

# the franchise review

ISSUE 60 EDITION 4 2019

## Award winning strategies for success

The San  
Churro story

## Recruiting the best franchise candidates

The benefits of a  
transparent sales process

## The future of franchising

The FCA's vision  
for a thriving sector



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## PUBLISHER

The Franchise Council of Australia  
ABN 17 002 789 988  
Level 19, 567 Collins St Melbourne VIC 3000  
T 1300 669 030  
F + 61 (0) 3 9508 0899  
E [info@franchise.org.au](mailto:info@franchise.org.au)  
W [www.franchise.org.au](http://www.franchise.org.au)



## DESIGN AND LAYOUT

PerryCallan  
387 Tooronga Road,  
East Hawthorn VIC 3123  
T 03 9822 9629  
W [perrycallan.com.au](http://perrycallan.com.au)

## EDITORIAL CONTENT ENQUIRIES

Editor, Franchise Council of Australia  
T 1300 669 030  
E [editor@franchise.org.au](mailto:editor@franchise.org.au)

## ADVERTISING ENQUIRIES

Peter White, Franchise Council of Australia  
T 1300 669 030  
E [peter.white@franchise.org.au](mailto:peter.white@franchise.org.au)

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# Shaping the future of franchising

By **Mary Aldred**,  
CEO, Franchise Council of Australia

They say the cauldron of adversity is a great teacher. And it's fair to say the challenges facing franchising and the small business sector over the last year have made good on that. FCA members have faced these challenges in a forward looking, open minded and resilient way.



Representing our members, raising concerns, reflecting real life business challenges and responding to member questions about the national franchising taskforce have been the priority for the FCA team in 2019.

The FCA is determined to set an industry benchmark where our members lead the way. Better regulation, not more regulation, and a proactive franchising sector working to set the standard, is the best way forward.

The FCA has worked hard and introduced real changes over the last 12 months. We will continue to introduce real reform over the coming months through our new member standards. The revised standards will be supported by a set of new guidelines to clarify existing obligations and provide a reference point for day-to-day operations of a franchised business.

Every time there is a bad franchising story on the front page of the newspaper about one brand, it diminishes the shareholder wealth in every other brand that franchisees and franchisors work so hard together to build.

The FCA has made real progress on turning this around. We have more work to do. The FCA has implemented reform, put forward member driven, evidence-based and constructive policy solutions to the franchising taskforce, and I am confident that we will see a sensible regulatory response next year.

To better engage franchisees, we have established an FCA Franchisee Advisory Committee, representing each Australian state and a broad range of franchising industries.

Their thoughtful and experienced input has helped us in the development of the FCA's new strategic plan, our submissions to the taskforce, and initiating support and resources that help our members address practical business pressures.

Franchising is not operating in the same environment that it was 18 months ago, and it's important that our strategic priorities reflect that reality. Based on member feedback about where to prioritise our attention and focus, the FCA has developed a new strategic plan that recognises the business world that we now operate in, as well as what we want it to be, and sets out the priorities members have talked to me about.

The new strategic plan, launched at the 2019 National Franchise Convention, sets out five key objectives:

- 1 Strategic leadership, underpinning the FCA's position as a relevant and effective peak business organisation and advocate
- 2 Membership growth
- 3 Increased revenue to deliver more for our members
- 4 Stakeholder relations, creating robust dialogue, informative events and communication
- 5 Member support and education, providing relevant and specialised training and education programs for our members.

The plan articulates already stated positions, to help build a compliant, sustainable and profitable sector. This includes:

- 1 The development of a mandatory franchise systems register
- 2 The provision of mandatory advice for potential franchisees
- 3 Drafting and embedding new member standards, which we are doing right now
- 4 Sector and issues-based research to help provide a fact-based response and profile on the sector and its key business issues
- 5 Board governance reform and better engaging franchisees.

Running any small business is tough work. Red tape, energy prices, the cost and complexity of industrial relations. I'm listening to what members are telling me, and the FCA is advocating to government on their behalf.

I strongly believe that healthy businesses sustain healthy communities. If businesses struggle, communities struggle. Particularly in our regional towns.

Our regions are undergoing major economic structural adjustment. With manufacturing, power stations and large industrial employers changing the way they operate, regional towns need local jobs and investment. That's the thinking behind the FCA's regional revitalisation initiative.

It's a way to provide jobs, investment and fill consumer gaps in towns, and grow franchising brands across Australia.

"Better regulation, not more regulation, and a proactive franchising sector working to set the standard, is the best way forward."

The FCA directly targeted 80 regional communities across Australia to engage in the initiative, after a pilot program in Hamilton, Western Victoria. We've now had a dozen local councils come back to us actively seeking to partner with franchise brands. FCA members like Chatime, Boost Juice, Cookies Australia, InXpress, Nandos, Bakers Delight, Poolwerx, Gutervac and First Class Financial Group have reached out to engage with the project.

We are innovating and providing partnerships that give both franchisors and franchisees better business support. And we're resetting the franchise brand in Australia to ensure families see our sector as an employer of choice and an obvious business model to invest in.

FCA members continue to derive value from the wide range of educational events provided by the FCA and its dedicated state chapter committees.

These events are designed to address key business challenges and provide education on topics that are affecting small business and more specifically, franchising. In addition to these regular events, this year we have delivered a Western Australian State Conference and in August staged the FCA's first Multi-Unit Summit to provide multi-unit franchisees and franchisor executives with a unique opportunity to learn new ideas for running successful multi-unit operations.

The annual National Franchise Convention and MYOB FCA Excellence in Franchising Awards Gala dinner (for more details see page 21) once again showcased dedicated and passionate people who make this sector so great. The willingness of franchise leaders to share their knowledge and impart the wisdom of lessons learned on their own business journeys never fails to impress, and I thank everyone who participated and attended NFC19 for their valuable contributions.

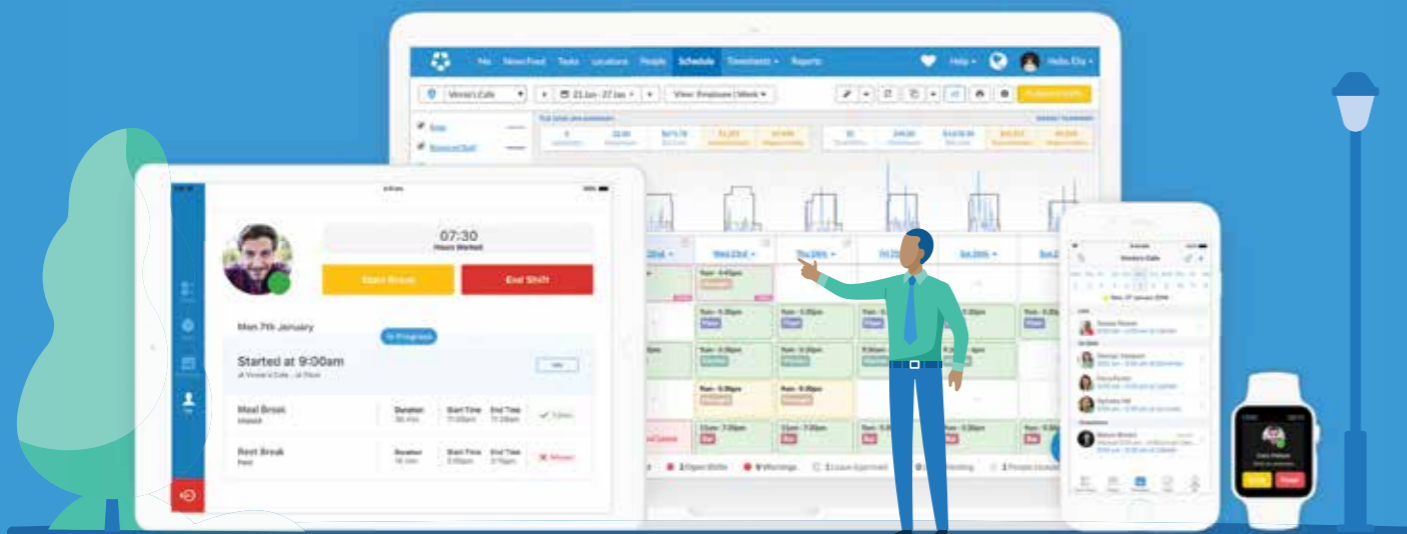
We've achieved a great deal together throughout 2019. And we have so much more to do.

I look forward to working with you again next year and am enthusiastic about what we can achieve together to sustain and strengthen franchising in the year ahead. ■



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## Sweet success for San Churro



For the past 13 years, San Churro has been a fixture in Australia's competitive and fast-changing dessert café market and was recently named the Australian Established Franchisor of the Year at the 2019 MYOB FCA Excellence in Franchising Awards

Here, **Giro Maurici, CEO and Founder of San Churro**, shares the brand's journey and the key innovations and strategies that drive its continued success.

*San Churro CEO and founder, Giro Maurici, (right) with San Churro Operations Director, Matthew Brusi*



Churro Con 2019

### A unique brand with wide appeal

It has been well documented that we took inspiration from the back streets of Madrid but the truth is the San Churro brand is a truly original and homegrown concept, with really nothing like it in the world.

Now operating in more than 50 locations throughout Australia, San Churro exists to deliver an indulgent ‘sweet treat’ experience through comfortable and cosy places that customers can enjoy a high quality and appealing product range including chocolate desserts/drinks, churros, ice cream, cakes and coffee. San Churro thrives in a wide variety of locations and demographic profiles, providing customers with a destination to spend quality time with their loved ones and take a break from the stresses of work and enjoy life.

Whilst the market for a “sweet treat” experience in Australia’s prime café and dining precincts and shopping centres is mature and competitive, it is characterised by a relatively low number of national operators, with San Churro now recognised as the market leader.

Our brand has been recognised and awarded as one of the most liked and loved brands in Australia - with surveys such as one recently conducted by StudentEdge ranking us eighth across all food and beverage brands and number

38 across ALL brands in a star-studded list. We have also been recognised and awarded as leaders in digital marketing, especially through our use of artificial intelligence technology to leverage our targeted digital marketing campaigns.

### The secret sauce – supporting franchisees

What one doesn’t easily see from the outside is the success is fuelled by a terrifically capable and motivated support team based in Melbourne - with 34 support office staff almost outnumbering our 39 franchise partners! This structure reflects the ethos of our shareholders who remain focused on building a leading brand and a sustainable business.

Head office staff encompass expertise and service in business and information technology, operating systems, learning and development, centralised procurement and distribution, marketing, product and menu innovation, management accounting and reporting, payroll execution, site selection and lease negotiation, fit out design, business coaching and much more. You would be hard pressed to find another franchise of our size that has invested so heavily in its support of the brand and operation.

We have a very passionate and active team of five franchise partner support professionals dedicated to coaching our franchise partners. Not only do they provide intensive regular monitoring

and support to further develop our franchised businesses, but they also regularly run training and focus groups on topics voted for by the franchise partners in each state as most relevant to them.

In addition, we invest heavily in our annual conference and bi-annual state regional meetings. We not only use these as a great platform to launch and win support for upcoming initiatives but also take the opportunity to bring in external speakers and ensure all our support office staff attend to optimise the networking benefits of allowing our team to meaningfully connect with one another.

### Contribution and involvement with community causes

Since 2014, San Churro has partnered with Beyond Blue to help raise funds and awareness for anxiety and depression support. Every year customers are invited to ‘Share a Churros’ with friends at San Churro to celebrate the importance of spending quality time with loved ones. In doing so, we have raised over \$200,000.

San Churro has been proudly serving organic Fairtrade certified coffee since 2010. Fairtrade certified coffee directly supports farming families in the developing world through fair prices, good working conditions, community development and environmental stewardship through conservation and

“You would be hard pressed to find another franchise of our size that has invested so heavily in its support of the brand and operation.”

sustainable practices. To date, San Churro has donated over \$310,000 to the Fairtrade program.

### Overcoming challenges and setting a path for growth

At the beginning of 2017, comparable year on year sales across the network had been tracking backwards, with franchise partners growing increasingly discontent and morale amongst support office staff in a poor state.

The first line in the sand was to recognise that successful business strategy needed to be embraced by all within the business and not enforced by a traditional ‘top-down’ style. This new approach and leadership style was exemplified when we when we took our entire support office team away on a ‘Strat-Camp’, something that previously had only been done with the management team. (Funnily enough it was not too long after this camp that we explicitly set ourselves the ‘big hairy audacious’ goal of winning the 2019 FCA Established Franchisor of the Year!)

At that time we sought feedback and held many discussions through franchise partner round tables, workshops and surveys, with it becoming clear that foremost we needed to remind ourselves of the common passion we all had for the brand and what had originally attracted each of us to it.

Secondarily, it was important to also



Ruby chocolate was brought exclusively to the market by San Churro

look around at what was happening in the food world, take insights from studies which demonstrated the food choices of Australians were changing on a scale unprecedented along with an ‘explosion’ in social media postings of food, particularly with ‘instagrammable’ food directly influencing trends.

This strategic realignment was also formulated with our franchise partners through one on one meetings and group workshops at our annual franchise conference and bi-annual regional meetings to ensure group-wide adoption.

One of the big things to come out of our business review process was that it became clear that our habit of ‘jumping’ fast at every opportunity was not effective at all - in fact our haste and ensuing failures had only made it more difficult to win support and buy-in for future marketing initiatives.

Therefore, it was a matter of taking a more strategic view and resisting the ever-present temptation to be drawn into playing a largely reactive and short term ‘tactical’ game. Prior to the review we had particularly focused on the use of pricing discounts to ‘buy’ sales. Armed with a focus on a longer-term horizon and a more holistic set of KPIs, one of the most important changes we implemented was to consolidate and reduce the product offering to reinforce what made us special and what we could truly be proud of.

### The innovation imperative – customer insights are key

If we aren’t innovating - we don’t stand a chance of growing - and hence death is certain!

San Churro’s marketing plan is developed to leverage insights garnered as part of our broader company strategy. Our dessert café segment has become increasingly crowded over the years, so points of difference become more and more important, yet difficult to obtain.

Underpinning this plan are substantial investments in IT, with business intelligence systems being managed by a full-time data analyst and data engineer. Tracking variations to our product mix and customer base is part of what we do every day. Overlay this with insights from the greater market and a couple of things became apparent:

a) Customer behaviour is changing - less is more, quality over quantity and social equity and ethical sourcing are playing the most significant roles in purchase behaviour. We had to make our calories count in the minds of the consumer - ‘If I buy this it had better be worth it!’.

b) Our future lies with Gen Z, and they have a different set of rules. In short, customers had to give themselves ‘permission’ to spend



Giro Maurici with San Churro's Fair Trade coffee suppliers in Papua New Guinea

with us. From this we developed the concept of 'permissible indulgence', which has underpinned our strategic marketing approach for the last two years.

With this understanding of customer trends, we have launched many innovations over the over the past 18 months including:

- 1 A vegan menu, offering 40-plus vegan products and partnering with PETA.
- 2 A low gluten menu.
- 3 A dessert tapas concept.
- 4 Churros Snack Packs (CSPs)
- 5 Ruby chocolate, the fourth chocolate and biggest chocolate innovation in more than 80 years that we brought exclusively to the market. This launch was supported with a ticketed multi-sensory dessert experience offered throughout Australia and was awarded best innovation at the QSR Media awards 2019.
- 6 And last but not least, in recent times we have brought the most delicious Cookie Butter and Gold Chocolate menu innovations as well!

### Delivering measurable results

The results have been dramatically successful across all our measures of marketing success:

- **Supporting Franchise Partners** - as measured by the Franchise Relationships Institute (FRI) in June 2019, most of our franchise partners now view our marketing function as 'very effective'.
- **Brand Health** - 43 per cent of Australians now recognise the San Churro brand.
- **Customer Loyalty** - the percentage of Australians reporting us as their favourite sweet treat brand now sits at an all-time high eight per cent.
- **Store Sales** - the brand posted strong comparable store sales growth of almost five per cent over the past financial year - a stellar result in what everyone knows is a super tough market.

### Franchising the platform for success

We have always been fervent believers in the strength of a well-run and led franchise model in Australia as being the optimal operating model for success. Can

there be anything better than having a capable, passionate and well supported business owner actively managing their business? Our results speak for themselves: we have flourished whilst seeing many individual and corporately owned competitor businesses try to succeed in our space over the years - with many notable high-profile failures.

Given the importance of our franchise partners to the long-term success of the business, one of the metrics we passionately track is our franchise partners' satisfaction in our management. In our most recent snapshot of results collated in June 2019, 90 per cent of franchise partners agreed that they had confidence in the support office team, that the support office cared about their success and that they felt respected by the support office team.

### Final thoughts

At the end of the day we are all here, somehow drawn in by the magic of the San Churro brand, and we take great personal satisfaction in helping each other achieve our life's dreams - in whatever shape or form they may take. It is precisely the honour and privilege of being able to help others with that journey that keeps me leaping out of bed each morning! ■

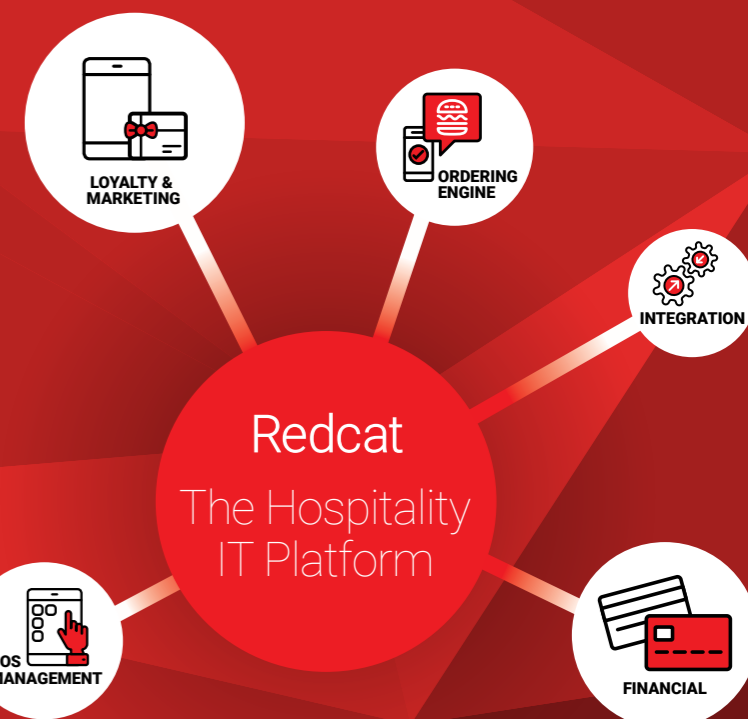
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## How a transparent sales process can deliver the best franchise candidates

Franchisors dedicate substantial time and resources to finding franchisees who are the best fit for their brand, establishing detailed systems and processes that are designed to ensure that when the sales and recruitment process is complete, only the best candidates remain and are ready to make the commitment to become franchisees.

Just as franchisors are assessing their candidates, so too are potential franchisees making decisions based on the recruitment process itself and the information shared as part of it.

Ensuring the sales process you've worked so hard to perfect is clearly communicated with franchisees can benefit all parties as they move through the recruitment stages.

*The Franchise Review* spoke to InXpress Australia & New Zealand's Asia Pacific Franchise Development Director, David Wilkinson, to find out how the shipping and logistics franchise uses a transparent sales process to attract and recruit the best candidates.

"The opportunity for any brand, new or established, to build credibility with a candidate is so important, particularly in today's environment, given recent events that have adversely impacted the industry. As members of the FCA, we are all in a position to lead by example and ensure we are following regulations and best practice," says Wilkinson.



According to Wilkinson (above), implementing a clear, transparent and documents sales process is fundamental to enhancing the brand's reputation with potential franchisees.

"We're in a slightly different position to many other brands in that, nobody has ever woken up and thought 'I want to be a freight consultant'. Most candidates have no clue that this type of business exists, so it's critical that we educate candidates on both our business model and our brand," says Wilkinson.

"The greatest benefit with presenting candidates with a clear and documented process is that they feel comfortable in pursuing information about the brand and business model, without the concern of having signed a binding upfront agreement. Ultimately, the best candidates are the ones that are educated and informed, having taken the right amount of time to do their research and due diligence," he says.

From the outset, InXpress candidates are provided with an eight-step process for recruitment, which Wilkinson outlines as:

- 1 **Goals, overview and decision criteria:** A 45 to 60-minute call designed to find out all about the candidate.
- 2 **Brand Review:** A 60-minute webinar all about InXpress, their history, who they are, and the nuts and bolts of the model.
- 3 **Complete request for consideration:** Further detailed information about the candidate
- 4 **Funding process:** Getting clear on the total investment cost, how the candidate will finance the investment cost and working capital
- 5 **Business review of franchise disclosure document:** Full and detailed review of the candidate's questions and concerns post receiving independent legal advice
- 6 **Attend discovery days event:** Full day at the Franchise Support

"Ultimately, the best candidates are the ones that are educated and informed, having taken the right amount of time to do their research and due diligence."

Centre, meeting the team and management as well as some franchisees

7 **Final franchisee and financial validation:** Call with business coach, onboarding coach, GM and more franchisees

8 **Sign franchise agreement:** The joint celebration of an exciting and prosperous new relationship!

"For us it shouldn't ever feel like a sales process. It should feel like a journey of discovery. The process really puts candidates in the driver's seat in terms of education and awareness but also allows them to go along on this journey of discovery and start to build a really good understanding of our business model and practices," Wilkinson says.

At InXpress, while there are certain skills and experience that are advantageous for candidates, it's their attitude and evidence of past success that is most important.

"In a business like InXpress, we're not looking for a specific background or defined profile as such; what our teams are looking for are "rainmakers", people who don't wait for something to happen... they MAKE it happen! Along with being open to learning and highly coachable, these attributes will offer our candidates the very best chance of achieving the success possible with the InXpress model," says Wilkinson.

"They can be 21 or 61, but they must have a strong desire to succeed, a clear vision of why they need to work hard and are not afraid of the grind. These people can come from many backgrounds - professional athletes, Mums looking to get back into the workforce with a requirement for flexibility, new graduates or people sick of working a 9-5.

"Experience in sales or marketing is always an advantage in our business, but we value motivation, drive and the want to follow a proven model over everything else."



As part of the recruitment process, Wilkinson and his team are looking for candidates who fill 'five buckets' with their vision for becoming franchisees.

- 1 **What is their 'why':** Why would they need to buy a franchise?
- 2 **Fit:** Do they fit the business in terms of what they want to achieve?
- 3 **Timeline:** How quickly do they want to get into this or are they looking a few years down the track?
- 4 **Dollars:** Does the money make sense? It's not just whether a candidate can afford the franchise, but expectations around earnings and lifestyle are considered too.
- 5 **A clear and defined decision criteria:** Can the candidate articulate what they are looking for in a business?

"Over 13 years in franchise recruitment and franchise management, you start to hear as much of what's not being said as what they're actually saying. What

I'm looking for is people who have been successful in previous roles and have maybe taken a role that maybe they haven't been ready for but they've made it happen, people who have jumped into the deep end," Wilkinson says.

At InXpress, while the Franchise Development Manager (FDM) and team takes the lead in handling the majority of communication with candidates, the wider organisation is also involved in the recruitment process.

"The reality is the candidate is not buying your FDM, they're investing in your entire business - along with your people!" Wilkinson says.

"For this reason, it's critical that our candidates get to know our people. While the FDM is front and centre in most of the steps, we love the opportunity to let our amazing support centre staff take centre stage during our discovery days. Between the business coaches, onboarding manager and support team, our franchise partners

will sit side-by-side with our staff in the first few weeks and months of their onboarding.

"It all comes back to wanting our candidates to see the real us, the people who are dedicated and invested in their success. The key is to avoid having the FDM pitching the brand at every opportunity. InXpress takes the opportunity to involve our franchise partners in the process of discovery, so the candidates will meet franchisees in their region as well as during the discovery day event."

The focus on building relationships with candidates, addressing any concerns along the way, and ensuring the process is delivered transparently is vital to the success of InXpress's sales process.

"The biggest concern for many of our candidates is that we're going to try and sell them something when they're not ready, or they don't know enough to decide if this is the right business for them. We can avoid this pitfall

by allowing the candidate to enter a process of education and discovery by offering them a clear, transparent and well documented process at the very beginning," Wilkinson says.

"Most franchisors will have a franchise sales process which will be documented; however, many don't share it with candidates as part of the introductory phase. They're presented with bite sized steps as they progress. My learnings have been that the more transparent we are with our candidates, the better the quality information they will provide us and the less they will disregard us.

"My advice would be to put yourself in the shoes of the candidate and ask yourself the question "If I was evaluating this business, what and how would I like to be presented with information about this franchise opportunity". So, franchisors if you could change one thing about your current franchise discovery process, what would it be?"



## The InXpress discovery process: one franchisee's journey

Eugene Rusel signed his franchise agreement with InXpress in May 2018, fulfilling his dream running his own business when he commenced operations as franchisee of InXpress Collins Street, Melbourne CBD, in August of the same year.

Born and raised in the Philippines, Rusel began his career in the corporate world from 20 years of age, working and travelling across Malaysia, Singapore, Thailand and Perth.

His desire to provide for his parents in their retirement and set himself up for the future led him to leave his corporate career after nearly 15 years and begin the journey of becoming a franchisee.

Since starting his franchise, Eugene has had a rapid rise within the network, winning InXpress's APAC activations competition for his division. He remains one of the highest activators globally within the InXpress network.

Here, he shares his story of moving through the InXpress discovery process.

"I was very happy when I made a call to leave my job and run a business; at the same time, I was very anxious not knowing what to expect when starting a business," Rusel says.

"When I chose to sign-up for an

InXpress franchise, I felt that I had made the right decision.

"It all started with an email to InXpress after seeing an ad online regarding a franchise opportunity.

"I received a response from the franchise sales team, led by David Wilkinson", within the day and was given a discovery process pack that laid out the journey I was about to embark on – I was pleased.

"The discovery process is a 30-75-day process of knowing and understanding the InXpress brand. InXpress also uses this time to get to know more about the prospective franchisee through a series of chats with David – who was very open and patient in addressing my questions and concerns.

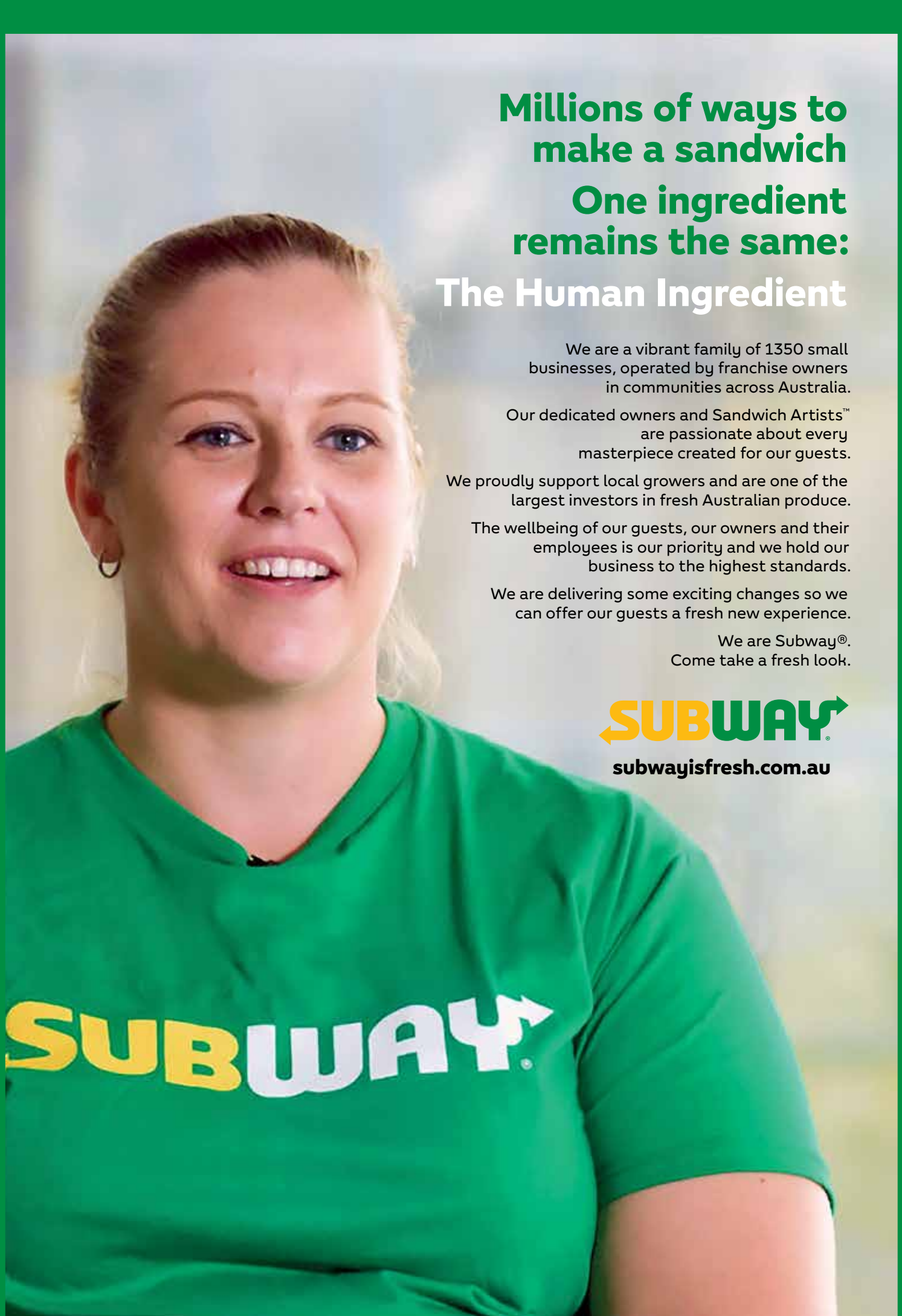
"Down the 'discovery journey' path, I gained an in-depth knowledge of InXpress – its business model, its financial standing, and first-hand success stories and testimonials from its existing franchisees.

"I really appreciated the transparency, as it brings you to a very comfortable state that eases the anxiety of prospective franchisees, especially for someone like me who considers this as one of my life's pivotal moments.

"Aside from learning about InXpress, David exposed me to various references regarding franchising laws and made sure that I understood, not only the benefits of franchising, but also the accompanying risks.

"I never felt that I was rushed to make a decision, in fact, I came to a point that I was the one chasing David to sign me up sooner!

"To me, every prospective franchisee (and that I mean both in and out of InXpress) needs to undergo a similar discovery process as it is a good test of the prospective franchisee's compatibility with the master franchisor's brand, model and principles," says Rusel. ■



## Millions of ways to make a sandwich One ingredient remains the same: The Human Ingredient

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# Secure future growth for your franchise business

We may not be able to predict the future, but by following simple business best practices it is possible set yourself up for success.

Let's be honest; things aren't looking great for the economy right now. But there's a silver lining: every downturn is followed by a recovery, and businesses that can weather the coming turbulence can look forward to a brighter future.

Whether shoring your operations up for a potential recession or making hay while the sun shines, strategising about future growth is a critical activity for any business manager and should be performed at least yearly. After all, the very notion of building a business implies growth.

But what exactly is business growth in this context?

## Understanding growth

When we talk about growth in business, we could be talking about any number of things, including sales growth, profit growth, headcount and much more. Some business leaders would even include career development for their staff on their 'to grow' list.

It's easy to get caught up on sales

growth, but a quick look at industry benchmarks reveals businesses with huge sales volumes aren't necessarily very profitable. This should be familiar to many franchise business managers, particularly in the retail and hospitality sectors. Truth is, sales growth without corresponding increases in profit can be incredibly problematic.

Likewise, growth in business activity often comes with increased overheads. For some business managers, putting on more staff or renting an additional location isn't preferred or affordable. This is another reason why it's important to have a clear understanding of what good growth means to you.

Underpinning this discussion of growth lies a lot of soul searching and goal setting. That's because sustainable growth isn't any single figure or measure that signifies general business success.

To achieve growth, you will need to set measurable goals – not just budgets and targets, but business goals as well. Arbitrary goals like, 'earn more money', aren't terribly useful. Instead, a more

specific goal would be along the lines of 'take on 30 new customers by the end of the year'.

Quick tips for increasing profits in tandem with sales:

- Set sales targets with marketing and sales plans to support them
- Set cost targets – you may get better pricing when purchasing volumes increase
- Set overhead targets – consider extra resources required to deliver increased sales
- Track performance regularly – report on profit and loss monthly with a comparison to budget

## Generating revenue growth

Should you decide to chase revenue growth to either bolster or grow your business overall, then you'll need to first consider how you currently generate revenue. By doing this, you'll be able to analyse each element's performance, and gain an understanding of what you might be able to leverage to meet your targets.

If we consider a simplified business model in which regular customers transact at least a few times each year, then we can break down a general revenue model into the following components (see example below):

- Number of customers
- Retention rate
- Number of enquiries or leads
- Conversion rate to new customers
- Average number of transactions per customer, per year
- Average transaction value

By breaking down your revenue in this way, you'll soon see how small improvements to any of these components can cause significant

growth. Even better, these components reveal how you can achieve real growth without overly increasing your workload. For example, if your customer retention is high and so are the volumes of new customers, you might consider raising prices. The risk is losing some customers (a drop in retention), but this is often offset by the increase transaction value.

Play around with these numbers under a range of different, realistic scenarios and you're now modelling future revenue growth. If you think you see a way ahead, start putting specific plans in place to meet your targets.

## Customer and staff success as key growth factors

Some critical elements that business owners often forget when burrowing into their numbers are factors influencing customer success and staff satisfaction.

Making sure you satisfy customer needs and having a clear insight into how they think of your business are integral to improving your offering and will make it easier to do things such as increase prices or introduce new products and services. This is just as true for your staff, particularly those who sit at the coalface of customer service.

Keeping customers happy shortens sales cycles and improves customer retention – and they're also the most effective form of marketing available. They're your word of mouth platform.

Once you've gotten to the point of understanding your revenue components and have set up realistic targets for your business growth plan, it's time to bring your staff in. Getting them across relevant aspects of your plans is the first step to having them buy in to those plans. Consider also how your customers fit into those plans and ask your staff to do the same. If everyone is aligned and the customer sits at the centre of your plans for growth, then you're on the right path to success.

## Example

Number of existing customers	200
Retention rate	80%
Number of existing customers at end of year	160
Number of enquiries or leads	50
Conversion rate	60%
Number of new customers	30
Total number of customers	160 + 30 = 190
Average number of transactions per customer, per year	4
Average transaction value	\$1600
Revenue	190 x 4 x 1,600 = \$1,216,000

"We may not know what the future brings, but that doesn't mean we're not the masters of our own destiny."

### Considering innovation as a growth strategy

Regardless of the industry sector you work in, innovative thinking can have a large part to play in business growth. On the other hand, running a franchise business can sometimes be seen to be restrictive in this sense, as they require input from a multitude of stakeholders and decisions can sometimes take a long time to get made.

Whatever the case is for you, as the leader of a business, it's up to you to keep bringing new things to the table that can help take the entire operation to the next level. Innovation can take place at any level, whether it's in head office or on a shop floor. Either way, there's no excuse for taking a 'set and forget' attitude.

In some cases, this may even point you in the direction of further learning opportunities, and this is a beneficial direction to take for both your business and your own personal growth. Take a course, find a mentor, join business clubs and associations and seek out other business leaders who have achieved the things you hope for.

Learning more about accounting, finance, recruitment, analytics, marketing, creating and streamlining processes can only benefit you in the long run.

Strengthening your abilities will also make it easier for you to spot opportunities for growth, which is another plus.

Once you have new skills, you'll soon find ways to implement them in your business and you'll then begin to harvest the hard-earned fruits of your labour.

### When growth means asking for help

Oftentimes, business owners get themselves in trouble by taking a 'I can do that' mentality to just about every element of their business. This has serious implications for growth as the workload quickly begins to outstrip the amount of hours in a day.

But you have all the tools you need to begin thinking of how an additional pair of hands might help you and your business out. Looking at the components of your revenue, which will see the most improvement should you bring in a bookkeeper, payroll officer, or stock controller? You may not even need to outlay large amounts to see great benefits by engaging someone on a part-time basis.

Alternatively, you might be able to outsource tasks to contractors who can handle time-consuming work while you focus on what you do best, or pay specialists in areas where you don't have the necessary skills or the time to learn them, such as IT or marketing.

Once you can free up more time for yourself every week, you'll be better able to strategise and dedicate time to customer success, leading to more repeat business.

### Think scale not growth

Finally, let's change the conversation by introducing the concept of 'scale'.

In business contexts, scale speaks more to efficient operations and sustainable business practices at any size. While growth can be potentially fatal to your business, scaling your business is the deliberate act of making sure that isn't the case.

As you go through the motions of coming to terms with how to grow your business, start forming your plans under a broader 'scaling strategy' that will allow you to speak to the direction your business is heading. If you're 'scaling up', then you're deliberately planning for manageable growth with a specific goal in mind. In the same way, you may decide your business is too large or complex, in which case it's time to 'scale down'.

In creating these plans and adopting new language as a way of describing your business operations, you'll also have a toolkit for better communications with investors, accountants and advisors. They will have a clearer idea of where you're headed and will be better able to offer practical solutions to help you get there.

We may not know what the future brings, but that doesn't mean we're not the masters of our own destiny. Scale up with purpose. Simplify success. ■

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More than 600 franchising and small business leaders attended the National Franchise Convention 2019 (NFC19) to immerse themselves in a program of practical ideas and information at the most comprehensive professional development event on the Franchise Council of Australia's annual calendar.



# Innovation and transformation at NFC19

Themed "Evolving in a new landscape: innovation and transformation", this year's NFC delivered expert advice to attendees to facilitate sustained success in an ever-changing business landscape.

With eight expert keynote addresses, more than a dozen plenary and concurrent panel sessions, 30-plus round table discussions topics, more than 50 exhibitors, the Sunday Legal Symposium and ample opportunities to network during the social program, NFC19 offered attendees an unrivalled opportunity to build their knowledge base, make invaluable connections and find solutions to their business challenges.

NFC19 kicked off on Sunday 20 October, with the Legal Symposium providing updates from the ACCC, analysis of the Fairness in Franchising report and comprehensive sessions delving into a range of topical legal issues.

The main program commenced on Monday 21 October, with FCA CEO, Mary Aldred, updating members on the actions the FCA has taken over the past 12 months to build a sustainable, compliant and profitable franchising and small business sector.

In a video presentation to delegates at the opening of NFC19, Minister for Employment, Skills, Small and Family Business, The Hon. Michaelia Cash, provided an update on the work of the inter-governmental franchising taskforce and outlined her vision for the Australian small business sector.

"It is timely that the inter-governmental franchising taskforce is currently considering the 71 recommendations of the 2018 parliamentary inquiry into the Franchising Code," said Minister Cash.

"It is crucial that future regulation of franchising is fair and effective for both franchisors and franchisees and avoids any unnecessary regulatory burden.

"With nearly 600,000 Australians employed in franchise businesses and an annual economic contribution of more than \$180 billion, franchising is vital to the strength of our national economy.

"95 per cent of Australia's 80,000 franchise outlets and many franchisors are actually small businesses. My vision is to have an innovative, agile and future-focussed small business sector, motivated to employ more Australians while continuing to deliver first class products and services.

"Small businesses face many challenges, including digital disruption, high overheads, margin compression and rising input costs. I am determined that small businesses have access to the support necessary to thrive and grow, despite these challenges," Minister Cash said.

In a day one keynote address that delegates were still talking about at the end of the event, Boost Juice founder and franchising powerhouse, Janine Allis, shared her business lessons drawing not just from her experiences at Boost, but in life and her recent time as a contestant in Australian Survivor.





were generous sharing their knowledge and providing real life examples from their own businesses to demonstrate to attendees the practical outcomes of the processes and initiatives they have implemented.

With topics as diverse as lease negotiation, social media, updating disclosure documents and managing the wellness of your people, NFC's roundtable discussions provided delegates with an opportunity to learn from each other as they considered the issues currently impacting their businesses.

The FCA thanks all speakers and panellists who provided their expertise across three thought provoking days, each delegate who took time out of their busy schedules to attend the Convention, and every sponsor and exhibitor for their support and contributions to the event. ■



"We've learnt lots of lessons in our franchising journey. One of the first things was, don't push our franchisees in a corner. Always look at ourselves first to make sure we've done the right thing and we've done everything we possibly can before we look towards them," Allis told delegates.

"For the years we've done in Boost, we are still one of the most loved franchise brands. In study this year, we still have general satisfaction more than twice as much as anyone else. And every other metric that we have smashes it out of the park because we make franchisees accountable - because they're buying a business. They're not buying a success. And everyone needs to do their bit to actually make it a huge success."

Among the key lessons Allis shared at NFC 19 were:

**1 Don't settle for mediocrity.**

"You need to have the right people in the right roles to achieve your goals," she said.

**2 Customers rule.**

"Always ask yourself: is this the best thing for the customer? And the customers are our franchisees. Our customers are our customers to our franchisees. We've always got to constantly be customer led," she said

**3 Say 'yes' and scare yourself a little.**

"In life when we get opportunities, it's so easy to say no because no means we don't change the status quo. No means we don't need to scare

ourselves. But sometimes in life, if you say 'yes' some pretty extraordinary things happen," Allis said.

To end day one, CEO of 7-Eleven, Angus McKay, shared his insights into the 7-Eleven story, leaving delegates with the message that the standard you walk past is the standard you accept.

On Tuesday 22 October, delegates heard from Australian Small Business and Family Enterprise Ombudsman, Kate Carnell, and Monash University Senior Lecturer, Sudha Mani, Ph.D, who delivered a keynote address discussing her research about the emerging challenges in franchising.

In her day two keynote presentation, leading brand and profile strategist, Nicole Hatherly, revealed some eye-opening facts about the evolution of today's workforce, telling delegates this is the first time there have been five generations in the workforce and that by 2025, millennials will comprise three quarters of the global workforce.

With this in mind, she spoke of seeing diversity as an opportunity to harness intelligence within organisations and the need to stop resisting change and work together for a better future.

NFC19 closed with an inspirational presentation from gold medal winning Paralympian Dylan Alcott who spoke about the art of taking risks to achieve your goals.

Across the program's panel sessions, franchise executives and industry experts

# Thank you

## Thank you to our Partners

The work of the Franchise Council of Australia, including the National Franchise Convention, would not be possible without the annual support of our Partners.



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# 2019 MYOB FCA Excellence in Franchising Awards recognise business success

On 22 October, the Franchise Council of Australia honoured some of the nation's best and brightest in business at the MYOB FCA Excellence in Franchising Awards on the Gold Coast.

This year's winner of Australian Established Franchisor of the Year is the national chocolate store franchise San Churro.

"It means more for our franchise partners and all the hard work and millions of hours that's gone into the concept over the last 13 years, and we stand on the shoulders of that," Giro Maurici, CEO and Founder of San Churro said.

"Thirteen years ago, a franchisee put their life savings in our hands. At the time we were humbled and took that with the utmost respect. Thirteen years and 51 franchise partners later, each one has had the same impact on us and we treat them with the same respect and give everything we've got so they can prosper," said San Churro Director of Operations, Matt Brusi.

Bubble tea franchise, Chatime, was named International Franchisor of the Year for 2019. Celebrating 10 years of Australian operations this year, Chatime is one of the fastest growing iced tea franchises in Australia.

"As a foreign brand in a Western market, to achieve recognition as a



well-known brand in the Australian community, that's a really great achievement," said Charley Zhao, Managing Director of Chatime Australia.

The Australian Emerging Franchisor of the Year Award was taken home by Express Retail Group, the franchisor of the Salon Express and Barbershop Express brands, which currently has 41 salons and barbershops operating across Western Australia and Queensland with a strong focus on expansion.

"This award is a recognition of what we've achieved over the last four years and the importance of our franchisees. It's recognition they deserve for

investing in us, supporting us and believing in a brand that was in its infancy. That's the true testament to the franchise partnership and we're really proud of it," said Express Retail Group CEO, David Boyd.

Laser Clinics Australia took home Awards for both Excellence in International Franchising and Franchise Innovation.

The laser hair removal, skin treatments and cosmetic injectables franchise first opened in Australia in 20018 and began its international expansion to New Zealand in 2018.

"It's very exciting to win these awards. It means a lot to show all the work we've put in both the support

office and the franchise partners to bring these initiatives to life. It will benefit our business because franchisees have a lot of choice out there and they will hopefully see that we're innovative, expanding internationally and we're a great success story," said Anthea Muir, CEO of Laser Clinics Australia.

Courier and freight reseller PACK & SEND won the Excellence in Marketing Award, while commercial equipment finance company Cashflow It Group was named Supplier of the Year.

"We're big supporters of the franchise sector so winning this award means everything to us and our team who do a fantastic job of helping franchisees achieve their dreams," said Cashflow It National Sales Manager and Director, Dan Toms.

Outstanding franchisees recognised at the MYOB FCA Excellence in Franchising Awards included Warren D'cruz of Automasters, who was named Multi-Unit Franchisee of the Year for 2019.

Quest Bundoora's Mark and Ky O'Shea took home the Single Unit Franchisee, two or more staff Award while EFM Health Club's Noosaville franchisee Kate Davidson was named Single Unit Franchisee of the Year, less than two staff for 2019.

Australia's first Xtend Barre franchisee, Liz Nable, was named Franchise Woman of the Year.

"It means a lot to win an award like this. It's really nice to be recognised for all the hard work that's gone in and to have a moment to reflect and be proud of where I've come," Liz said.

Field Manager of the Year was



Express Retail Group accepts the Award for Emerging Franchisor of the Year



Chatime was named the winner of the International Franchisor of the Year Award for 2019



Multi-Unit Franchisee of the Year Warren D'cruz (second from left)



Mark and Ky O'Shea of Quest Apartment Hotels enjoy their Award win



Kate Davidson (centre) was named Single Unit Franchisee of the Year, less than two staff



2019 Franchise Woman of the Year, Liz Nable



Melinda Bowles of Shingle Inn accepts the Award for Field Manager of the Year



Cashflow It Group were named the 2019 Supplier of the Year



Pack & Send took home the Award for Excellence in Marketing



Anthea Muir of Laser Clinics celebrates the brand's two Award wins



Muffin Break celebrate winning the Franchisor Social Responsibility Award



Franchisee Community Responsibility and Contribution Award winner, Joanne Heidke of Bakers Delight

Awarded to Shingle Inn's Melinda Bowles. A hospitality veteran whose own experience as a franchisee laid the foundation for a successful career in business development and operations within franchising, Melinda has been guiding franchisees along their business journeys in the Shingle Inn network since 2016.

"I work really hard to try to build the businesses and lives of my franchisees. It's amazing to be recognised for something that I feel is my duty. I'm truly honoured," Melinda said.

The important role franchises play

in contributing to the community was recognised in the Franchisor Social Responsibility Award, taken home by Muffin Break, and the Franchisee Community Responsibility and Contribution Award, which was won by Bakers Delight Burleigh Heads franchisee Joanne Heike.

"Winning this award is an opportunity to say how important it is that we get involved with our community, bring people into our stores and tell them how important it is that we bring each other together," said Joanne.

The awards also included the induction of a new member into the Franchise Hall of Fame Ron Pedder, Chairman of Pedders Suspension and Brakes. In more than 50 years of business, Ron has made an indelible impact on franchising, overseeing the expansion of a family business that is now in its third generation.

A total of 14 Excellence in Franchising Awards, plus the 2019 Hall of Fame inductee were presented on the evening, which was proudly sponsored by MYOB. ■

# Winners

## 2019 Excellence in Franchising Awards

**Australian Established Franchisor of the Year**  
San Churro

**Australian Emerging Franchisor of the Year**  
Express Retail Group

**International Franchisor of the Year**  
Chatime

**Multi-Unit Franchisee of the Year**  
Warren D'cruz, Auto Masters

**Single Unit Franchisee of the Year, two or more staff**  
Mark and Ky O'Shea, Quest Apartment Hotels

**Single Unit Franchisee of the Year, less than two staff**  
Kate Davidson, EFM Health Clubs

**Franchise Woman of the Year**  
Liz Nable, Xtend Barre

**Field Manager of the Year**  
Melinda Bowles, Shingle Inn

**Supplier of the Year**  
Cashflow It Group

**Excellence in Marketing**  
PACK & SEND


**Excellence in International Franchising**  
Laser Clinics Australia & New Zealand

**Franchise Innovation**  
Laser Clinics Australia

**Franchisor Social Responsibility**  
Muffin Break

**Franchisee Community Responsibility & Contribution**  
Joanne Heidke, Bakers Delight

**Franchise Hall of Fame Inductee 2019**  
Ron Pedder

A person is running on a paved road during sunset. The person is wearing a dark grey t-shirt and dark blue shorts. Their legs are in mid-stride, and they are wearing black and white sneakers. The background shows a road curving to the right with some trees and a clear sky with soft orange and pink hues from the setting sun.

Just like building and growing a successful business, superannuation is a marathon, not a sprint. Given the uncertain economic and low return environment we're currently facing, that's a good thing; as people entering the workforce today have decades to build their retirement nest eggs, it's not necessary to risk their future financial security chasing short-term returns.

### Low interest rates and super

While the Reserve Bank of Australia has recently kept interest rates on hold, this follows three rate cuts earlier this year – in June, July and October. Australian interest rates are now at a record low 0.75% pa, and depending on the outlook, could be cut again. Globally, interest rates are also falling – in some parts of Europe interest rates have already gone negative, while in the US, the Federal Reserve has also been cutting interest rates.

All of these interest rate cuts are designed to try to stimulate economic growth, a measure which has been deemed necessary because economic growth has disappointed. But with global interest rates at historic lows you may be wondering about the impact this has on the types of investments made by super funds.

Assets, such as shares, have increased in price as companies take advantage of low interest rates to increase their borrowings to repurchase their own shares, reduce debt, and/or pay dividends to shareholders, and investors buy into shares looking for better returns than the low earnings currently available from savings accounts.

The impact on bond and other fixed interest investments is a little different. Most bonds pay the bond holder a fixed interest rate. When there is a fall in interest rates, then the bond's interest rate becomes more attractive and people will bid up the price of bond (and vice versa). This is good news if you are an existing bond holder, because as interest rates fall, the bonds that you're holding are worth more. However, for super funds that need to keep buying additional bonds because their pool of funds under management is growing (due, for example, to increased member contributions), lower interest rates mean that they will probably earn lower returns on the new bonds they need to buy to ensure their portfolios remain appropriately diversified across different asset classes.

As interest rates have fallen, infrastructure and commercial property valuations have also risen as more and more investors seek a more attractive investment alternative to their lower returning cash and saving products. Furthermore, lower interest rate means the debt needed to finance these assets has become cheaper, further increasing their appeal.

Cash investments which target an interest rate benchmark, such as the cash investment option of many super funds, are likely to provide lower returns as official interest rates decrease. The lower return is a trade-off to the defensive benefits they can provide in comparison to higher-risk asset classes like shares and property.

### A time for caution

So what does all of this mean for your employees' super?

Nobody wins in a trade war, and ongoing tensions on the US-China trade front risk de-stabilising a global economy that is already showing signs of slowing. This is occurring at a time when market valuations for most equity markets and risk assets around the world are elevated due to a prolonged period of ultra low interest rates, and geopolitical tensions (eg. Brexit, Middle East, North Korea) are continuing to simmer.

Furthermore, interest rates around the world are already so low there's little room for further cuts, which has increased the risk that asset price growth may slow or reverse. Due to the uncertainty, super funds may caution their exposure to shares.

By holding a greater exposure to cash, and less in shares, a portfolio won't benefit as much from short-term share market growth, but it also means it shouldn't be impacted as severely if a significant downturn occurs in the future. This is in line with the philosophy that super is a long-term investment and long-

term performance should be favoured over short-term results. It also leaves the portfolio well positioned to take advantage of buying opportunities if and when asset prices correct.

### Performance in turbulent times

Share markets have been volatile over the past year which means the daily performance of your super can change depending on how your super is invested. The things to remember during times of market turbulence is that your super is a long-term investment and long-term outcomes are more important than short term fluctuations.

So when considering super investment returns it's important to apply the same philosophy that you would apply to your business – it's not just about today, it's about planning for tomorrow because future growth takes careful planning, and patience. ■

This information has been prepared without taking account of your objectives, financial situation or needs. Before acting on the information or deciding whether to acquire or hold a product, consider its appropriateness and the PDS of each financial product and seek professional personal advice.

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# Investing patiently for future growth

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EnergyAustralia is the new exclusive energy partner for the Franchise Council of Australia for the next three years. This partnership will provide competitive offers and opportunities to find ways to better manage your energy use so you can spend more time on your business.

## Who are we?

We're one of Australia's largest energy retailers, providing electricity and gas to more than 2.5 million residential and business customer accounts in Victoria, New South Wales, the Australian Capital Territory, South Australia and Queensland. We supply our customers with energy from wholesale markets and our own coal and gas-fired power stations, as well as being a strong player in buying and underwriting renewable energy.

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## How will you benefit from our partnership?

We'll have competitive offers for your business energy. Plus, we'll help you manage your business energy through a range of solutions, including energy health checks with our business energy specialists.

## Small businesses face increasing challenges.

At EnergyAustralia, we know that every business puts their energy into different things – such as growth, developing new products or creating better customer experiences, in addition to the everyday tasks of running a business.

However, research from last year's Council of Small Business Organisations Australia survey of small business showed the cost of energy as a key issue.

Then there are the wider issues, such as a slowing economy and lower consumer confidence. All these combine to place added pressure on small business.

## A complex industry shouldn't mean complexity for customers.

The energy industry is becoming more complex: solar, renewables, energy efficient software to name just a few of the advances in products and solutions available.

But that doesn't mean it should be complex for our customers. It's our job to harness this technology and make it easier – not harder – for customers such as yourselves to navigate.

So this partnership will be a true partnership. We want to create shared value, where customers enjoy the benefits of reliable, affordable, cleaner and simpler energy.

## How can EnergyAustralia help?

Competitive plans and price certainty are essential for businesses to succeed.

We want you to have confidence and peace of mind that you're getting great value for your energy. That's why we have a dedicated team of business energy specialists available from Monday to Friday, 8.00am to 8.00pm.

We'll help you buy better and use your energy differently and more effectively, so you can focus on your business.

## Buy better.

We'll help you buy better, by:

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- Explore energy efficient solutions such as LEDs
- You'll have access to energy audits and assessments
- We can help you make your own energy, through solar and battery storage solutions with our partners

## Working towards getting energy right.

No industry does things perfectly and at EnergyAustralia we know the energy industry can improve. Putting the customer at the heart of everything we do is our commitment to you, and we're working hard to achieve that.

An example of this is our support of the new industry-led Energy Charter.

## Landmark Energy Charter launched.

EnergyAustralia is a founding signatory to the recently launched Energy Charter.

The landmark charter asks energy companies such as EnergyAustralia to make public promises – and to keep them – in a world-first customer initiative aimed at uniting the energy industry to deliver better service for all Australians.

We've pledged our commitment to the Energy Charter because we strongly believe in it.

## Five principles we commit to embrace and live by.

Companies adopting the Charter will commit to five principles designed to create real improvements in affordability and service:

- 1 We will put customers at the centre of our business and the energy system
- 2 We will improve energy affordability for customers
- 3 We will provide energy safely, sustainably and reliably
- 4 We will improve the customer experience
- 5 We will support customers facing vulnerable circumstances

## The journey has started.

At EnergyAustralia, we've already started on this journey. The Australian Competition and Consumer Commission's 2018 report on electricity pricing described in detail where electricity had gone wrong for customers, and recommended ways to get it back on track. We assessed ourselves against the ACCC's findings and took action. For example, we got rid of conditional pay on time discounts for our new energy plans, and we're ensuring all our third-party intermediaries and those who sell our products improve, so the customer is always firmly placed at the heart of everything we do.

We already enjoy a proud reputation as one of Australia's most innovative energy companies, through closing the gender pay gap for employees in 2018, removing over-the-counter fees when customers pay by cash or cheque at the post office and our award-winning diversity and inclusion programs.

## We're looking forward to working with you.

We're listening and building energy solutions to help you so you can put your energy in the right place – managing and growing your business.

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# Steering a family franchise across three generations

The decision to franchise turned what began in 1950 as a humble shock absorber reconditioning business in the Melbourne suburb of Carnegie into a 120-store Australia-wide network with export markets all over the world.

## Evolution of the brand 1950 to today



The man behind it was Ron Pedder, the 2019 inductee into the Australian Franchise Hall of Fame, who has been recognised for the significant mark he has made on franchising and the Australian business landscape and across more than five decades in business.

While Pedders Suspension has grown extensively since the first franchise operation opened its doors in 1982, with interstate and international distribution added along the way, at its heart it has remained a family business that is today in its third generation.



Ron Pedder is inducted into the Franchise Hall of Fame

"Nothing is more energising than having a franchise group contribute to products or systems or marketing that are for the betterment of the whole group and the fact that these people have invested their lives and their families in our business is so satisfying and that's what makes franchising so powerful."

Eventually, like his father before him, Ron passed the baton to the next generation, with his son Mark (now the Managing Director of Pedders Suspension) joining the family business in 1993 as a technician at Pedders Footscray and Scott (now the company's Marketing Director) joining the business in 1998 after completing a degree in Accounting/Marketing.

"By the time Mark, my eldest son, was in his 30s that experience I had with my father suggested that's what I should be doing for my two sons. Both Scott and Mark had been in the business for some time and done many different job roles."

"That experience I shared with my father made me think that my two sons were ready. I was around as a backstop," Ron says.

"It's really special now that for the last 20-plus years I have been able to work with my two sons. Seeing their success on making key business decisions, proudly supported by our team of franchise and company owned stores and the management team has been the most important part to me. That family ethos means a lot to us and it's a big part of our culture." ■



Mark and Scott Pedder

on the management of sales and the development of new products. I was very fortunate to always have my father there. He was extremely supportive."

It was under Ron's leadership that Pedders Suspension evolved from a focus on reconditioning shock absorbers to take the significant step of designing and producing its own product.

To support this radical step, Ron saw the only way to ensure good distribution of his product was to open Pedder's own stores. This strategy paved the way for the commencement of extensive franchising to support Pedder's own homegrown brand. This move made Pedder's unique worldwide in that it developed, manufactured, distributed and installed its own product through its own retail chain.

Outside of business, Ron's passion was in racing rally cars and through this passion Ron's first foray into franchising took place. Through many gentlemen's agreements in the late 1970s with his fellow rally car drivers, Ron was able to increase his company's distribution of its products. In 1982, the Pedders Suspension Franchise System was fully developed and the first full franchise operation, Pedders Frankston, was opened, marking the beginning of a remarkable period of growth for the business.

"The decision to start franchising was by far the very best decision we made," says Ron.



Roy Pedder (centre) on his 100th birthday with Mark and Ron

Founded by Roy Pedder as Pedder's Die-Cast Welding Service, the business originally offered services fixing general household items before finding a niche in the automotive market in smash repairs and shock absorbers.

Roy's son, Ron, soon began to learn the business from the ground up, beginning his career at age 16 painting shock absorbers and becoming a fitter and turner apprentice at 17. Gradually, he moved into a sales role and by the age of 23 was working full time and looking after various aspects of the production side of the business.

"I was very fortunate that my father allowed me at a young age to take control of the business in the early 1970s," says Ron, who is today the Chairman of Pedders Suspension.

"Initially, running the business was an easy change in the sense of me taking

What does it take to successfully establish a franchise brand in a foreign market? *The Franchise Review* asked two award-winning franchise brands to share their stories and provide advice for brands looking to undertake an international expansion strategy.

# What it takes to succeed in an international market



## Freshly brewed franchising success at Chatime

In October this year, Chatime celebrated 10 years in the Australian market while also gaining recognition for their achievements as the recipient of the International Franchisor of the Year Award at the MYOB FCA Excellence in Franchising Awards. *The Franchise Review* spoke to Carlos Antonius, Chief Executive Officer at Chatime Group to find out about the strategies that

have driven the brand's growth in the Australian market.

***The Franchise Review (TFR):* Can you share the story of Chatime's establishment and growth within Australia?**

**Carlos Antonius (CA):** It was October 2009 when [Chatime Group Managing Director] Charley Zhao and the three other founders in Australian market opened their first location in Hurstville in Sydney. The focus at that time was to open locations in Asian-centric areas, given the understanding of the bubble tea category to that consumer who had grown up with that product.

When I came on board around June of 2015, Chatime had 40 locations spread across the country and the board had identified an opportunity to look at taking the brand outside of its core Asian demographic.

At that time, we reviewed what had been achieved in the six years to that point as well as the business strategy.

In April 2016, we relaunched the brand with new comms, new IP, new assets and new menus. From that period, we've been growing sustainably, and we'll finish off this year at 128 locations in the Australian market.

We've been able to deliver return on investment for our business partners within their payback period forecast. We've been achieving double digits like-for-like growth up until last year, this year we'll finish the year off at eight percent,

so it's still strong growth given the current economic environment.

***TFR:* Can you provide more detail about how has Chatime evolved to service the Australian market?**

**CA:** Prior to the repositioning work we did in 2016, if you didn't know what bubble tea was, you definitely wouldn't walk up to one of Chatime's locations. They had Mandarin characters on the front of the stores, the menus were quite complex, you didn't see the tea or the mix ins we add to the drinks – a lot of it was done behind closed curtains, so there was a mystery to it.

We redesigned the assets to bring everything to the front and bring theatre into the stores. We reduced the size of the menu to make it easier for consumers to navigate, and we repositioned the brand to be Chatime "Home of Freshly Brewed Iced Tea". We did that to capitalize on the growth that was happening with brands such as Lipton Ice Tea and Nestea at the time. We jumped on the coattails of that. Rather than spending millions of dollars to educate people on what bubble tea was, it was easier to reinforce that we're the home of freshly brewed iced tea.

Then it was looking at our franchise recruitment strategy to ensure we had a more reflective investor of the Australian population and then looking at opening in areas that weren't traditional Asian-centric areas. Now, some of our highest performing locations actually have no

Asian consumers at all so we've been able to tap into a broader customer base in the Australian market.

***TFR:* What have been the main challenges of establishing the brand in the Australian market and how have they been overcome at Chatime?**

**CA:** The key challenge is around building trust. When you take someone's baby they've nurtured for five or six years and make a strategic shift to appeal to a broader, mainstream consumer it's natural there's some concern about that.

It was very easy for franchisees at the time to understand bubble tea and just having franchise locations in those core Asian areas.

We worked very closely with our business partners to bring them on that journey, we worked closely with the board but also brought in a management team that had a lot of franchise experience to bring the strategy to life.

To address concerns, we tested a lot of

the initiatives before we actually deployed them to the market. Post deploying, the results that we started seeing and the franchisees' buy-in was amazing.

***TFR:* What's the most important advice you'd give to a franchisor looking to expand their brand internationally?**

**CA:** Make sure you've got access to adequate capital with the right strategic partners to look at your market entry strategy. The days of licking your finger and picking a market, taking your money and go to invest there are gone.

Understand that just taking a concept from one market and deploying it in another market doesn't work. There are going to have to be nuances to the offering or the positioning in the market. Even your communication strategy would need to be reviewed.

Have realistic expectations around the commerciality of the financial return and understand it's a medium to long-term investment strategy. ■



## Laser focus on New Zealand expansion

Recognised at the MYOB FCA Excellence in Franchising Awards in two categories, including as the winner of the Excellence in International Franchising Award, Laser Clinics Australia expanded their brand internationally after more than a decade of successful operations in the local market. Here, Laser Clinics Australia Chief Executive Officer, Anthea Muir shares their story.

***The Franchise Review (TFR):* Can you tell us about Laser Clinics' growth to date, including details of your international expansion?**

**Anthea Muir (AM):** Since 2008, Laser Clinics has grown to be the largest provider of laser hair removal, cosmetic injectables and skin treatments within Australia. A commitment to be the industry leader across our industry service offerings, resulted in quick growth to over 140 clinics over our 11-year history.

After 11 successful years in Australia, we expanded internationally in late 2018. Four clinics were opened across New Zealand from November to December 2018, with the first two locations being prominent Auckland retail zones. Just two weeks after, we opened two additional sites in Christchurch. Nine successful months later, and we have opened an additional seven sites with three in Auckland, Christchurch, Palmerston, Dunedin and three in Wellington.

In 2019, LCA further drove our international expansion, launching our brand into the United Kingdom.





**TFR: Why did you select New Zealand as the location for international expansion and what was your strategy and process for setting up the business there?**

**AM:** We realized customer demand in New Zealand was at an all-time high. Many customers were dissatisfied with the same treatments and technologies being over triple the cost for the New Zealand market.

With the rise of social media helping news travel internationally, New Zealand customers were aware of the accessibility of Laser Clinics for treatments that were currently financially out of reach. Many New Zealanders were finding it more cost effective to purchase flights to Australia where they could have treatments at more accessible prices, and then return to New Zealand.

These customer requests perfectly matched our brand purpose of delivering affordable, high-quality beauty treatments to the masses. This blend of brand and customer is what fueled our decision to expand internationally and grow the aesthetics industry internationally by disrupting the existing New Zealand market.

To take the leap internationally, a three-pronged strategy was developed.

First, our goal was to rapidly reach a wide fraction of the New Zealand market by expanding to 10 locations in 12 months, within key retail locations in major New Zealand cities.

Secondly, drive word of mouth by delivering the best-in-class customer experience through hiring and training procedures and support.

Thirdly, disrupt the New Zealand market with a penetration pricing strategy, ensuring all RRPs are competitively priced.

We achieved the above by creating a cross-functional steering committee within the Australian support office to manage the international go to market strategy and execution for the New Zealand Market.

**TFR: What potential issues and risks did you identify when expanding internationally and what steps did you take to mitigate these?**

**AM:** At Laser Clinics, we believe the key to minimising risks is to understand that risks can never be fully eliminated. Therefore, as a business, we believe in staying vigilant and reviewing risks on a regular basis.

To do this, we ensure our team are aware of any potential risks and frequently review Australian market learnings and compare against New Zealand, maintain solid relationships with our global, Australian and New Zealand suppliers, are armed with strong negotiation and influencing skills and have a two-way communication with our New Zealand franchisees.

**TFR: How do you ensure that brand standards, systems and processes are maintained in your overseas operations?**

**AM:** With a strong brand presence in Australia, it was crucial to have strong

brand consistency whilst introducing Laser Clinics into a new international market. Our 50/50 franchising model enables us to provide a high level of branding support to franchise partners, which allows the support office to retain strong ownership over brand collateral. To ensure we deliver a strong brand for our franchise partners, we also provide Operations Manuals, induction training, brand guidelines, internal communications on the latest promotions, and regular monitoring by our support team in New Zealand.

**TFR: What's the most important piece of advice you would give to a franchisor looking to expand internationally?**

**AM:** The most crucial piece of advice we would give to anyone looking to expand internationally is to make sure you have strong systems and support teams in place. For example, ongoing operation support and an internal communication strategy.

The appointment of a Country Manager was crucial to ensure ongoing operation support within our new international market. Working closely with the CFO and COO, weekly sales and operational reporting meetings were scheduled to ensure P&Ls and sales KPIs were met.

An internal communication strategy was implemented to keep franchise partners abreast of business developments, pricing and sales strategies. This enabled high engagement with our franchise partners. ■

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# Franchise sector supports mental health initiatives

In a difficult economic climate, providing resources and support to promote the mental health and wellbeing of small business owners has never been more important.

## Beyond Blue launches mental health guide for small business owners

According to leading mental health organisation, Beyond Blue, almost one third of Australia's 2.26 million small business owners report having high levels of psychological distress, mainly due to long working hours, social isolation, cash flow issues and conflicting demands between home and work.

It's why the Franchise Council of Australia has supported a new guide developed by Beyond Blue that is designed to aid the mental health and wellbeing of small business owners.

"The FCA is proud to be part of this important initiative that spans across a number of small business sectors," says FCA Chief Executive Officer, Mary Aldred.

"As well as providing support and resources for FCA franchisee and franchisor members, the guide provides business advisers such as accountants, bookkeepers, tax agents and family members, with practical tips about how to provide support without needing to be trained counsellors or clinicians. For FCA members, this also extends to field managers and franchisor head office teams.

"The FCA believes the guide allows business advisers, who often see first-hand how stress can affect small business owners, to play an important support role beyond providing simple business advice."

The guide includes information such as:

- Recognising the signs of distressed mental health;
- How to provide immediate support to a small business owner who is distressed;



- Planning and having a conversation with someone you're concerned about;
- What to do if the person doesn't want to talk about their mental health; and,
- How small business owners can improve their situation.

**The guide is available for download at [bb.org.au/SupportingSmallBusiness](http://bb.org.au/SupportingSmallBusiness)**

## Plus Fitness franchisees raise \$70,000 for Beyond Blue

Continuing their relationship as a partner of Beyond Blue, 24-hour gym chain Plus Fitness has raised \$70,000 for Beyond Blue during its National 'Lift Yourself Up' campaign which it ran across Australia and New Zealand during 2019.

Their national initiative saw more than 150 Australian-based Plus Fitness

franchisees join together to run a campaign that highlighted the benefits of exercise in addressing mental health issues. Each participating franchisee donated \$10 for each new member who joined their gyms in August with the funds raised going to Beyond Blue to support their work in improving the lives of those affected by anxiety, depression and suicide in Australia.

"The Plus Fitness family has always been able to rally behind a good cause and the generosity and community support we constantly see at a local level from our franchisees and their staff means that what they have achieved here comes as no surprise with 'community' always having been a key element of our brand ethos," says Plus Fitness Franchisor, Nigel Miller. ■

# From franchisee to advocate What it means to your business

**By Paul Walters**

General Manager, Aussie Pooch Mobile



For those of us who have been around since the good old days, the term “advocate of your business” usually defined someone who spoke proudly about you, your business and the goods and/or products you sold.

Fast forward to 2019 and use your favourite internet search engine today for the same terminology, and there are literally thousands of blog posts and opinions on the subject. Everything from finding the right “influencer” to capture and delight your social media audience, through to flow charts and key matrix formulas to ensure that you are getting the best ROI when finding and using a brand ambassador (aka brand advocate).

Peel away the layers of information and graphics, the underlying meaning has not really changed. It’s still about the need to have people feel good about you and your business, and proactively share this information through their networks.

Perhaps more interestingly, out of the many blogs and infomercials I have browsed through, most, if not all, are based solely on gaining leverage in a tight market to sell your goods and or services, be it coffee, activewear, home loans, fuel and even dog grooming services.

So, if the goal of a franchisor is to ideally sell franchises, how does that work? I’m not sure paying someone with 237,000 followers on various social media platforms to say, “hey I’ve just bought a mobile dog wash franchise – look at me go! #livingthedream” is really going to bring the return on investment that a marketing budget requires.

Over my 10-plus years of being involved with franchising, I have actually come across these much-cherished individuals on a daily basis, all without the need to have a marketing teamwork overtime. It’s really quite basic – they are profitable, happy franchisees.

I have completed the full journey myself: starting as a customer of our product, then becoming young, impressionable franchisee with my wife, through to becoming a multi-unit

franchisee, Franchise Area Development Manager and now General Manager of the franchise.

I have no doubt that you currently have people within your franchise family who are already telling the world how great life is doing what they do. The questions now arise - do you know who they are, and how can they help your business?

Let’s look at a few of quick points that may assist you.

### How do you identify them?

In my experience, advocates are not necessarily long-term franchisees (but certainly can be).

They are the ones who you see on your group’s social media forums raving about how good they day was despite the weather; or encouraging and supporting their peers who are also going through something that they themselves had been through some time ago.

They are the ones who work hard and make a decent profit, even though it took them a while to get there. They are the ones who you regularly call just to say, “Hi, how’s the family?” or “Just get yourself well, and we can talk about other stuff later on”.

### Why are they advocates?

This can be open to a range of discussion points, but generally:

- They are profitable (think of the generalised equation: a profitable franchisee equals a happy franchisee).
- Your system allows them the freedom to do what they love, while being supported throughout their franchisee journey. They are not in it alone.
- They love the product or service that they provide and can see how much their own customers do so as well.

- They know that you care about them, their families and their business – it’s not just about the numbers. Chances are you have been there for them when they were going through a tough time within their career with you. They know you care.

### Why do we want them as advocates?

Firstly, they are already in your system – you don’t need to go out and find them again.

They are the lifeblood of your business, they live and breathe what you are all about, they set the standard that you want others to follow.

They make excellent trainers and mentors and are normally there for you when you need to get some truthful feedback on what is happening out in the field. They are the ones who don’t mind helping out when a favour is asked of them. They stand up for you in public when others may not do so.

They are the ones who proudly showcase their own businesses to the public, as well as your overall franchise culture. People can see how passionate they are, some of whom will say to themselves, “You know what, I wouldn’t mind doing what Mike does.”

### What’s in it for them? It’s not just about the money.

I have found over the years that yes, enjoying the fruits of your labour is both enjoyable and rewarding. However, those who are the advocates for the business also enjoy that feeling of accomplishment by seeing the bigger picture and helping others to do so too. They love feeling part of “the family” and being involved in that close-knit culture that successful franchisors have. They are the ones who are happy to help, without invoicing you for doing so.



### Family ties

For our own franchise system, this has been a huge part of our ongoing recruitment success over 30 years of existence.

We have had, and still do have, many family and friends start with us as franchisees because they have seen what their family member or friend is achieving and want to do the same.

We have an amazing team of some nine family and friends in one state that all started because Mum wanted a lifestyle change. From that one idea, Dad, one son, two daughters and their respective partners, and two best friends now each

have their own individual successful franchises areas. Success breeds success?

I honestly have lost count how many of our “family owned franchises” started with just Mum or Dad following a dream, and grew to have partners and kids involved full time either within the original franchise, or in one of their own, and put the spotlight on these people and their achievements in various platforms when marketing for franchise sales.

### When it’s time to say goodbye

Like many relationships, there comes that time when parties do go their own

separate ways. In most instances we have found that despite no longer being involved in our franchise system per se, our advocates are always still involved, either through friendships that have been forged over the years, or even just to lend an ear to someone when needed. I can guarantee that these people still sing the praises of a franchise system that they were part of.

Hopefully, before your marketing specialists come up with a proposal for a major cash investment to market franchise sales within your system, you may take a moment to think a bit differently before signing off on it.

Who do you have in your system? ■

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\*The Lott represents Australia’s Official Lotteries which are sold by licensed entities: Tattersall’s Sweeps Pty Ltd, Tatts NT Lotteries Pty Ltd, New South Wales Lotteries Corporation Pty Ltd, Golden Casket Lotteries Corporation Ltd, and Tatts Lotteries SA Pty Ltd.

# New membership program and enhanced customer experience to drive growth at the Lott

The home of Australia's official lotteries, the Lott has begun rolling out its new membership program as part of its strategy to drive growth through an enhanced customer experience.

The home of Australia's official lotteries, the Lott has begun rolling out its new membership program as part of its strategy to drive growth through an enhanced customer experience.

The result of more than a year of research and development, the Lott One, is now available in its NSW Lotteries, Golden Casket and Tatts jurisdictions. Work is also underway to make it available to SA Lotteries customers.

The updated membership program provides a better customer experience through a range of new features, including free membership, SMS win

notifications, and in-store payments using digital account funds. It also gives the Lott's franchisees the opportunity to benefit from digital commissions.

By revamping its previous paid membership program, the Lott General Manager of Lotteries Retail Antony Moore explained the business would be able to secure future growth by having a better understanding and relationship with its customers.

"Research showed us that we had inconsistencies in the experience customers received across our digital and instore retail channels. Customers also told us that the biggest barrier for them to join our old membership program was the membership fee," he explained.

"Trends tell us that the future of retail is about the fusion of retail and digital sales, so to secure our growth in this space we needed to develop a membership program that worked across all channels.

"This is important to the future of our business as it will allow us to know more about our customers so we can better create direct relationships with them and

provide personalised experiences both instore and digitally.

"It was also imperative that our extensive retail network understood that the digital channel was not competing with the retail channel."

Consumer research identified that a registered player who purchased their entries both instore and digitally, was far more engaged with the Lott's lottery products than a digital-only customer.

Mr Moore said this insight highlighted there was no benefit to any stakeholders in driving customers to just one channel, either instore retail or digital.

"We know that our omni-channel customers may start their lotteries interaction in one channel and end their journey in another," he explained.

"It is important that we moved away from the traditional parallel channels and had a really seamless experience across both channels.

"We needed to make sure that moving forward the membership program supported this and made the experience consistent across both channels."

The key initiatives developed to

improve the membership program were the introduction of free membership, SMS win notifications, pay instore using digital funds and reimbursements of previously paid membership fees.

"Customers told us that they wanted free membership so when we created the Lott One, we knew it had to be free and beneficial to our customers," Mr Moore said.

"We also introduced SMS win notifications, which is a feature that provides a link between the customer and franchisee. This is an important value-add for the customer. By providing their mobile number when they purchase their ticket, they can opt-in to receive a notification if they have a win.

"It is also an important value-add for franchisees as this allows them to benefit from commissions based on the number of customers they encourage to sign up to our omni channel membership program.

"We have further fused our retail and digital channels by allowing customers to pay instore using digital funds. This ensures that customers can seamlessly



change between digital and retail transactions and allows franchisees to benefit from commissions on the products purchased in store using digital funds.

"Finally, once the Lott One membership program was introduced, we reimbursed customers any outstanding membership fees they had paid previously for our membership program. This was easily redeemed instore, on their digital account or via the app."

The new the Lott One membership program has been successfully launched across all the Lott's jurisdictions and is pending regulatory approval in South Australia.

While the new membership program was in its infancy, Mr Moore said the Lott had already started to see the benefits.

"Since the introduction of the program three months ago, more than 150,000 customers have signed up for SMS win notifications," he said.

"As customers join our new membership program, we have the opportunity to provide them with an enhanced customer experience. This includes more relevant and personalised communication about our products and services.

Mr Moore said it wasn't just the Lott's customers who were benefiting from the changes.

"The new membership program not only strengthens our relationships with our customers, but also strengthens our relationships with our retailers as they have become advocates for the membership program because of the benefits they now receive," he said.

"We do know that this is an ongoing project and we are working closely with our franchisees and industry associations, as well as our growing customer base, so we can continue to improve the program to ensure everyone is benefitting now and into the future." ■

With a network of more than 3,800 outlets across all Australian states and territories, except Western Australia, the Lott is the nation's largest retail franchise network.

The Lott offers Australia's official lottery games from NSW Lotteries, Golden Casket, Tatts and SA Lotteries. This includes games like Saturday Lotto, Monday & Wednesday Lotto, Oz Lotto, Powerball and Instant Scratch-Its, which give customers the chance to dream big every day.

Franchisees with the Lott include a range of small businesses, including newsagencies, convenience stores, convenience supermarkets, pharmacies, and tobacconists.

In the 12 months to 30 June 2019, more than 131.8 million winners took home more than \$3.3 billion in prize money from their favourite games at the Lott, including Saturday Lotto, Monday and Wednesday Lotto, Powerball, Oz Lotto, Set for Life, Lucky Lotteries, Keno, Super 66, Lotto Strike and Instant Scratch-Its.

In the 12 months to 30 June 2019, Australia's Official Lotteries contributed more than \$1.4 billion via state lottery taxes and donations to help community initiatives, such as hospitals, health research, disaster relief and education.



# Franchises leading the way for sustainability

When it comes to sustainability, a small action amplified across a franchise network has the potential to make a big difference. Muffin Break and Chatime Australia are two franchise systems who are reducing their own environmental footprints and in doing so showing the way for others to become more sustainable in their own businesses.

### Breaking free of waste

Winner of the FCA's 2019 Franchisor Social Responsibility Award, Muffin Break, has made a commitment to sustainability by reducing the coffee cup waste stream. "Over five years ago as a team, Muffin Break decided that landfill was not going to be our legacy and we went about finding a partner that would help us change the game in relation to sustainability," said Natalie Brennan, General Manager of Muffin Break. In August 2018, Muffin Break partnered with coffee cup recycling program, Simply Cups, to divert 11 million takeaway coffee cups from Australia's landfill in an initiative that sees Muffin Break pay to have one cup recycled by Simply Cups for every takeaway coffee or hot drink sold by the franchise. In addition, Muffin Break offers a 30-cent discount on coffee for customers every time they bring in a reusable cup for their hot beverage.

The franchise has also changed from black lids to white lids on their take-away cups to improve recycling outcomes and reduce the impact on Australia's landfill, as well as removing single-use plastic bags, plastic straws and plastic cutlery and replacing these with more sustainable options across the network. Muffin Break has also focused on educating kids on the topic of sustainability by running Little Grower workshops, where children are taught how to plant and care for a seedling which they get to take home at the end of the workshop (above). "Our franchisees have been really behind the whole process of sustainability. They're the ones who have driven it," said Brennan. "A big thank you to MYOB and FCA this Award but I hope that it might be one of the last awarded. Our hope is that sustainability is not special, it's just business as usual."



### Time to eliminate single-use plastic

Chatime Australia, winner of the International Franchisor of the Year Award at the 2019 MYOB FCA Excellence in Franchising Awards, has announced its plans to eliminate single-use plastic from all of its 125 locations nationally by 2020. "Plastic pollution is a massive environmental problem and we want to be part of the solution," said Chatime CEO Carlos Antonius. "Project Happy Turtle will see us trial new products and solutions as we aim to phase out single-use plastic by 2020.



"Many of our customers have told us that they love Chatime but are keen for us to find alternatives to single-use plastic. We want them to continue to enjoy the great taste and quality of Chatime tea, so finding practical solutions is really important." As part of the initiative, Chatime Australia is trialling a specially designed new paper straw made with Forest Stewardship Council (FSC) certified paper from managed plantations in all 125 of its T-breweries across the country. The transition from single-use plastic cups has started with compostable cups and lids made from bioplastic, which is made from plants, rather than fossil fuels like oil.

These will initially be used in Chatime's UTS and Murdoch T-breweries. This will be extended as part of a 10-location trial in February 2020. Chatime is now also offering customers a reusable cup in all of its locations. These bioplastic cups are currently only compostable in industrial compost facilities, so Chatime has teamed up with a contractor to collect used cups and lids from its T-breweries and send them away to be composted. "We anticipate that by leading the way we will increase demand for compost facilities for these types of products and help create a more sustainable community," said Antonius. ■

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- Franchisor financial performance
- Lender relations
- Compliance and assurance

Following a robust and independent assessment, franchise systems are allocated a performance outcome (star rating) which can be used at their discretion.



Australian Franchise Rating Scale – 2019

**Provide your franchise with the credibility it deserves.**

## FCA Tech Tour & IFA Convention 2020

Join the FCA in Seattle on a tour of some of the world's leading technology companies in a once in a lifetime opportunity before heading to Orlando for more professional development as part of the FCA delegation to the 2020 International Franchise Association (IFA) Annual Convention.

## FCA Tech Tour: embracing 2020 and beyond

### Seattle, 3-6 February 2020

Want to know what is coming next and how to prepare your franchise to succeed in an age of digital disruption? Want to know how Amazon, Facebook, Starbucks, Microsoft and Boeing operate?

This once in a lifetime tour has been created by the FCA exclusively for FCA members to provide exposure to the technologies that will shape franchising in the next decade.

### Day 1: Microsoft

Visit Microsoft's Enterprise Briefing centre, Cybersecurity defence centre and visit the 'cloud', yes you will be taken on a guided tour of one of the most secure cloud data centres in the world. You will be briefed by their global productivity and retail specialists and hear from their VP of Global Partnerships who manages a global partner network of 650,000 independent local partners.

Want to see the house of the future or unreleased technologies? Join us to experience Microsoft's vision in their purpose-built facility on the Microsoft Campus.

### Day 2 (morning): Amazon Go Store

Ever wanted to see, touch and feel the retail vision of Amazon? Experience the Amazon Go store that has no checkout, just grab and go. This AI driven retail store is a working example of what is possible with AI driven services.

As only one of just two such stores in the world this experience should inspire you to think about the possibilities for your brand experience and operational future.

### Day 2 (afternoon): Facebook and Workplace with Starbucks case study

Visit Facebook's Seattle HQ to discover their vision across Facebook, Instagram, Whatsapp, Workplace, Virtual Reality and Voice services and how businesses can leverage these technologies to drive growth.

Find out how Starbucks have leveraged Facebook's technologies to drive sales and accelerate their strategic objectives across their network of more than 30,000 retail stores in 80 markets.

Meet the Facebook Workplace Global head of partnerships to learn how modern technology mega vendors support their independent partner channels and drive accelerated growth through local partnership channels and see Facebook's connected franchise vision.

### Day 3: Boeing

See how Boeing is leveraging technology transformation initiatives to drive the global organisation in its second century of operation.

Visit the massive Boeing assembly plant near Seattle and see a variety of different planes in production. Then explore the interactive exhibits in the Aviation Centre Gallery and Future of Flight Museum.

### Cost

The total cost for the tech tour is \$3900 ex-GST and includes:

- Three nights' accommodation at the Hilton Garden Inn
- Flight from Seattle to Orlando (leaving Thursday night on 6 Feb) to attend the IFA Annual Convention
- All transfers to and from destinations on the official program (once you have arrived at the Hilton Garden Inn)
- Buffet breakfast at the hotel. Lunch and dinner each night – base drinks packages at night events
- All tour costs at the tour venues

Does not include registration to IFA Convention 2020

Register your expression of interest in joining the FCA's Tech Tour at [techtour2020@franchise.org.au](mailto:techtour2020@franchise.org.au)



## FCA Delegation to IFA Convention 2020

Orlando  
8-11 February 2020

The IFA's 60th Annual Convention is franchising's biggest event for business development and personal growth attracting more than 4000 attendees and offering 50 educational sessions.

To register as part of the FCA delegation to attend, please visit [franchise.org.au/international-events](http://franchise.org.au/international-events)

Whether you're considering international expansion or interested in learning more and networking with other seasoned franchise professionals from around the world, the IFA Convention has something for you.

The FCA is pleased to provide members with a special discount rate to attend the IFA Convention 2020, hear from high-profile keynote speakers, participate in a wide range of networking and educational events across the three-day program.

IFA Convention delegate registration as part of the FCA delegation costs AUD \$1800 per person ex-GST and includes:

- Access to the complete IFA Convention program
- FCA Australian Delegation only - Welcome Drinks evening (Friday 7 Feb)
- New Member & First Time Attendee Workshop (Saturday 8 Feb)
- The Buzz (Saturday 8 Feb)
- Invitation only Traditions Dinner for FCA Australian delegation in memory of Rupert Barkoff - Kilpatrick, Townsend & Stockton PL (Sunday 9 Feb)
- International Reception (Sunday 9 Feb)
- International Attendees' Networking Event (Monday 10 Feb)
- FCA Australian Delegation only - Presentation by Josh Merin, Senior Vice President & Chief of Staff, IFA (Monday 10 Feb)
- The Bash (Monday 10 Feb)

# IFA 2020 CONVENTION



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