

# BUSINESS REPORT

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Business Reference: 37663

About the Business:

## Transform Your Community with the Next Generation Water Filtration Franchise

Discover an innovative franchise, offering a subscription-based, under-counter water filtration system. Benefit from sustainable monthly income, and low start-up costs, all while capitalising on growing demand for clean, healthy, and eco-friendly water solutions nationwide.

# Transform Your Community with the Next Generation Water Filtration Franchise



Sector: **New Franchise Opportunities**

Asking Price:

**R 120,000**

Asset Value:

**R 240,000**

Monthly Profit:

**R 14,160**

Stock Value:

**R 120,000**

Yearly Net Profit :

**R 169,920**



# Business Report

## How long has the business been established?

Wanzi H2O was officially established in 2023 with the vision of providing clean, affordable drinking water to South African households and businesses. Although the business is new, the concept has gained immediate traction, with demand for our unique subscription-based water filtration system growing rapidly nationwide.

## How long has the owner had the business?

2 years

## What is the Franchise opportunity about?

Wanzi H2O is at the forefront of delivering clean, affordable drinking water to South African homes through a unique, subscription-based under-counter filtration system. As water concerns grow across the country the opportunity is endless. Wanzi offers a solution that is easy to sell, easy to install, and easy to scale.

The Wanzi H2O franchise gives entrepreneurs the chance to own and operate a business that provides affordable, sustainable water solutions to households and businesses in their community.

Franchisees represent Wanzi H2O, a unique product offered either through a low-cost monthly subscription (from just R185 per month) or an outright purchase. This flexible model allows you to build recurring income while meeting the growing demand for clean drinking water across South Africa.

As a franchisee, you'll receive:

- Exclusive territory rights to operate in your chosen area.
- Full training and support in product knowledge, installation, and business operations.
- Marketing and lead generation support, including digital campaigns that already generate strong customer demand.
- The opportunity to be part of a fast-growing, first-to-market concept.

## How long has the Franchise group been established for?

Wanzi H2O is a new and innovative business, launched in 2025. The franchise opportunity is a recent addition to our business model, introduced after we identified a strong nationwide demand for our product.

Due to the growth and interest generated, it became clear that the best way to meet this demand is through franchise partners in every province, ensuring customers across South Africa can access clean, affordable drinking water.

## **How many existing franchisees are there in the group and for how long have they been operating?**

At present, Wanzi H2O has three active franchisees, with a fourth franchise in the pipeline.

This reflects the exciting early growth stage of Wanzi H2O, where demand is rapidly increasing, and new partners are joining to help us expand nationwide.

## **In which provinces/ areas are the existing franchisees located in?**

We currently have active franchises in the East and West Rand and Northern Free State

## **What is the success of the current franchisees?**

The ongoing decline in water quality in South Africa is not only a cause for concern but also highlights the growing demand for water filtration systems. This is especially true in the more affordable market where the customer cannot afford to purchase a filter system upfront but still has the pressing need for clean water. It is in this segment that the unique subscription based model ensures customer loyalty and repetitive income for long-term growth and success.

## How does the business operate on a daily basis?

The Wanzi H2O franchise runs on a streamlined process that makes it simple to manage customers, installations, and recurring revenue. A typical daily operation includes:

### Customer Enquiries & Leads

- Leads are generated through local marketing campaigns (including Google Ads, social media, and referrals).
- Potential customers reach out via WhatsApp, email, phone call, or online enquiry.

### Information & Sales Process

- Customers usually request more details about the system, the subscription option (R185/month), or the outright purchase option.
- The franchisee responds promptly, sending the required information via WhatsApp or email, depending on the customer's preference.

### Onboarding & Documentation

- Once the customer is ready to proceed, the subscription document is sent for completion.
- After the signed document is received back, the installation is booked.

### Installation & Handover

- The unit is installed at the customer's premises by the franchisee (or their appointed technician).
- On completion, the customer signs a final delivery note, confirming satisfaction with the installation.

### Administration & Billing

- All customer information and documents are captured for record-keeping and invoicing.
- Subscriptions are billed monthly, with payments due on the 1st of every month.

### Ongoing Service & Relationship Management

- Franchisees provide ongoing support and ensure filter replacements are managed at the 12-month mark.
- Strong customer relationships drive referrals and repeat business.

## How are the clients attracted to the business?

Clients are attracted to Wanzi H2O through local marketing campaign efforts.

- Digital Marketing: Google Ads; Meta (Facebook & Instagram), YouTube and TikTok campaigns
- Referrals & Word of Mouth - Happy customers often refer friends and family, creating natural growth.
- Area Marketing: Franchisees engaging with their community. From households into offices and industrial spaces

## What Advertising/Marketing is carried out?

Digital Marketing: Google Ads; Meta (Facebook & Instagram), YouTube and TikTok campaigns

## Does the business have any contract work?

The success of the business is based on contract work where about 30% of the sales is on monthly subscriptions. This creates, over time, a very sustainable income stream that is not influenced by economic fluctuations etc.

## What competition exists?

The water purification market in South Africa is competitive, with various products available such as bottled water, countertop filters, under-counter filtration systems, and reverse osmosis units. However, most competitors focus on once-off sales or high-cost installations that are not easily accessible to the average household.

Although once off sales will always be an integral part of the business, its the subscription based model that opens a new market for water filters that has never been tapped into

Wanzi H2O differentiates itself by offering a:

- Unique subscription-based model starting at just R185 per month, making clean drinking water affordable and accessible.
- Hassle-free installation and maintenance included in the subscription.
- First-to-market concept that combines affordability, convenience, and sustainability in one solution.

While competitors exist in the broader water filtration industry, no direct competitor currently offers the same subscription-driven, under-counter system at this price point — giving Wanzi H2O a strong first-mover advantage in the market.

## What are the seasonal trends?

Demand for Wanzi H2O tends to increase during warmer months, when households and businesses consume more drinking water. Spring and summer are particularly strong seasons, with higher interest in health, hydration, and lifestyle improvements.

That said, because clean water is an everyday essential, Wanzi H2O enjoys year-round demand, with subscriptions providing consistent recurring revenue regardless of the season.

## How is income derived?

Income in the Wanzi H2O business is generated in two main ways:

### 1. Outright Sales

Customers purchase the Wanzi H2O 5-Stage Filtration System outright.

This provides the franchisee with an immediate once-off income based on the sale price.

### 2. Subscription Model (Most Popular Option)

Customers subscribe to the system at R185 per month on a 12-month contract, after which the agreement continues on a month-to-month basis.

This model creates a sustainable and recurring monthly income stream, ensuring long-term profitability and customer retention.

The combination of outright purchases and subscription contracts provides franchisees with both upfront cash flow and ongoing recurring revenue, making the business model scalable and financially sustainable.

## Does the Head Office assist in securing contracts (if applicable) or is it up to the individual franchisee's to do this?

All social media and Google Ads campaigns are undertaken and managed by Head Office to ensure consistent national brand awareness and exposure.

All sales leads generated via the official Wanzi H2O website are shared equally among the franchisees operating in the relevant area. This ensures fairness and gives each franchisee access to high-quality enquiries.

It is, however, up to the individual franchisee to market their business locally, convert leads into paying customers, and build strong customer relationships within their territory.

In short, Head Office drives national awareness and provides website leads, while franchisees are responsible for local marketing and sales conversions. The Head Office Marketing agency is able to assist Franchisees with their marketing efforts and will communicate with them directly and at their own expense if they wish.

## What advertising and marketing is undertaken on a group basis and what is the individual franchisee expected to do?

On a group basis, Head Office manages:

- National digital marketing campaigns (Google Ads, Meta campaigns, and other online advertising) to generate brand awareness and quality leads.
- Website enquiries, which are distributed fairly among franchisees in their respective areas.
- A start-up advertising package provided when you purchase your franchise, giving you immediate visibility in your territory. This is a once off plan which is carried out in the first month.

At an individual franchisee level, you are expected to:

- Market your franchise locally through community engagement, events, flyers, and partnerships.
- Follow up on leads provided by Head Office to secure conversions.
- Build referrals and word-of-mouth growth by delivering excellent customer service.

This combined approach ensures that franchisees benefit from national brand exposure while also having the flexibility to grow their business locally.

## How could the profitability of the business be improved?

Profitability in the Wanzi H2O franchise can be enhanced through a combination of strategies:

### 1. Grow the Subscription Base

- Focus on converting leads into 12-month subscription contracts, which provide a sustainable, recurring income.
- Encourage renewals and upselling additional units or services.

### 2. Expand Local Marketing Efforts

- Engage the community through events, partnerships and local promotions.
- Leverage social media, flyers, and word-of-mouth to increase brand awareness in your territory.

### 3. Efficient Customer Management

- Maintain strong customer relationships to reduce churn and ensure timely payment collections.
- Provide excellent post-installation service to drive referrals.

## Is Seller finance available and for what amount?

No

## How are Projected turnovers and profits calculated?

Projected turnovers and profits for a Wanzi H2O franchise are calculated based on a combination of subscription income, outright sales, and manageable operating costs. The model is designed to give franchisees a predictable, recurring monthly income while allowing room for additional growth.

- Subscriptions (Core Revenue): Monthly income from clients who sign up for the R185.00/month subscription service. This ensures long-term, stable cash flow.
- Outright Sales: Additional revenue comes from customers who choose to purchase the system outright.

If all 120 units included in your franchise are sold on the subscription model at R185/month, you can generate a potential recurring income of R18,000 every month - and this is just the starting projection, as every additional subscription sold increases your monthly income even further.

Please take note, that due to the fact that this franchise is modelled on repetitive income, the figures used is the projected figures in year three. The first three years projections is available on request.

## What is the Franchise joining Fee?

The Wanzi H2O franchise does not have a joining fee.

- Franchisees pay only for the franchise purchase, which includes 120 filtration units and the start-up stock package.
- There are no additional upfront fees for training or support, as these are included in the franchise package.

This structure makes it easier for new franchisees to start operations with minimal upfront costs while receiving all necessary assets and support from Head Office.

## What is the monthly royalty, management and marketing fees? Are these fees based on turnover or a flat rate?

Wanzi H2O operates on a simple, transparent fee structure:

- A R35.00 fee per unit is billed to the franchisee every month for filter replacements.
- This fee is based on the total number of active subscription units sold.

For example, once all 120 units from the initial franchise stock are sold on subscription, the monthly fee payable will be R4,200.00. the gross income for the franchise on the 120 is R 22 200

This model ensures that fees are directly linked to the growth of your customer base, keeping costs aligned with income and making it easy to manage cash flow.

## What extra marketing and advertising should a franchise budget for?

While Head Office runs national campaigns (Google Ads, social media, and website lead generation) and provides a start-up advertising package in the first month, franchisees should budget for local marketing initiatives to build visibility in their specific territory. Recommended activities include:

- Local Digital Advertising – Boosted Facebook/Instagram posts, local Google Ads campaigns.
- Community Marketing – Flyers and community WhatsApp groups.

A suggested starting budget is between 10% - 15% of monthly turnover, depending on how aggressively the franchisee wants to grow their customer base.

## Is stock supplied with the initial franchise setup (if applicable)?

Yes. Each Wanzi H2O franchisee receives 120 filtration units as part of the initial franchise setup. These units provide enough stock to start operations and service your first customers.

Once the initial stock is sold, additional units and replacement filters must be purchased directly from the franchisor to maintain quality and consistency across all franchises.

## Will stock purchases be solely from franchisor in the future or can the franchisee purchase from other suppliers?

The franchisor supplies all stock, and franchisees cannot source these items independently.

- Each franchisee receives 120 filtration units upon purchasing the franchise.
- Once these initial units are sold, any additional stock must be purchased directly from the franchisor, ensuring consistent quality and brand standards.

This approach guarantees that all customers receive authentic, high-quality Wanzi H2O products, maintaining the integrity of the brand and the subscription model.

## How many staff members are required to successfully operate the franchise?

A Wanzi H2O franchise can be successfully operated with a small team, depending on the size of the territory and customer base:

- At the Start: 1–2 people — the owner can manage the business alone, including installations, or with one additional team member.
- As the Customer Base Grows: Additional staff may be required to handle administrative tasks, customer service, and installations if the owner chooses not to manage these personally.

The business is designed to be scalable and manageable, with Head Office support for marketing, training, and operational guidance, allowing franchisees to adjust staffing based on demand.

## What training is provided for new franchisees and staff members? Is there a cost associated with this?

All new Wanzi H2O franchisees and their staff receive comprehensive training designed to ensure successful business operations. This includes:

### 1. Franchise Onboarding

- Introduction to the Wanzi H2O brand, business model, and subscription system.
- Understanding the filtration system, its components, and features.

### 2. Installation Training

- Step-by-step guidance on installing the 5-stage filtration system safely and efficiently.
- Troubleshooting and maintenance procedures to ensure customer satisfaction.

Cost:

Training is included in the franchise package and comes at no additional cost to the franchisee

## Where will training take place and for how long?

Training is designed to be flexible and convenient for all new Wanzi H2O franchisees:

- Online Training: For franchisees outside Gauteng or in other provinces, training will be provided online.
- In-Person Training: Franchisees in Gauteng (or those who prefer) can attend a single, comprehensive in-person training session at Head Office.

Additional Resources: Franchisees also receive step-by-step guides, product demonstration videos, and installation walkthroughs to use as ongoing reference material.

This ensures that every franchisee, regardless of location, is fully equipped and confident in managing installations and running their business.

## What support and backup is offered to the franchisee?

The Franchisor gives not only general support but also a 12 months factory guarantee on the units

## Does the franchise have to be owner operated?

No, the Wanzi H2O franchise does not have to be owner-operated, though it is recommended, especially in the early stages.

- At the start, the owner can run the business themselves, handling installations, customer service, and administration.
- As the business grows, additional staff can be hired to manage installations, administrative tasks, and customer support if the owner chooses to take a less hands-on role.

This flexible approach allows franchisees to scale the business according to their capacity and growth plans.

## What type of premises do a new franchisee require to operate the franchise?

A Home-based model is all that is required, no office, warehouse or shop front is required.

## Can the franchise be operated from home?

Yes, this is what makes this franchise offering so beneficial as it's a home-based setup with low overheads costs.

All that is required is the following:

- Storage space for stock (filtration systems, filters, basic spares) is needed.
- Access to transport (bakkie, car, or van) for deliveries and installations is essential.

## How many franchises will be allocated to each Area/ Province?

Each province or designated area will have a limited number of franchise allocations based on market demand and population size.

The exact number of franchises per area is determined by Head Office after assessing potential demand, ensuring each franchisee can build a sustainable customer base.

This approach ensures territorial protection while allowing for strategic growth across all regions in South Africa.

## What skills and background is the franchisor looking for in a prospective franchisee?

At Wanzi H2O, we're building more than just a business network — we're building a movement to make clean, affordable water accessible across South Africa. To make this possible, we're looking for the right partners to join us.

You don't need to be a plumber or technician (we provide full training and support), but the most successful Wanzi H2O franchisees will share the following qualities:

### Entrepreneurial Spirit

- Ambitious, driven, and eager to grow a business.
- Sales or small business experience is a plus, but not required.

### Customer-Focused

- Strong people skills and the ability to connect with your community.
- Passionate about offering solutions that improve everyday lives.

### Hands-On & Practical

- Comfortable learning technical skills or managing a small team for installations.
- Problem-solver with a proactive attitude.

### Trustworthy & Committed

- Honest, reliable, and professional.
- Committed to following the Wanzi H2O franchise system and upholding our brand standards.

### Financial Readiness

- Ability to invest in the franchise setup.
- Access to working capital for the first few months while you establish your customer base.

## Strengths?

1. Unique Product Offering: Subscription-based 5-stage under-counter filtration system, not currently offered by competitors
2. Recurring Revenue Model: Monthly subscriptions provide sustainable and predictable income.
3. Low Initial Investment: Affordable franchise entry with immediate access to 120 filtration units.
4. Head Office Support: National awareness campaigns, start-up advertising package, training, and ongoing guidance.
5. High Market Demand: Growing concern over water quality and health awareness drives demand nationwide.

## Weaknesses?

1. New Business: Franchise network is in early stages with limited operating history and performance data.
2. Dependence on Franchisee Marketing: Local lead generation requires initiative from individual franchisees.
3. Limited Brand Recognition: As a new business (established 2025), brand awareness is still building.

## Opportunities?

1. Nationwide Expansion: Opportunity to establish franchises in all provinces where demand exists.
2. Health & Sustainability Trends: Increasing consumer focus on clean water, healthy living, and eco-friendly alternatives.
3. First-Mover Advantage: Unique subscription model and innovative product give an edge over traditional filtration competitors.

## Threats?

1. Competition: Traditional water filtration systems, bottled water, and other filtration brands.
2. Economic Factors: Inflation or economic downturns could affect household spending on subscriptions.
3. Market Awareness: Being a new concept, educating customers about the benefits of subscriptions vs. outright purchase may require ongoing effort.

## What is the full purchase price of the franchise (incl VAT)?

The full amount is R 240 000. The purchase price includes 120 Wanzi H2O filtration units. The purchase price of the franchise can be scaled to R 140 000 with 60 Wanzi H2O filtration units

## What is included in the purchase price and breakdown of various costs?

### Startup Package Includes

- 120 Wanzi H2O filtration units (60 on scaled purchase price)
- 120 replacement filters (delivered 9–12 months post-purchase) (60 on scaled purchase price)
- Dedicated @wanzih2o.co.za email address
- 15 km exclusive territory
- Training and support from the Franchisor
- 2 x Vehicle Magnets
- 100 Printed Business Cards

### Marketing Kick-Off Campaign:

- Dedicated landing page on the Wanzi H2O website, including information about the area, contact details and contact form.
- Welcome posts on Facebook & Instagram
- Paid Meta & Google Ads targeting your region
- WhatsApp profile kit (Profile Image, brochure, branded status updates)
- The Franchisee will receive branded communication collateral: CI guideline document, Letterhead; Business card and email signature.

## How many months working capital will the franchisee require?

We recommend that each franchisee has at least 3 months of working capital available. This ensures you can comfortably cover operational costs such as transport, fuel, marketing, and basic overheads while building your customer base and growing monthly subscription income.

## When will a franchisee be able to start drawing profits from the franchise?

Most franchisees can expect to begin generating profits within the first 3 months, depending on how quickly they build their customer base and subscription income.

The exact timing will vary by area, effort, and marketing activity — but with strong demand for Wanzi H2O, a committed franchisee who actively promotes and services their territory should see their business become cash-flow positive within the first year.