

The Drug Detection Agency
TDDA

tdda.com

FRANCHISE OVERVIEW

Introduction

Welcome to The Drug Detection Agency (TDDA). We believe that the drug detection business, together with our brand, is not only unique and exciting, but that it also offers franchisees the opportunity to be involved in a business that can have a positive impact on the community.

The TDDA Franchise Overview that you are about to read has been designed to provide detailed information on the TDDA business, how we work, the opportunity and our expansion through Australia and New Zealand. The information contained within this book has been collated as a result of the numerous questions that people just like you have asked.

For further information please contact any of the TDDA representatives.

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Vision

Creating Drug-Free Environments

Our DNA

- Taking ownership with no excuses
- Straight up, straight forward, no short cuts
- Defining excellence through innovation, market leadership and integrity
- Creating positive change in people's lives
- People like us

Our Story



Kirk Hardy - TDDA Founder

Kirk Hardy was a Drug Squad Police Detective when he identified a need for a service provider in the workplace drug testing market. He had seen the negative effects that drugs can have on individuals; their friends and families; the community at large; and how it can potentially impact on the safety of all those in contact with the drug user.

Armed with an idea and the desire to create a business that makes a positive impact on people's lives, Kirk left his job in the Police and took the plunge, setting up TDDA in 2005. Like any new business the early years were made up of hard work; long hours; the joys of balancing cash flow and growth; establishing a name and client base and always looking to achieve the very best in growth and service delivery. TDDA is now the largest workplace drug testing company in Australasia.

In 2012 we moved into the Australian market. The same systems and processes that had made New Zealand such a success were developed for the Australian market to ensure the best service offering for all clients, both at state level as well as nationally. In 2021 Healthcare Holdings Limited (HHL) acquired a majority share holding in TDDA. This has added extra fire power to the TDDA brand.

The rest, as they say, is history and today there are now multiple TDDA franchised business owners operating on both sides of the Tasman, ensuring that we are now an internationally recognised name as the complete solution provider in the drug testing industry.

Kirk is still involved behind the scenes in the business and combined with a dedicated team, is the driving force behind all of the successes driven through innovation and creativity. That same mindset has ensured that TDDA were the first in Australasia to offer a test for synthetic cannabis; were the first to the market with two unique drug detection mobile phone apps; and we continue to offer the most innovative service to our clients and have created our own electronic testing and reporting platform "Imperans".

TDDA is not about catching drug users. We are not about labeling or judging people. TDDA is all about ensuring safety in the workplace and the community. Our vision is to create drug-free environments and in the process ensuring the operator of the truck driving down our roads who passes the little girl on the bike is drug-free and safe.

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Assessing your suitability to become a franchisee

Everyone who decides that they would like to have their own business should subject themselves to a detailed self-examination of their attitudes, capabilities and long-term goals to ascertain whether it is the right direction for them to take. This applies to both Franchise and non-franchised businesses.

In a Franchise, the system and business format does not necessarily guarantee success. The Franchisor provides a business format, but the success of its operation depends greatly upon the Franchisee's skill and ability to maximise the opportunity that the Franchise represents. Some key considerations are:

1. Previous self-employment: Previous self-employment can be a real strength in a Franchise as it provides depth of understanding of basic business systems. Experience in a similar business to the Franchise may also provide useful market knowledge and expectations. However acceptance of the disciplines of the Franchise system is fundamental to success of the Franchise business.

2. Commitment: Commitment to working on the business is essential. This includes careful business planning to ensure budgets are set, monitored and strictly adhered to, marketing plans are implemented, staff and customers are treated with respect. No Franchisee can afford to be complacent in this area.

3. Expectations and Preparation: Potential Franchisees must carefully consider the business responsibility and financial commitment of owning a Franchise prior to purchase. Two key areas of consideration are:

    a. The Franchisee must be realistic about the magnitude of the task of being a self-employed business person

    b. The Franchisee must be prepared for potential financial vulnerability, which may occur during establishment period and throughout the period of business ownership. Finance should be arranged to ensure adequate working capital to sustain them during the start-up period.

4. Follow the system: Following the system is crucial to receiving long-term rewards of Franchise ownership. Franchisees increase their chances of success when their diligence and hard work are applied to the system in totality.

5. Business Advice: It is important that the Franchisee has the support of family and friends. However it is also important to seek professional advice when purchasing a Franchise business, to ensure you are completely comfortable and familiar with the business. We strongly recommend using the services of an expert with franchise industry experience.

6. Responsibility: A Franchisee is responsible for the daily relationships with their clients and taking the initiative necessary to develop the business. Some Franchisees expect the Franchisor to do more for them than is realistic. No prospective Franchisee should enter into a franchise relationship without understanding the roles and expectations between the Franchisor and the Franchisee.

7. The right aptitude: An honest appraisal of one's strengths and limitations prior to purchasing a Franchise is essential. Many Franchise systems require Franchisees to be active business development people who enjoy meeting and developing clients. Franchises are often small operations, which require the Franchisee to be actively involved in all facets of the business, including marketing, administration and personnel management. An applicant that believes this would be difficult to achieve must seriously consider whether purchasing a Franchise is appropriate for them.

These areas should be fully appraised by the prospective franchisee undertaking a self-evaluation. They are useful in deciding whether to proceed with the franchise opportunity or not.

What Franchising should do is reduce the risk inherent in opening a new business. This is because one of its main attractions is that the Franchisor is selling the benefit of the experience gained in running a business or pilot operation, and potential problems have been detected and solved. Franchising should, therefore, provide the Franchisee with a business, which has a proven record of success, which can be built on. No Franchise should ever be offered or considered as a work-free way of making money. Franchising is not the easy way to quick riches. In life, nothing comes easily and this is certainly true of Franchising. Most successful Franchisees have worked very hard to achieve their success.

The factors discussed are important in the process through which all prospective self-employed business people should go through before taking the plunge. Indeed, you must not lose sight of the fact that in deciding to purchase a Franchise you are choosing self-employment in a particular type of business that is structured in a certain type of way.

Ask yourself the following questions and answer them honestly.

- Do I understand franchising and what is involved?
- Am I prepared for the ups and downs of self-employment?
- Do I have access to the financial resources to make this venture a success?
- Does a franchise opportunity provide the right platform for me to exploit and maximise my strengths?
- Do I mix well with people?
- Can I handle staff?
- Can I handle a budget?
- Can I work to a business plan?
- Does my family support this business venture?
- Do I have the ability and commitment to work hard?
- What am I looking for – job satisfaction; capital gain; to be the author of my own destiny?
- Can I accept the disciplines of a franchised system?
- And finally – what do I want to achieve in life

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The Franchise Recruiting Process

Successful franchising is a two-way relationship. The TDDA recruitment process is designed to ensure you make the best decision with all of the available information, and we get the best franchisees on board. Here is a generalised summary of the Franchisee recruitment process. The actual process can take a few months and may have extra steps depending on the due diligence requirements of all parties.

1

Initial enquiry by the potential Franchisee. TDDA will ask the potential Franchisee to complete our online enquiry form and agree to a confidentiality deed

2

A conversation between TDDA and the potential Franchisee. This is designed to introduce each other and develop a better understanding about TDDA and the opportunity.

3

Initial Franchise information is sent to the potential Franchisee.

4

A number of phone calls, video calls and meetings are arranged so we can get to know each other and discuss the business in depth.

5

After reviewing the information to date you confirm that you want to go to the next stage. You will also be asked to supply some financial information.

6

A commitment to a TDDA territory is made.

7

We supply a generic TDDA Franchise Agreement to review. You will be asked to complete a business plan and a budget - this will allow us to understand your growth plans

8

TDDA will ask for a deposit to lock in your chosen territory. TDDA also gets our lawyer to populate an individualised Franchise Agreement. This will have some of the business information supplied by you

9

Signing of the Franchise Agreement by the new Franchisee and TDDA.

10

The TDDA business commences with your initial training

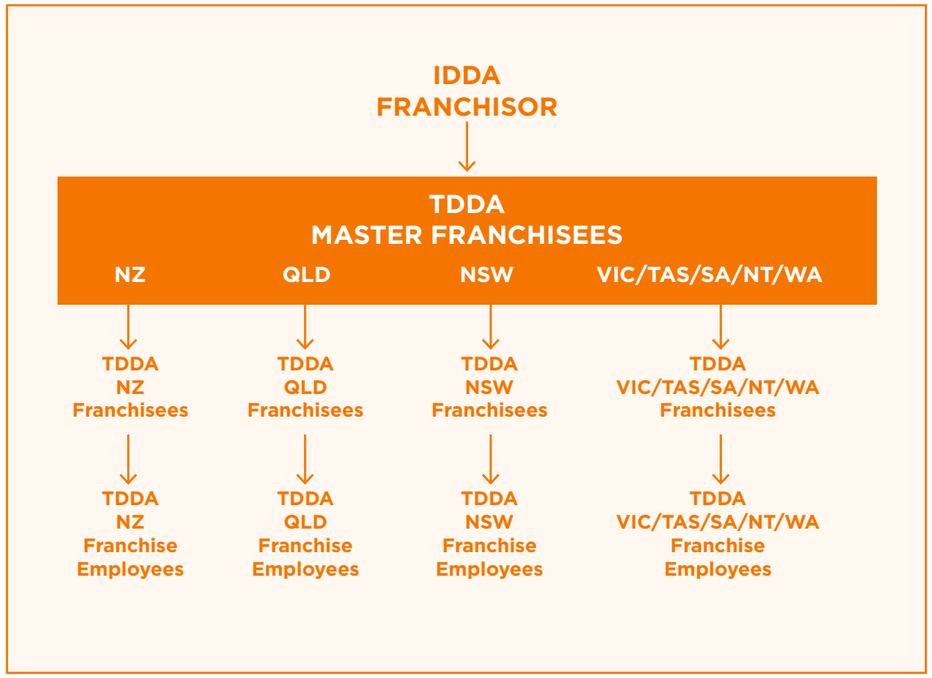
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The Structure



The Franchisor, who owns all of the Intellectual Property (IP), the brand and the proprietary rights to the business is the International Drug Detection Agency (IDDA). Operating under this is a Master Franchisee who owns the right to operate and Franchise the business within their regions. Operating under these Master Franchisees are the Franchisees and as their business grows, employees.

The initial set up of a TDDA Franchisee business consists of the Franchisee and a testing van. This person is responsible for all aspects of the business including the delivery of all services, local business development and general operational requirements, along with the support from the Master Franchisee including the Business Development Manager and Operations Managers. As the business grows the Franchisee will need to take on extra staff and vans.



Services

Policy Development

- Review existing Drug & Alcohol (D&A) Policy documents
- Create new D&A Policy documents
- Provide expert advice for clients during any D&A Policy consultation process
- Access to expert legal advice in relation to workplace health and safety (WHS) issues

Training and Education

- Provide advanced management awareness workshops
- Provide employee education training
- Deliver CSi training

Mobile Workplace Drug Testing

- 24/7 mobile on-site drug and alcohol testing services including:
- Urine drug testing
- Oral fluid drug testing
- Breath alcohol testing
- Synthetic cannabis testing
- Hair drug testing

Private/ Community

- Pre-purchase, post tenancy and motel unit property screening services for methamphetamine residue
- Present to various community or industry organisations

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Our Unique Selling Points

We are confident that when we stack our USP's up against our competition, we offer a high quality and compelling service. The reasons clients choose to use TDDA services is our independence, our knowledge and our expertise in the drug testing industry.

END-TO-END SERVICE

TDDA offer all facets of drug and alcohol testing from policy development, to training, mobile and in-house drug and alcohol testing, hair testing, pre-employment testing and property methamphetamine testing.

R&D

TDDA were the first to test for synthetic cannabis in Australasia. We offer world first drug detection mobile phone apps; we have strong international relationships to keep us ahead of the game. We have recently built our own electronic testing and reporting platform. The business model is based around innovation and continuous improvement.

ACCREDITATION

TDDA work with the appropriate accrediting body to ensure our business practices are assessed against the relevant local and ISO standards. This means that clients can be assured that our practices and policies have been assessed as achieving the highest standard and are legally compliant.

24/7 SERVICE

TDDA offer the very best in 24/7 mobile drug and alcohol testing services. Purpose built vehicles can respond at short notice to a client's requirements such as post incident and reasonable cause testing meaning less downtime within the workforce.

CENTRES OF INFLUENCE

TDDA has a strong presence in the local and international drug testing industry. We have Board level representation on internationally recognised drug testing industry associations. We have been keynote speakers at national and international conferences and we have representation on recent drug testing Standard review Committees.

MOBILE TESTING FACILITIES

TDDA provides a mobile service that is completely self sufficient. All testing conducted within our vans and offices are compliant with relevant standards to ensure a robust and reliable service delivery.

COVERAGE

TDDA have strong coverage across Australasia. This means a greater level of consistency for our national clients and more business for Franchisees. We also have relationships in USA, South America and across Europe.

BUSINESS OWNERS

All of our Franchisees are individual business owners, with their investment ensuring commitment and consistency of service for the client. As the only drug testing Franchise this is an advantage. Our competitors rely on employees and contractors.

IMPERANS

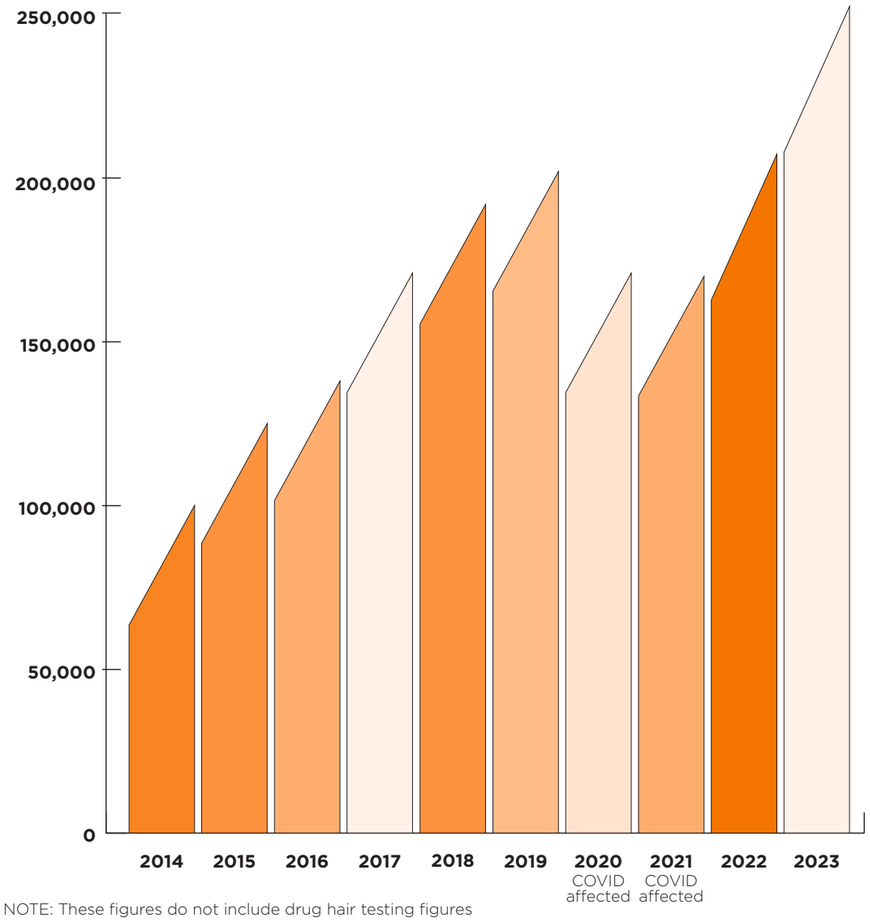
TDDA has invested heavily to provide our franchisees and our clients with a bespoke electronic testing and reporting platform called Imperans. This electronic platform is a game changer for TDDA and our clients providing numerous features including: real time reporting to the clients; a more secure electronic platform for storing and reporting testing information; creating efficiencies for the franchisees so they can complete more testing in a shorther timeframe; dashboard reports to the clients to show trend analysis. And it doesn't stop there, the Imperans team is constantly testing a developing new features.

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The Growth

TDDA has grown year on year at an impressive rate. This growth has been driven by our superior level of service and commitment to our clients. The growth has also been assisted by health and safety legislation and the increasing demand for drug testing in the workplace and prior to employment. In 2023, the number of tests completed by TDDA Franchisees equated to more than 120 drug tests for every working day hour of the year.

TDDA Annual On-Site Drug Screens
(Circa numbers)



NOTE: These figures do not include drug hair testing figures

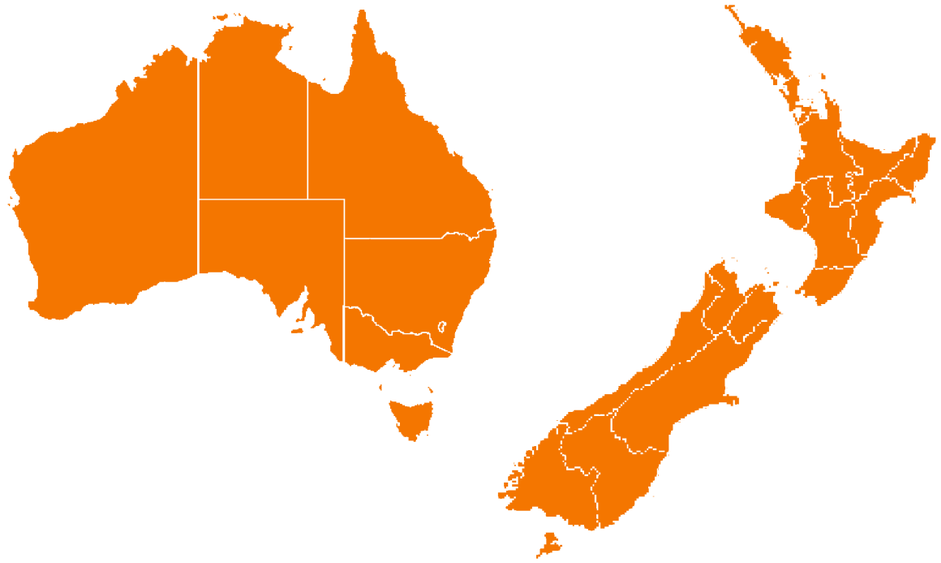
The Territories

There are a number of defined territories within each Master Franchisee's region. Working with leading Australian territory analyst and mapping experts (Spectrum Analysis) we were able to use the units of demand (UOD) measure to map territories into equitable areas that take into account the industry type and target market. This provided a conservative performance base for benchmarking.

Units of demand (UOD) is a measure of opportunity value. Analysis was undertaken of industries that use drug and alcohol testing services, with a weighting applied to each industry based on the level of use. Some of the higher weighted industries were transport, construction and manufacturing. Next, territory specific market research was undertaken to identify businesses by industry and by the number of employees. A multiplier was then allocated to each business based upon number of employees.

- **1 - 4 employees had a multiplier of 1**
- **20 - 200 employees had a multiplier of 2**
- **200+ employees had a multiplier of 4 – at this point the multiplier was capped to ensure numbers were conservative**

Combining performance data with specific industry mix and business size enabled the creation of a formula that identified a performance proxy called "units of demand."



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The Training & Support

Training is key to the success of every TDDA Franchisee and our initial training sets us apart from our competitors.

Training commences with a course run by TDDA Head Office that is delivered by both internal and external speakers. The initial training continues with ongoing training, coaching and support carried out in the Franchisees territory and includes:



- **Involvement in the Franchisee Mentoring Program (FMP)**
- **Drug testing technical processes**
- **Business development support to service both existing and new clients**
- **Marketing, brand collateral support**
- **Supply of equipment and consumables**
- **Accreditation compliance support**
- **Operational support as needed**
- **Office set up**

Business Development & Sales Process

Business development requires a commitment from both the Master Franchisee and the Franchisee. The MF will be proactive in prospecting to large and national clients and will work closely with other MF's in both Australia and New Zealand to leverage national and international connections.

The Franchisee is required to be proactive in business development and local area networking in their territory. With the Franchisee being able to sell their services at a local level, this gives them a degree of control and ownership within their own territory. We have found over the years that the harder our franchisees work, the luckier they become.



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What Our Clients Say About Us

TDDA is a company that prides itself on delivering quality service with integrity whilst paying attention to detail in meeting our clients' many and varied needs. This is one of the reasons why our franchisees have been so successful as business owners. The following client feedback is just a small sample of TDDA's commitment to these principles.



"Ullrich Aluminium has been using the services of The Drug Detection Agency (TDDA) in Australia now for 2.5 years. Prior to that we have been using TDDA in our New Zealand operations as well.

I have been delighted with the service that has been provided to us at the various locations throughout Queensland, NSW and Victoria where we have undertaken testing. Services have included on-site testing at a number of our worksites. In addition, on-site follow-up testing has been undertaken with a number of employees who have returned positive results from the initial testing.

Drug testing continues to be a dynamic area of the health and safety industry. New drugs and therefore testing technology and devices are evolving at a faster rate than previously. One of the bonuses of using TDDA has been the provision of accurate advice and on-going assistance of a technical nature prior to testing and ongoing. TDDA keep in regular contact with me and keep me updated on the latest drugs information and tends. This has helped to keep our policy up-to-date and relevant to what is happening in the field.

I would have no hesitation in recommending TDDA to any prospective company thinking of using their services."

National OHS Supervisor Ullrich Aluminium

"I would like to thank you for conducting the training for my new Year 11 cohort in February, 2014. As you know I needed the focus of the drug awareness training to be on "Drugs in the workplace" as all 120 of the year 11's aspire to be tradespeople. All the reports from staff and students indicate that the presentations were totally engaging and clear about the message. I appreciate that you adopted a "non preach" method of delivery which clearly worked, as shown by the number of students who chose to interact after the presentation, to get more details, to share their stories, and to clarify some queries. The fact that I can access such excellent, appropriate, industry focussed, and engaging training on a difficult subject, locally is fantastic."

Neil Whitley, School Based Programs Manager - Tec-NQ

"Mainfreight's collaborative culture required a tailored education package for the roll out of our new Drug and Alcohol Awareness Sessions. The Drug Detection Agency consulted closely with us to customise their management and employee training to fit with our culture. We were extremely pleased with the high level of professionalism and expertise of TDDA as these sessions rolled out nationally. We look forward to a long partnership with TDDA in the field of drug and alcohol testing and education. We recommend their expert services to other businesses particularly transport operators who require a customised approach."

Shona Taylor, National OSH Manager - Mainfreight

"Skellerup has formed a great partnership with TDDA and have utilised their skill, knowledge and professional approach to what is an emotive responsibility under the Health and Safety in Employment Act. We have gone through an extensive re-write of a new policy which was ultimately linked with seminars to managers and employees throughout the country and Melbourne. We have found that the new policy was accepted more readily within the various companies due to the standard and consistency of the training and clear explanation around drug impairment that was provided. I have had no hesitation and would continue to recommend TDDA to any company that wanted assuredness around the drug and alcohol testing, policy development and training that ensured compliance with legislation and case law."

Andy Anderson, HR / Health & Safety Advisor - Skellerup

"We operate over 100 trucks on the road nationally, as well as managing a number of warehouses. As a result, the attitude and performance of our drivers and warehouse personnel is critical to our ability to conduct business on behalf of our clients in a timely and safe manner. In the last 12 months drug testing procedures implemented by The Drug Detection Agency have resulted in us not employing six people, who would otherwise be behind the wheel of one of our rigs or forklifts today. We regard our relationship with TDDA as one of the unique components of our competitive market advantage."

Brendan Prendergrast, Managing Director - Move Logistics Limited

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Contact Information

TDDA NZ & TDDA VIC/TAS/SA/WA/NT
BLAIR LARSEN
Group Sales & Brand Manager
blair.larsen@tdda.com

TDDA NSW
BRYCE DICK
Managing Director
bryce.dick@tdda.com

TDDA QLD
GLEN DITTMANN
Managing Director
glen.dittmann@tdda.com

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tdda.com