



Ruutos®

Franchise
Prospectus

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BE PART OF THE RUUTOS SUCCESS STORY!

The Salon Journey

2008

Ruben and Lucy Okpoko founded Ruutos in 2008. The company began in the home of its founders. They initially imported hair care products, lace wigs, and hair extensions from the United States, but later switched the supplier to China.

2010

After a lot of perseverance and hard work, Ruutos Hair salon opened its doors in 2010 in Ferndale, Johannesburg. Like most entrepreneurs, they started out with a big idea, but had to learn how to run a business from scratch.

2014

Working in a salon allowed us to see the negative effects these wigs had on the client's scalp and hair line. We noticed that clients would go for weeks without washing their hair, and the glue residue from the wigs left a damaging effect on the hair line the longer they wore the wigs.

2015

Change was on the way, so we decided to focus more on the health of the client's scalp and hair line. Ruutos hair care products were introduced in 2014. By 2015, we had implemented Network Marketing as a method of distributing our hair care products.

2019

The company established the Ruutos Academy in Midrand, Johannesburg. It is intended for stylists and individuals who want to learn more about our products, as well as stylists who want to learn more about how to effectively handle natural hair. It is SETA accredited with a fully-equipped salon.

2022

Cape Town store was opened in 2021, to service its existing clients in the Cape Town region. By June of 2022, the company opened its first store in Sandton mall shopping centre. The company head quarters remains at Ferndale, Johannesburg. It has served as its primary base of business operations.

The Business

Over six billion dollars is spent annually on African salon services. Ruutos is at the forefront of this rapidly expanding and evolving sector of the salon business.

Ruutos's salons are unrivaled in their level of opulence. In the past eight years, Ruutos has dedicated itself to studying the natural hair service industry. We assist a variety of distributors and salon owners in expanding their natural hair salon services.

The company is focused on giving its Franchisees with all of the tools necessary to be successful in the rapidly expanding industry of hair care products for African hair, which has a significant amount of untapped potential for expansion.

We have filled the gap in the market in order to become a powerful brand leader, which will enable us provide our Franchisees the instant recognition they need and provide them with the necessary training as well as excellent items to create and maintain a successful business.

The idea that drives Ruutos salon is uncomplicated and straightforward, making it simple to grasp. Every location has been thought out and prepared for in great detail. Ruutos will lease out a space that is approximately 60-80 sqm in size at shopping malls that are located in areas that are suitable for the brand's target customer.

Our natural hair salon model, which we call the Ruutos treatment bar, differentiates itself from traditional salons in these few key ways: the presence of highly trained staff from the Ruutos academy, the provision of high-quality exclusive hair salon services, and the use of professionally formulated Ruutos products. These factors combine to make our natural hair salon model distinct from traditional salons.

Our goal is to ensure continuous growth by establishing a management team that is both progressive and dynamic, as well as hiring an energetic team of people that are excited and enthusiastic about hair care products for African hair

The Business

We have a profound sense of personal obligation toward both our employees, distributors and our new franchisees. With an attitude that is both proactive and innovative, we aim to create and sustain an atmosphere in which each individual is provided the opportunity to grow to the fullest extent of their capabilities.

The company has amassed a significant amount of experience in the market for hair care products designed specifically for African hair, and it is currently expanding the brand in a manner that is both controlled and aggressive in order to fortify the brand, which is regarded as one of the most promising businesses in the sector.

There is a significant demand for franchises over the entirety of the country; nevertheless, the expansion of franchises is strictly controlled to guarantee that franchisees are provided with the most favorable opportunities for achievement.

The Franchisee Profile

The Franchisor has established a Franchisee Profile that is used to determine the best candidates for owning a Ruutos Franchise which includes being:

- Passionate about owning your own business.
- Passionate about hair care and especially African hair.
- Prepared to apply your full-time best efforts to build a sustainable business.
- Able to build sustainable business relationships.
- Able to communicate at all levels.
- Self-motivated and ambitious.
- Independent and disciplined.
- Sales driven.
- Financially strong enough.

Our Mission

To offer the highest quality products for African hair worldwide while providing the opportunity for franchisees to build sustainable businesses as they share our products in every corner of the world.

Our Goal

To become the leading and preferred products for African hair worldwide, while offering a great customer experience by providing quality products and service at affordable prices.

Adding value to the above, we pride ourselves on:

- Professionalism
- Service excellence
- Experience

Professionalism, service excellence and experience are therefore the driving force behind our success and through extensive research; we have formulated our concept to suit the needs of Ruutos' customers.

Ruutos is without doubt one of the best emerging franchise concepts in South Africa. It is authentic and offers prospective Franchisees the opportunity to own a tried, tested, and profitable business.

Turn-Key Operation

We offer a full turn-key operation where we assist you every step along the way from opening to establishing and developing your new Ruutos Franchise.

Our support team excels with energy, and you will enjoy the benefit of their experience in this industry.

Training & Support

Initial training consists of business setup, systems, policies, and procedural training which includes an overview of the Ruutos business model, helping Franchisees become proficient in all aspects of operating a Ruutos Franchise. The importance of thorough training cannot be over emphasised, and it is essential to the success of all.

Ruutos operations support will continue to support the Franchisees throughout their Ruutos Franchise ownership.

Finance

Franchise Fee:

R 100 000 (excluding VAT)

The Franchise Fee is payable on the signing of the Franchise Agreement and is non-refundable. The balance of the Set-Up Cost is payable on a date provided by the Franchisor.

Set-Up Cost:

R 1 100 000 (excluding VAT)

The Set-Up Cost includes:

- Franchise Fee
- Initial Training
- Design
- Electronic Equipment
- Furniture
- Opening Stock
- Shop Fitting
- Marketing Setup (website etc.)
- Tools
- Uniforms
- Digital Printer
- Computers and Software
- Business Management Software
- Signage

On-going Monthly Costs:

A fixed fee of **R 2 000** (excluding VAT) per month and shall be subject to an annual increase of 10% to take effect on the first day of March after the effective date, for the duration of the Franchise Agreement.

Management Services Fee:

A fixed fee of **R 1 500** (excluding VAT) per month and shall be subject to an annual increase of 10% to take effect on the first day of March after the effective date, for the duration of the Franchise Agreement.

Marketing Fund Contribution:

Steps To Becoming A Ruutos Franchisee

- 1 Enquiry
Receive Prospectus,
- 2 Application Documents &
Non-Disclosure Agreement
- 3 Complete & Sign Application Document,
Non- Disclosure Agreement &
Return to Ruutos Head Office
- 4 Meet Ruutos For An Interview
- 5 Receive Disclosure Document
& Franchise Agreement
- 6 Complete & Sign Acknowledgement
Of Receipt Of Disclosure
Document & Franchise Agreement.
Return to Ruutos Head Office
- 7 Sign Franchise Agreement,
Pay Initial Franchise Fees
- 8 Pay Balance of Franchise
Fees In Full On A Date
Provided By Franchisor