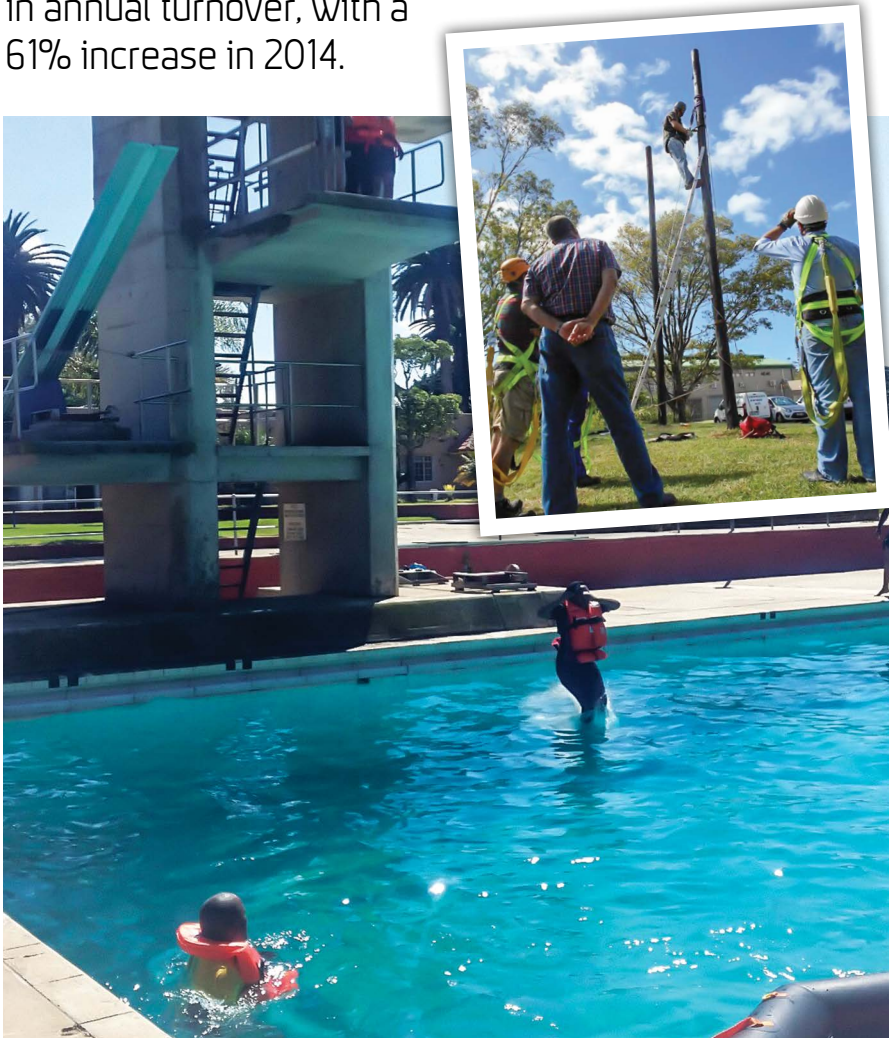
## SAFE AND SOUND

Keen to launch a health and safety training business in your community? Riverport Training Academy could be your ticket to owning a solid, stable business that has the advantage of helping people in their greatest need – when emergencies arise or disaster strikes.  
By Monique Verduyn

PHOTOS: ADRIENNE WEERHEIM



The business doubled its turnover in the first few years, and has since shown consistent double-digit increases in annual turnover, with a 61% increase in 2014.



**W**HEN THE OCEANOS SANK off the east coast of South Africa in 1991, Dane Herman was part of the rescue team that ensured every passenger was brought to safety. Once, he also managed to rescue a man from a sewer and successfully resuscitated him after he had been lying unconscious in sewerage for more than ten minutes. His innate skills in health and safety, as well as a lifelong desire to be an entrepreneur, led him to start his own business in 1998, after spending many years with East London's Fire Department.

As a child, he had always wanted to have his own business, a desire sparked by his uncle, a successful trader and farmer who managed to build a thriving business in spite of the apartheid laws of the time. When Herman wasn't helping his uncle during school holidays, he worked as a shoe salesman in East London, consistently selling more than his peers. After high school, he joined the municipal fire department, passing many rigorous tests and spending more than a decade working his way up the ranks into the training division.

Today, the 49-year-old heads up Riverport Training Academy (RTA), a health and safety training institute that is fast becoming an emerging market leader. He has turned the business into a franchise, with new opportunities for entrepreneurs who have a desire to own a business in the health and safety training sector.

**FROM SMALL BEGINNINGS**

Starting small, Herman did most of the training himself. "When I launched the business, my initial goal was to offer only first aid and fire training," he says. "Today we provide more than 70 courses across the health and safety field."

In time, he landed a few corporate contracts, such as arranging for stand-by fire fighters at Transnet depots when large oil tankers docked at the port. When South African Breweries offered him a job as local risk manager, he had to make a tough choice. "I knew I would be given the opportunity to learn world-class standards in health and safety, but I couldn't give up my business," Herman says. "I was lucky enough to get them to agree to hire me and let me continue to run my company at the same time. I also enrolled for an MBA which I completed over three-and-a-half years."

In 2007, he left SAB and renewed his focus on the training business. That was a turning point. "The corporate contracts started to roll in. I remember sitting at my computer one day watching the money deposited into my account," he recalls. "My phone wouldn't

PHOTO: SUPPLIED

stop ringing, and that was when I knew I was onto something special.”

To maximise profit potential, it became necessary to hire additional consultants, secure office space and expand the operation into a full-blown business. They rented premises in Gonubie but outgrew it within a year and had to find bigger premises. The same thing happened at the new premises in a short space of time. Herman then decided that it was time for the company to buy premises that were big enough to accommodate their rapid growth.

The business doubled its turnover in the first few years after that, and has since shown consistent double-digit increases in annual turnover, with a 61% increase in income in 2014.

“What’s different about RTA is that we only employ industry experts as facilitators, and we offer a far more diverse and comprehensive range of courses than our competitors,” he says. “We are now venturing into the electrical training field. We are starting to train people to build electrical power lines.”

Among the biggest challenges in the industry is competition from fly-by-night trainers offering big discounts and creating price wars. Herman says he tries not to let this distract him from the company’s mission, or his own strong principles.

“There’s no question that owning a business takes hard work, dedication and focus,” says Herman. “Now that we are on the lookout for committed and energetic franchisees, my advice is be sure you love what you do and that you do it well every day. The rewards are extremely lucrative to the franchisee with the correct approach. My own satisfaction comes from the smiles I see on our clients’ faces when they have received a world-class experience at Riverport.”

### **INTERESTED IN BECOMING A RIVERPORT TRAINING ACADEMY FRANCHISEE?**

#### **An industry filled with opportunity**

Around the world, health and safety franchises have proved to offer robust business models providing an essential service for businesses and the public, and able to yield profit in almost any economy.

To reduce the financial impact of work-related injuries and to comply with regulations, employers must utilise the services of accredited and experienced health and safety companies and consultants.

In South Africa, in accordance with government legislation, all industries and employers must comply with the requirements of the Occupational Health and Safety Act, which means there is always a demand for training and certification.

The OHS Act makes it compulsory for



employers to identify workplace hazards and have their staff trained accordingly, so as to reduce the probability of injury.

#### **The business at a glance**

Riverport Training Academy offers accredited and unit standard-aligned health and safety training courses in marine safety, fire safety and first aid training. RTA continues to grow its service offerings by acquiring new accreditations, and is venturing into the field of high-voltage electrical training.

The academy is accredited by the Manufacturing, Engineering and Related Services SETA (MERSETA), the South African Maritime Safety Authority (SAMSA), and the Department of Labour with accreditations pending from two more SETAs.

In addition to training and certification, RTA offers consulting and auditing services, and sells a broad range of safety equipment to members of commerce and industry.

#### **A franchise set for growth**

RTA is currently headquartered in East London, with three company-owned training centres – in Port Elizabeth and Mthatha. The first two franchises have been sold in Durban and George (pending). Herman and his team have identified a total of 20 locations for franchise expansion.

#### **Areas for expansion**

- Western Cape: Southern Cape; Cape Town Central & East & West Coast
- Northern Cape: Kimberley

<b>WHAT DOES A FRANCHISE COST?</b>	
Application fee	R450 000
Commissions & legal fees	R100 000
Training & software	R200 000
Branding	R100 000
Specialised software	R30 000
Establishment cost	R320 000
Working capital	R100 000
Total investment	R 1,6 million
Average time to break-even	12 to 18 months
Average time to ROI	24 to 36 months

- Free State: Bloemfontein
- North West: Mafikeng; Rustenberg; Klerksdorp
- Gauteng: Vereeniging; Emahlaleni; Johannesburg East; Johannesburg West; Pretoria South; Pretoria North
- Limpopo: Polokwane; Phalaborwa
- Mpumalanga: Mbombela
- KwaZulu Natal: Pietermaritzburg, Midlands; Durban ( Durban & Pinetown); Richards Bay.

#### **The ideal franchisee**

The ideal franchisee is someone with strong business acumen and the desire to develop people through training and skills transfer. Industry knowledge and experience, while not essential, would be beneficial.

#### **Training and support**

Upon payment of the franchise fee, the franchisor will guide the new franchisee through a training programme prior to the opening of their own training academy. Franchisees can expect to receive ongoing support from headquarters after the initial set-up training.

#### **What you get**

Your investment provides a complete turnkey operation in an exclusive territory, and includes a training academy with three lecture rooms, all furnishings and fittings, branding, and accredited training material. The franchisee will also benefit from new accreditations. The franchisee is expected to achieve a return on investment in approximately 24 to 36 months. □

For more information, email Dane Herman at [dane@riverporttraining.org](mailto:dane@riverporttraining.org), or visit [www.riverporttraining.org](http://www.riverporttraining.org)