

# the franchise review

ISSUE 54 EDITION 2 2018

## **Evolving for growth**

Continuous improvement keeps Hog's ahead of the game

## **Better compliance the key to better franchising**

The FCA makes its franchising inquiry recommendations

## **Going global**

Franchises share their international expansion strategies



OFFICIAL JOURNAL OF THE FRANCHISE COUNCIL OF AUSTRALIA

FCA



FRANCHISE COUNCIL OF AUSTRALIA



### Deputy takes care of:

- ✓ Rostering
- ✓ Timesheets
- ✓ Team communication
- ✓ FWC Award Interpretation

*We've given franchise businesses more control and visibility over their day-to-day operations.*

“ We oversee 75 of our stores from head office, keeping on top of management teams and filtering down changes is a huge, labour intensive task. We use Deputy to ensure we're always up to date on the awards, no matter what changes take place.

Lawrence Chen  
Chatime

FCA members get a FREE trial at:

**[deputy.com/fca](https://deputy.com/fca)**





# Contents



## 2 A message from the CEO

By Mary Aldred, CEO, Franchise Council of Australia

## 5 Better compliance is the key to better franchising

Key points from the FCA's franchising inquiry submission

## 8 Making change easier to build better businesses

An Amcal and Guardian pharmacy network case study

## 14 Going global: franchises share their international expansion strategies

Three franchise systems share their strategies for overseas expansion

## 19 Ignite your brand with transformational franchise engagement

By Dustin Hansen CFE, CEO, InXpress Americas

## 25 Identifying and overcoming barriers to growth. How do you rate?

By Brian Keen, founder and CEO, Franchise Simply

## 29 Climbing the mountain: the importance of systemising franchise growth

By Lee Trevena, CEO, LeaseEagle

## 32 Full steam ahead for Single Touch Payroll

By John Shepherd, Assistant Commissioner, Australian Taxation Office

## 35 Touching distance from Single Touch Payroll

A Q&A with MYOB's resident Single Touch Payroll expert, David Wilson

## 39 Hog's diversifies and evolves to ensure ongoing growth

An interview with Hog's Australia's Steakhouse CEO, Ross Worth

## 44 Franchise expansion: the issues to be managed

By Alicia Hill, Principal, and Raynia Theodore, Principal, MST Lawyers

## 48 Framing the franchise partnership at Specsavers

by Charles Horner, Director of Communications, Specsavers Pty Ltd

## 52 Supporting you and your franchisees: the Fair Work Ombudsman's Small Business Showcase

Article provided by the Fair Work Ombudsman

## 55 A picture is worth a thousand words

By Peter Buckingham, CFE Managing Director, Spectrum Analysis Australia Pty Ltd

## 58 Upcoming FCA Events

A calendar of upcoming member events

## 59 Unlocking the value of your professional network

Four successful women in franchising share their tips

### PUBLISHER

The Franchise Council of Australia  
ABN 17 002 789 988  
PO Box 2195, Malvern East VIC 3145  
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

Kim Coverdale, Franchise Council of Australia  
T 1300 669 030  
E [kim.coverdale@franchise.org.au](mailto:kim.coverdale@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)

### GENERAL INFORMATION

All material is published at the discretion of the FCA. Editorial contributions, advertising bookings and artwork deadline information is available by contacting the FCA on 1300 669 030.

### DISCLAIMER

The views expressed in this journal do not necessarily reflect the views or policies of the FCA. Publication of advertisements for products or services does not indicate endorsement by the FCA. The responsibility for accuracy of information is that of the individual contributors, and neither the publisher or editors can accept responsibility for the accuracy of information that is supplied by others. Readers should make their own inquiries in making any decisions, and, where necessary, seek professional advice.

### COPYRIGHT

© 2018 Franchise Council of Australia. All rights reserved. Reproduction in whole or in part without written permission is strictly prohibited.



# A message from the CEO

**By Mary Aldred,**

CEO, Franchise Council of Australia

After six weeks in the role, I'd like to thank the FCA's membership for being so welcoming to me and for their support and assistance in helping me to quickly identify key issues to our sector.

There are three key priorities for me early in the role. These are:

- Close engagement with FCA members. It is critically important that the FCA is reflective, responsive and representative of our members in our advocacy on behalf of the sector, and the services and support that we offer members.
- Raising a positive profile of the sector. Notwithstanding the current challenges we face, there are so many more good things that franchising offers nearly half a million Australians. I'm committed to ensuring that the sector is seen in this light by the community and our government stakeholders.
- Providing strong advocacy on behalf of FCA members. This means constructively engaging with all sides of government and opposition, so that all levels of state and federal government are informed about the franchising sector, understand the good work that is taking place, and reflect positive policy outcomes as a result.

## **Inquiry into the operation and effectiveness of the Franchising Code of Conduct**

Developing the FCA's submission to the parliamentary inquiry into the operation and effectiveness of the Franchising Code of Conduct (the Code) has been a key focus of my early activities. I am grateful to many of our members and stakeholders who took up the FCA's invitation to provide us with feedback, no matter how brief or comprehensive, in preparing this submission. I appreciate the time you provided to assist with this important task.

A feature of the FCA's submission is the need to improve compliance and enforcement measures of the Franchising Code of Conduct and provide better resourcing of information and education for the sector. This is founded on the core principle that to properly address any wrongdoings in the sector, there needs to be better compliance, not more regulation. Where there have been incidences of wrongdoing, these are already in breach of regulation (the Code) and legislation. Introducing more regulation will not fix this. Better resourcing regulators and focusing on enforcement of compliance will address these areas.

“Whether it's providing education and professional growth at the NFC, or in our engagement with government on key sector issues, you can be sure the FCA exists for our members.”

Better compliance is key to a healthier and more prosperous franchising sector in Australia. In saying this, it is critical that any regulatory amendments strike the right balance between a rules-based system which imposes significant additional compliance burdens and the rights of individual businesses to operate freely in a market that creates jobs, consumer choice and shareholder wealth through competition, innovation and entrepreneurship.

More details about the FCA's inquiry submission can be found on pages 5 & 6.

The FCA's work in relation to the inquiry is by no means complete. The FCA has asked for the opportunity to participate in Senate committee hearings and looks forward to the opportunity of expanding on our submission and speaking on behalf of the sector. This will provide a captive audience for the FCA to present the views and aspirations of our members and speak to the present set of challenges and opportunities facing the sector.

With the inquiry due to deliver its findings at the end of September, we will, of course, be keeping members up-to-date with the FCA's activities and any key developments in this regard.



## National Franchise Convention 2018

The National Franchise Convention (NFC), which will this year be held in Melbourne from 14-16 October, remains the pre-eminent event for franchisors, head office staff and franchisees to obtain the most up-to-date information on issues affecting the sector, build networks and solidify knowledge of core franchising topics.

There is no doubt the sector is currently facing challenges both within the marketplace and reputationally, but in spite of these headwinds - and in some cases perhaps because of them - franchisors are innovating and building strong and profitable networks.

NFC is the place people come to share and hear these stories, whether as part of the formal program or in conversation at one of the many social and networking events. It is also the place where franchise and business leaders reveal invaluable insights into the philosophies that have taken them to the top. For a sneak preview of what's in store at NFC, be sure to read the article by NFC18 keynote and CEO of InXpress Americas, Dustin Hansen CFE on pages 19 & 20.

To find out more about the NFC18 program and to purchase your tickets, visit [nationalfranchiseconvention.org.au](http://nationalfranchiseconvention.org.au)

Whether it's providing education and professional growth at the NFC, or in our engagement with government on key sector issues, you can be sure the FCA exists for our members. Ensuring the FCA continues to deliver value for members so that they are prepared and resourced to meet transformational challenges and opportunities presenting to the sector will be the highest priorities for me moving forward.

As CEO of the FCA, I am privileged to represent the interests of thousands of people in our sector who take the chance every day to give someone else a job. Australia's economic future relies on a strong and thriving franchise sector, and I look forward to working with you to deliver that. ■



Cashflow It®

# Grow your network with Cashflow It Franchise Accreditation



Help your franchise partners get the finance they need by becoming a Cashflow It accredited franchise system.

Not only does accreditation reduce the challenges of accessing finance, it is also a powerful tool to assist in the growth of your franchise network.

While Cashflow It operates with the flexibility of a small business, we have the resources and backing of one of Australia's largest non-bank finance companies - Thorn Group Ltd, an ASX 200 company with over 80 years' experience in the finance industry.

“Cashflow It has been a key partner for the growth of the Rolld system. Where traditional lenders have rigid requirements, the team at Cashflow It have understood the challenges of a growing franchise system and have been prepared to partner for growth.”

Ray Esquieres, Co-Founder & CFO, Rolld Australia

## Benefits of Accreditation

1. Guaranteed access to finance
2. Preferred rates of funding
3. Access our full range of finance products
4. Accredited franchise priority service
5. Other exclusive benefits

## What can be funded?

Just about any serialised piece of equipment can be funded with Cashflow It as well as some customised assets.

- New equipment
- Used equipment
- Fitouts and refurbishments
- Vehicles
- National equipment roll-outs
- Re-financing & Franchise re-sales
- Serialised and custom assets
- Greenfield sites

## Get accredited

You'll be happy to know that Cashflow It Franchise Accreditation is nothing like bank accreditation. It's a very simple, pain free process. Call us today on 1300 659 676 or visit [cashflowit.com.au](http://cashflowit.com.au) for further information.



1300 659 676  
[cashflowit.com.au](http://cashflowit.com.au)



Key points from the FCA's franchising inquiry submission

# Better compliance is the key to better franchising

Enforcing compliance of existing regulation, rather than adding new regulation, was the key message the Franchise Council of Australia delivered in its submission to the Parliamentary inquiry into the operations and effectiveness of the Franchising Code of Conduct (the Code).

In its submission to the Parliamentary inquiry, the Franchise Council of Australia (FCA) said examples of poor franchising experiences would most certainly be reduced by greater compliance and enforcement, supported by a stronger compliance culture across the sector.

## The FCA's key recommendations

Recommendations made to the inquiry by the FCA for improving better regulatory compliance and enforcement outcomes within the sector, included:

- Making additional funding available to the Australian Competition and Consumer Commission (ACCC) and other allied agencies to support better enforcement of the Code and more efficient responses to small business concerns about any alleged lack of compliance;





- Encouraging the ACCC to use its powers to issue fines and infringement notices, conduct random audits and take Court actions more frequently, where there is systemic evidence of non-compliance;

- Ensuring more franchisees use and follow the existing Code process by:

- Allocating funding to educational initiatives that ensure prospective franchisees are aware of the protections available to them, the benefits of obtaining advice, their due diligence obligations and available guidance resources

- Streamlining the Code's disclosure documentation, providing more focused information about the risks and opportunities, rewards and obligations of a prospective franchise business investment, in a format that is easier for franchisees and their advisors to use

- Translating the Code's Information Statement into multiple languages to cater for the fact that around 70 per cent of small business owners are migrants; and

- Mandating the requirement for a franchisee to obtain competent legal and business advice unless the franchisee satisfies a specific exemption – for example as an existing franchisee, a sophisticated investor, or the investment level of the franchised business is below say \$60,000 – before making the significant personal and commercial decision to invest in a franchise business opportunity.

## Ensuring compliance and highlighting best practice

“No one is keener to understand the causes of reported episodes of poor franchising experience than the FCA,” FCA CEO Mary Aldred said.

“Australia has a very substantial and successful franchised economy, supported by one of the most comprehensive and effective franchising regulatory systems in the world. In our experience the overwhelming majority of franchise businesses uphold the highest standards in their own businesses. While franchised businesses enjoy improved prospects of success and profitability compared to independent, standalone businesses, they still compete in a dynamic and challenging marketplace.

“We acknowledge that there are examples of poor commercial outcomes within franchising that appear to arise not only from market pressures, but a number of reported cases appear to suggest that the Franchising Code of Conduct has been breached and where available dispute mechanisms have not been accessed.

“Stronger compliance with the Code, active enforcement and highlighting best practice should be key areas of attention for the inquiry.

“A franchisor's first customer is their franchisees. Publicised examples show what can happen if other imperatives or priorities creep into the franchise relationship. This is where a strong compliance and enforcement setting is incredibly important to respect and protect this business model.

“However, it is equally important that any regulatory changes strike the right balance between a ‘rules-based system’ and the rights of individual businesses to operate freely in a market that creates jobs, consumer choice and shareholder

“A franchisor's first customer is their franchisees.

Publicised examples show what can happen if other imperatives or priorities creep into the franchise relationship. This is where a strong compliance and enforcement setting is incredibly important to respect and protect this business model.”

wealth through competition, innovation and entrepreneurship.

“A failure to do this, or an overly heavy-handed and unnecessary regulation, will jeopardise jobs, risk thousands of small businesses and hurt consumers.

“The issue is not that the existing regulatory framework does not prescribe protective measures. Rather, it is that in a number of reported cases, the Code has simply not been adhered to and, when breached, not always enforced. Ensuring regulators such as the ACCC are adequately resourced to collect data, provide guidance on best practice, investigate claims of wrongdoing and, where necessary, take enforcement action must be a key focus of this inquiry.

“The inquiry has an opportunity to make significant inroads on all of these fronts,” Mary added.

## Franchising inquiry – next steps

Over the course of the inquiry, the FCA will remain focussed on constructively engaging with the parliamentary inquiry process, ensuring the many positive outcomes that franchising delivers are heard, and that the impact of any regulatory changes proposed are properly understood by those who propose them.

The FCA has asked for the opportunity to participate in Senate committee hearings and looks forward to expanding on our submission and speaking on behalf of the sector. This will provide a captive audience for the FCA to present the views and aspirations of our members and speak to the present set of challenges and opportunities facing the sector.

The Parliamentary Joint Committee on Corporations and Financial Services is due to deliver its report by 30 September 2018. ■



Every franchisor now needs

# brand protection

against payroll scandals

---

New Fair Work laws require every franchisor to take reasonable steps to ensure their franchisees are payroll compliant.

WorkShield is the service that meets all your Fair Work obligations, and helps your franchisees better manage their employees.

Contact us for a free briefing.



STRATEGIES

[erstrategies.com.au/workshield](http://erstrategies.com.au/workshield) | 1300 55 66 37

Payroll compliance audits | Telephone advisory services | Enterprise agreements  
Employee helplines | Online Human Resources documentation

# Making change easier to build better businesses

**By Vanessa Lontos,** B Pharm (Hons)  
Dispensary Learning and Development  
Specialist (LEAPP Coach), Amcal and Guardian;  
**David Preston,** B Pharm, National Dispensary  
Operations Manager Amcal and Guardian; and  
**Nick Hughes,** National Central Operations  
Manager, Amcal and Guardian.

For a franchisor to claim and hold a market position for their brand requires consistency in the individual businesses across a network, and responsiveness to this position by their customers.

Claiming a position in a competitive and disrupted market can be a complex process. However, brand consistency can be achieved through supporting behavioral changes, creating cultural shifts and achieving measurable performance outcomes of individual business units across the franchise network.

Imagine you're undertaking a significant change initiative across your network and one evening a lengthy email lands into your inbox from one of your participating franchisees.

They've sat down to write to you and let you know about your program's impact. The franchisee writes about the effect on himself, his business and specifically the impact on one of his

customers and in this case, a person's health, as the participating business in this instance is a pharmacy.

After implementing a program to deliver a shift in customer experience, his patient's family have dropped back into the pharmacy. They have thanked him for his special care and reflected on the positive impact this interaction has had for their husband and dad.

It's a beautiful story and reassures you that you are on track, but there is still such a long, long way to go to reach the remaining members of your network – especially when that network comprises one Australia's largest retail pharmacy footprints

## The case for challenging a service model

In the Australian pharmacy landscape, significant disruption continues to impact individual pharmacy business owners (noting that to own a pharmacy you must be a pharmacist). This disruption has occurred in the form of significant competition from discount price models, regulatory reform, price disclosure and the rapidly shifting habits of the digitally savvy consumer. To navigate these challenges required a change in franchisor initiatives and a clear and sustainable shift in the pharmacy service model that is stimulated and supported by an expert and passionate franchisor field team.



"It is essential when rolling out in any change process across a franchise network, to understand that while there is a requirement for network consistency, each individual operator and their team will have their own needs that require support."



*LEAPP pharmacists working with Professional Support Pharmacist Ali Rodger to build skills in patient engagement through role play*

Pharmacists are traditionally involved in the technical processing of a prescription and given that tradition is a powerful force, any shift in this behavior could potentially be met with resistance, overwhelming and concerning franchisees.

Against this background, in mid-2016 Sigma Healthcare undertook the piloting of a Dispensary Excellence Program with a group of member franchisees in the Amcal and Guardian Pharmacy networks. This program set the foundation to challenge that historic model and deliver a shift in patient experience by enabling the pharmacist to be out from behind their dispensary counter to interact with their customers, build relationships and provide a personalised service to their patients.

As a franchisor we learned a number of things about delivering that change, and have seen some excellent outcomes for patients and member franchisees.

### **Where it began, the pilot and assembling a team**

The beginning of any change process begins with a vision that activates and inspires you and your team. For many, it begins with an individual and can often be possible in a single business but harnessing this energy and transferring it across a network of more than 300 pharmacies requires a whole team approach. The key is to find people who have leadership qualities, are passionate and importantly willing to navigate a new pathway or approach.

Piloting and mapping the correct

performance measures to determine the outcomes of the program in its infancy were hugely beneficial. As Tony Robbins once said, "Success leaves clues", and the pilot program provided a quick insight into what specific behavioural changes can lead to success. Mission critical behaviors and actions were quickly identified, and these formed the keys to unlocking service model potential and sustainability.

A passionate field team with expertise, who also provided coaching and mentoring was critical to the program's success. Assembling a team to implement the vision required finding a dedicated group who worked not only with each other but for each other, and for its members. When a team works for each other, their combined effort becomes the fuel to create change and build momentum.

Understanding each member's individual needs, while being very authentic and honest about our learnings, helped create an environment of 'have a go and see what happens'. The need not to be perfect but rather to focus on action before feeling totally ready, facilitated the change process and fast-tracked many franchisees to success.

It is essential when rolling out in any change process across a franchise network, to understand that while there is a requirement for network consistency, each individual operator and their team will have their own needs that require support.

Developing a change program that can be reproducible and successful across

a range of different sized businesses was critical to the buy-in by individual franchisees. The pilot program allowed evidence to be built that this service model was possible and influenced business performance in a positive way.

### **Supporting the ongoing case for change**

The pilot program led to the broader, successful launch of the Dispensary Excellence Program, now known as the LEAPP program, in March 2017. Throughout 2017, close to one third of the network took up the challenge to implement this shift in their pharmacies.

However, it is not only the shift in culture within the individual business units that requires support and an evidence base for continued pursuit of change. There is also the need to continually work internally within your franchisor business to connect the franchisor team with the change that is occurring in each business unit, or within the participating group of franchisees.

Sometimes this is as simple as a hallway conversation and being prepared with the snapshot of progress to share, and sometimes it means that when the franchisor team gathers together for a Town Hall style update, you need to step up front and deliver a progress report.

Don't leave your team guessing how progress is going. Keep the metrics, the testimonials and great customer outcomes in their faces when it comes to your internal messaging.



## So you think you have this change initiative covered, but what do your member franchisees really think?

Change is tiring and the energy within the individual business teams needs to be considered. Feedback loops were built and staged throughout the program, with Net Promoter Score ratings sought at the end of training sessions, to ensure we were aware of the process, progress and impact for our members. This allowed continued focus on how we could simplify the change process, upskill efficiently and harness the energy within the team in such a way that member franchisees and their teams felt part of the program and, importantly, contributed to its success.

From this feedback, we learnt that there can be a feeling of isolation among individual business owners/units even though they are part of a network and franchise group. So the field team support and structure of the program was critical to its success. We developed the program to include reference site-visits (for some aspirational benchmarking), closed online community forums, webinars and regular team visits to the pharmacies (no matter where they are!) for one-to-one support. This was critical to building connections with and between the members.

This connection and sense of community demonstrated commitment to the each other's and the brand's success and many of the participants have since become the advocates for the change program and the results it has delivered. The LEAPP program has now moved into its second year, with the majority of the network now actively pursuing the program.

## When can you declare success?

According to organisational change expert John Kotter, success is declared when changes stick and the team culture doesn't drag you back to the old ways of doing things. In the case of our world of pharmacy, it's when you are able to deliver the service model with each patient, not just when it's quiet, but with each and every customer, each and every time.

At a recent network gathering, the franchisee who wrote us that original email, provided a positive update on their progress. So the benefit of this shift in customer experience continues.

The LEAPP program is providing the systems, processes and, importantly, behaviors to engage customers in a way that continues to influence their health outcomes. As an organisation we have learnt that to stay ahead in our market, the behaviours, the feedback loops, the expertise and enthusiasm of the field team, and evolving systems and processes need constant focus. Collectively, our member franchisees continue to be passionate about their patients, teams, businesses and their brand.

When the change program was implemented, we asked member franchisees to take a leap into the unknown. By providing the support and engagement structures to enable them to make a significant cultural change and shift the customer experience, franchisees and franchisor alike have reaped the rewards of a collaborative and evidence-based approach that is shifting the paradigm across the network. ■



“Assembling a team to implement the vision required finding a dedicated group who worked not only with each other but for each other, and for its members. When a team works for each other, their combined effort becomes the fuel to create change and build momentum.”

*The first “LEAPP Essentials Masterclass” with participants from Victoria, Tasmania, New South Wales and Queensland and the Sigma LEAPP team.*



# FIND OUT WHY SNOOZE WINS AWARDS FOR FRANCHISE PARTNER SATISFACTION



## Choosing a tried and tested franchise

Snooze has been in business and launching franchises for more than 40 years, and we take pride in passing on our extensive experience to our franchise partners. From humble beginnings in 1974 as Capt'n Snooze, we rapidly grew into six specialty stores offering new standards of service, expertise and range. In 1976 we began to franchise, opening stores across Victoria and New South Wales. And then in 1992, as Capt'n Snooze, we merged with the Queensland franchised bedding group, Bedpost. This established Snooze as one of the largest specialist franchised bedding chains in Australia.

Snooze's unique selling point is the new Snooze Profiler®. From a customer stand point, Snooze understands that finding a mattress can be really confusing. In three easy steps, the Snooze Profiler® can help take the guesswork out of buying a bed. This is integrated as part of the selling process.



*The new Snooze Profiler® can help you choose a bed that rights for you*

From a franchise partner's perspective, Snooze believes that by giving our franchise partners a solid platform to start their business, communicating well and providing support, we can help maximise their potential as a Snooze franchise store.

The following eight points form the basis of our franchise support system:

1. Marketing and promotional support
2. Sales and merchandising support
3. Product training
4. Business management support
5. IT services
6. Benchmarking & KPI measurement and comparison
7. Site selection and property negotiation
8. Store design & layout

## Qualifications Required

We need you to cope well with pressure and have an ability to organize, supervise and motivate staff. You should enjoy working with people, have good interpersonal skills, enjoy being a retailer and have a strong customer service orientation. You need to have a hands-on approach to your business and have a strong work ethic, along with sound basic business management and administration skills.

## Marketing Support

Snooze Franchise Partners have the opportunity to reap the benefits of proven and successful national marketing campaigns, assistance with local marketing plans and visual merchandise guidance.

For more information about becoming a Snooze Franchise Partner, contact Bettina David  
[bettina.davis@snooze.com.au](mailto:bettina.davis@snooze.com.au) | 0423 077 844

IT'S AMAZING WHAT A LITTLE SNOOZE CAN DO  
[www.snooze.com.au/franchising](http://www.snooze.com.au/franchising)

The Snooze logo, featuring the word 'Snooze' in a stylized, cursive script font with a registered trademark symbol.





Already known as the number one smoothie and juice bar in Australia, Boost Juice is continuing to expand their 'Love Life' ethos across the world.

In 2004, Founder and resident Shark on Channel Ten's Shark Tank, Janine Allis, saw an opportunity to take the Boost Juice brand internationally by opening the first store outside of Australia. Partnering with passionate and like-minded master franchise partners, the platform for growth internationally has only continued to flourish as more brand awareness is spread across the globe. The vision was simple for Boost Juice, it was to do retail differently, a value that is still at the heart of the brand and recognised in every Boost Juice store globally. The brand is based on so much more than just a great product. Customer service that turns heads and puts smiles on the faces of its customers is at the core

of Boost's success. Coupled with creative, cheeky marketing campaigns, the recipe has resulted in year on year success and there are no signs of Boost slowing down!

Currently established in 18 countries, Boost Juice has increased their world-wide presence by most recently launching in New Zealand in late 2017 and in Bangladesh in early 2018. The entry into the New Zealand market was a fruitful one, with three stores already trading across Auckland, Wellington and Dunedin, with aggressive expansion plans for 2018 already underway. Customers in New Zealand have welcomed Boost Juice with open arms, their Facebook pages has already over 11,000 Facebook likes in a matter of months. According to Boost International General Manager Clare Morrison, "the launch of Boost Juice in New Zealand has been extremely well received... many customers are already familiar with the brand from visiting Australia and thrilled they don't have to travel 3000 kilometres to get their favourite smoothie!"





Early 2018 saw Boost Juice open its 208th International store in Dhaka, Bangladesh. The menu offers many of the same popular smoothies and juices that the loyal Boost Juice customer knows and loves, as well as providing local area favorites including a turmeric infused smoothie. As well as tailoring the menu, the Boost Juice Bangladesh store showcases a new design, with a patio that can seat up to 30 people, which appeals to the dining culture amongst the locals. Trading hours are adapted to the region as juices and smoothies are viewed as more of a dessert, often being enjoyed as a late-night treat.

While Boost Juice tackles each marketplace differently, the essence of the brand remains the same; this has always been a strong focus when entering into a new market. Boost Juice's Franchise Development Manager, Sally Nathan says, "each country has slight variations in how the brand is positioned and Boost has responded to this with sensitivity while ensuring we do not compromise on what



our customers know and love. Listening and understanding each market is what sets Boost Juice apart from other brands when it comes to our approach to international development."

With exciting plans already underway with three new countries (including new countries in Asia and the Middle East) slated to open by the end of 2018, the Boost Juice International Team are busier than ever.

In addition to new country launches, our established master franchise partners are continuing to grow their regions. Malaysia in particular now has more than 80 stores and both company owned and sub-franchised. Ms Morrison says, "we continue to provide our current international master franchise partners with ongoing support and guidance to further grow their network. As their regions continue to grow, so does their need for larger more established support networks and investment into infrastructure, such as supply chain and reporting mechanisms. The potential for further growth in already established countries is really exciting".

Over the years within Australia, Boost Juice have become well known for their strong presence in shopping centre locations. This expansion strategy has allowed for a 95 per cent brand awareness in their first five years. Now that Boost Juice have a loyal following, it's opened up the opportunity to bring the convenience of smoothies and juices to customers, by making Boost Juice more accessible. New locations and business models are on the horizon with Boost Juice Drive Thru's and Mobeels (Boost Juice Food Trucks) franchising across Australia in the coming months. A concentrated effort on finding the right sites has always been a key focus. Boost Juice Managing Director Claire Lauber says, "it's never been about rapid growth just to increase store presence, we pride ourselves on finding premium sites for our franchise partners so they are set for success from the onset". Boost Juice's evolution is fruitful and with further growth and innovation underway, Boost Juice have no plans of slowing down.



# Going global: franchises share their international expansion strategies

The Franchise Review asked the leaders of three franchise systems to share the strategies behind their expansion into overseas markets and the best piece of advice they would give to other franchisors looking to take their brands overseas.



# No cutting corners as Just Cuts enters UK market

With 28 years of franchising experience under its belt, hairdressing network Just Cuts is now operating salons in Australia, New Zealand and, most recently, the United Kingdom. General Manager, Just Cuts Franchising, Amber Turnbull, told The Franchise Review about how this established brand has managed its expansion both in Australia and overseas.

**The Franchise Review (TFR): Can you share the recent growth and expansion of Just Cuts both within Australia and internationally?**

**Amber Turnbull, General Manager, Just Cuts Franchising (AT):** We have a goal to increase our brand presence across the Australian, New Zealand and UK markets. Our clients are looking for convenience and some of our best performing salons are in regional areas. We have achieved significant growth through multi-salon franchise ownership, so our focus is to grow with our network of franchisees; our technology assists us to focus on unit level economics. Just Cuts is also expanding with our own exclusive brand JUSTICE Professional. Over the years, we've listened to the requests of our clients who asked for hair products they could use at home to maintain the Style Cuts cuts they received in our salons. We drew on our network of 3500 stylists for advice on what products they would like to use in salons to service our 100,000-plus clients each week and JUSTICE Professional was born and has been growing ever since.

**TFR: You opened your first UK site in January of this year. Why did the UK appeal as a location for international**



**expansion and what are your future plans for growing Just Cuts in the UK?**

**AT:** The UK is where our CEO and founder started his first five salons, so it has always been a goal to get back to the UK. The UK is a great market for us as we have seen many Australian brands succeed in the UK. And of course, you can't get your hair cut online just yet.

**TFR: Your expansion into the UK market was through a kiosk model rather than the traditional Just Cuts salon. Can you explain what the kiosk model is and why you selected this model, rather than the model you've traditionally operated in Australia for your expansion?**

**AT:** Yes, this was intentional to pilot our processes in an international market. For example, can we get fully qualified hairdressers or is there a shortage of hairdressers? Who are our suppliers? Can we get the tools we need, or do we need to ship from Australia? We also needed to establish relationships with accountants, solicitors and the British Franchise Association.

**TFR: What were the main challenges for Just Cuts when expanding into the UK market and how did you overcome them?**

**AT:** Obviously distance, however technology has been able to bridge this gap. We can monitor our salon performance live with our technology. Austrade have been a great assistance to set up bank accounts etc in a foreign country. It was unfortunate that you cannot be a member of the British Franchise Association until you have been operating in the UK for more than 12 months. I think that is the great thing about the Franchise Council of Australia

(FCA): if you are looking to establish as a franchisor you have all the tools and resources available to you.

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

**AT:** Use your networks. I have been very fortunate being part of the FCA's Chief Executive Syndicate and leveraging off their contacts and experience in the UK market. Research your market and factor the snowy conditions into your business plan!

"The UK is where our CEO and founder started his first five salons, so it has always been a goal to get back to the UK. The UK is a great market for us as we have seen many Australian brands succeed in the UK."





“We have a very audacious goal to donate one billion meals by the year 2025 and all our growth, particularly our entry into the US market, is underpinned by that goal.”

## Zambrero plates up in the USA

Growth is being served up at Zambrero and this Mexican restaurant franchise’s mission to help tackle world hunger through its Plate 4 Plate program has most recently resulted in the opening of its first two restaurants in the United States of America. Bianca Azzopardi, General Manager of Zambrero, explained their expansion plans.

**TFR: Can you share the recent growth and expansion of Zambrero both within Australia and internationally?**

**Bianca Azzopardi, General Manager, Zambrero (BA):** We’ve recently had significant growth both in Australia and internationally. In Australia we continue to open approximately 30 restaurants a year and we’ll meet that target again this year. This year was an important milestone for us because we made our entry into the United States of America, launching two restaurants in March - one in Harvard Square and in Warwick, Rhode Island. In addition to that we continue to see growth both in New Zealand and in Ireland, which are our other two international markets.

We have a very audacious goal to donate one billion meals by the year 2025 and all our growth, particularly our entry into the US market, is underpinned by that goal.

**TFR: Why did you believe the USA**



**would be suitable for Zambrero’s expansion?**

**BA:** There are two core pillars in our brand. The first is the healthy nature of our food. The other core pillar is our humanitarian values, which is embedded in our Plate 4 Plate program where for every burrito or bowl we sell we donate a meal to someone in need.

Those two core pillars are connected to two trends we’re seeing in the market right now both in Australia and globally in the US. They are the rise of consumers who want to have a healthy food option and also consumers who are really looking to use their purchasing power for the greater good. What we’re seeing in the US is an upsurge of brands with similar values to ours and that’s what we believe is really going to make us a success in the US.

**TFR: Your ‘Plate 4 Plate’ initiative is well known in Australia. How are you planning to translate this into the**

**USA market?**

**BA:** In every market we enter, we roll out the same program and use the same partner for meal distribution. The program is very much in our restaurant design. For instance, in every single one of our restaurants we have a Plate 4 Plate counter which tracks the amount of meals that we’ve donated to date. We have that in both of our US locations.

It’s also important that every team member that comes on board has knowledge of our Plate 4 Plate program and a value set that is in line with our brand.

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

**BA:** Ensure there’s product-market fit before you enter into that market. Remember that at the end of the day, your customers are the lifeblood of the business.



## India fits the bill for gym franchise's expansion

With consumer demand for flexible, 24-hour gym access continuing unabated in recent times, Plus Fitness has experienced sustained growth within its Australian franchise network over the past seven years. While growth and interest remain strong with Australia, in addition Plus Fitness has now opened its first franchises in India. Plus Fitness Franchisor, Nigel Miller, discussed the franchise's expansion plans.

**TFR: Can you share the recent growth and expansion of Plus Fitness both within Australia and internationally?**

**Nigel Miller, Franchisor, Plus Fitness**

**(NM):** Since 2011, we have opened 180 Plus Fitness franchises across Australia and New Zealand and we continue to open a new club on average, every 21 days. We have another 85 franchise territories sold and in various stages of development and continue to sell a franchise territory a week on average and with no signs of this continued interest slowing down.

From an international perspective, we have recently sold our first International master franchise license in 'India West'

which has seen two franchises already open and a third scheduled to open in May 2018.

**TFR: You recently became the first Australian 24-hour gym chain to expand into the Indian market. Why did you select India as an expansion territory, and what are your future plans for growing the brand in India?**

**NM:** We conducted a considerable amount of research on the Indian fitness and franchising sectors. This enabled us to substantiate our belief that there was a great opportunity to enter the market there. Our research gave us confidence that our high-end aesthetic fit outs and equipment offering and great customer service, supported by a mid-range price position would see us experience solid growth at a consumer level. Pleasingly, this is something that we are already experiencing.

In developing the master franchise model, we focused heavily on ensuring that not only were there well-balanced returns at each level but also that our support systems could be replicated to ensure success for the local franchisees. Adding in a master franchise tier required us to plan and prepare a master franchisee training and development program along with ensuring manageable systems were in place to provide the required level of support.



**TFR: Have you needed to adjust the business offering to India's market compared with your Australian offering? If so, what changes have you made and why?**

**NM:** India has a mature fitness industry and one that is experiencing aggressive year on year growth. Despite this, we conducted extensive competitor and market research both remotely and on the ground. It was very important for us to have a solid understanding of where the industry has come from, where it sits now and what scope it has for the future.

We discovered that certain changes would be needed in the model for us to enter the market. There were expectations around services such as saunas, an increased focus on group exercise and also consideration that a 24-hour business needs to be staffed 24 hours a day and a reliance on access control systems alone at certain times of day and night would not be possible.

**TFR: How did you select your master franchisees for India and what support will your Australian head office be providing to your master franchisees in India?**

**NM:** We have separated India into six master franchise territories and are currently marketing these both in India and domestically. Our first sold master franchise territory is 'India West' with the master franchisees being existing domestic franchisees with two franchises located in Adelaide, South Australia.

This gave us a great advantage in terms of their understanding of our model and operating systems. Added to this is the fact that they originate from the west of India, which has assisted us all in getting this first master franchise operation up and running. In saying this, the whole process has not been without it's challenges. However, with a lot of combined hard work, passion and persistence it is great to see us collectively reach the stage that we have already.

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

**NM:** Do your homework, and then do it again! There are so many aspects to consider when conducting due diligence on a foreign market that go way beyond those which are required domestically. Considerations must be given to everything from financial modelling at each level to local legal compliance and tax implications to ensuring your offering fits the market, how you will find franchisee investors to how you to market your product, what changes you will need to make to meet consumer demand to ensuring consistency of product and brand will be achieved and maintained...the list goes on! ■





## Manage your print. Anywhere, anytime.

Zenith Hub Online Print Management can save you time and help control your brand.



Create

### CREATE

- A system tailored to your requirements
- An online library of your entire print catalogue



Publish

### PUBLISH

- View instant proofs for immediate job submission
- Eliminate human error and ensure brand consistency



Manage

### MANAGE

- Order 24 hours a day/365 days a year
- Save time on repeat orders



Track

### TRACK

- Track your orders and ship to multiple addresses
- View print history and spend reports

To learn more, book a FREE consultation: [kwikkopy.com.au/zenith-fca](http://kwikkopy.com.au/zenith-fca)

Or call our team on (02) 9967 5500



Corporate Design  
& Print Solutions

[kwikkopy.com.au](http://kwikkopy.com.au)



# Ignite your brand with transformational franchise engagement

By **Dustin Hansen CFE**,  
CEO, InXpress Americas

After starting out as a franchisee and rising to the role of CEO of InXpress Americas before his 30th birthday, Dustin Hansen has a unique understanding of the value that a collaborative relationship between a franchisor and its franchisees can deliver to a brand. Here, Dustin shares his practical insights into engaging franchisees and helping them to increase brand value.



Franchising provides an excellent environment for people of any age group to develop a variety of business skills. At 23 years old, I suddenly felt the seed of small business ownership start to grow. I was introduced to the concept of franchising. It instantly resonated with me that I could be in business for myself but not by myself, and that I could use someone's brand to build my own small business.

Through a lot of hard work, persistence, and unwavering commitment, my franchise was consistently one of the top 10 largest and fastest growing franchises in the InXpress network. A few years later, I had the opportunity

to join the corporate office of InXpress, and at the age of 29, I assumed the reigns as CEO. My franchising journey has been filled with priceless lessons, the most valuable of which has been how to engage franchisees in a transformational way to drive brand value.

Let's start first with two basic principles:

## **1 Franchisors do not have unlimited resources.**

Franchisor leadership teams are being asked to do more with less. This can strain and compromise key areas, such as franchisee-to-field consultant or prospects-to-development director ratios.

## **2 Franchisees are the source of a brand's best intellectual talent.**

Franchisees know the business inside and out, and many are subject matter experts in a certain business skill from previous work experience. A franchisor's ability to tap into that knowledge and experience is extremely valuable.

The key idea here is to utilize the available resource of powerful intellectual capital to reduce ratios and drive performance. A brand can collaborate and engage their franchisees at a higher level than they have realized previously. But before doing so, two things must happen:

“My franchising journey has been filled with priceless lessons, the most valuable of which has been how to engage franchisees in a transformational way to drive brand value.”



## 1 Build connection and trust between franchisor executives and franchisees.

This is simple: franchisor executives must get to know franchisees personally, find commonalities, and invest the energy to make it genuine.

## 2 Teach franchisees franchising.

Franchisees' know their businesses inside and out, but they often do not know much about the franchising model. They may not know what brand value means, how to affect it, and why it's important to them. They may not understand the interdependent relationship of franchisors and franchisees. They must be taught.

With this understanding and foundation, a franchisor is in a position to ask their franchisees for help. But help with what? Here is where it gets transformational. Ask franchisees to fill corporate roles on a less than part time, independent contractor basis. The franchisee would still be full time in their business, and their own business would be their first priority. But they would carve out a few hours each week to fill a corporate role, such as a field consultant or a development director. The franchisor would provide the necessary training, tools, and support people to assist the franchisee partner to fulfil their assigned corporate role.

Let me demonstrate how this would work. At InXpress in 2016, we were sick and tired of getting subpar results. The executive team was challenged to transform the business to reach the level

of performance we expected. Like most companies, our resources were limited. We started first by building connection and trust with our franchisees. Secondly, we taught franchisees about franchising during all of our planned meetings and events. Once connection, trust, and increased franchise knowledge had been established, we asked for franchisees help.

Two early volunteers were Kody Slade and Tom Morris. Kody volunteered to help with franchise development in recruiting new franchisees. Kody came into our corporate office for three days to be trained on the InXpress discovery process. Kody was provided tools and to meet his assigned InXpress corporate support person. Kody then set aside five hours a week to fill his corporate role of Development Director. We began to send Kody new franchise leads up until he reached his maximum ratio capacity. Kody takes the franchise candidate through each discovery step, and then hands them back to the InXpress corporate support person to finalise the approval process and sign the franchise agreement. The story is the same for Tom Morris but acting as a field consultant. Tom was given five franchisees to coach and support, touching base with each franchise weekly, and holding a formal business review each month.

Instantly we lowered ratios, utilised powerful intellectual talent, effectively drove results, and increased brand value.

Just how effective has this been? Prior to 2016, we were opening less than 10 new franchise units a year. Since implementing this program, we have averaged more than 40 new franchise unit openings a year (none multi-unit). On his own, in one year investing just five hours a week,

Kody signed eight new franchises into the InXpress network.

In addition, prior to 2016 our average unit volume or same store sales grew less than 10 per cent year over year. Since implementing this program the average unit volume growth has been more than 20 per cent year over year. Tom Morris' group of five franchisees collectively have grown at more than 30 per cent year over year.

All of this has increased the InXpress brand value, evidenced by franchise units selling at a resell multiple 40 per cent higher than two years ago.

So, what's stopping you from making a transformational change in your brand within limited resources by tapping into the powerful intellectual capital of your franchisees? Lay the ground work of connection, trust and increased franchise knowledge, and then watch your organisation ignite. ■

Dustin Hansen will be sharing more of his knowledge in a keynote address at the FCA's 2018 National Franchise Convention in Melbourne from 14-16 October. To find out more, visit [www.nationalfranchiseconvention.org.au](http://www.nationalfranchiseconvention.org.au)





Drum Atweme , Alice Springs



Aerial view of Alice Springs Convention Centre & Crowne Plaza Alice Springs Lasseters



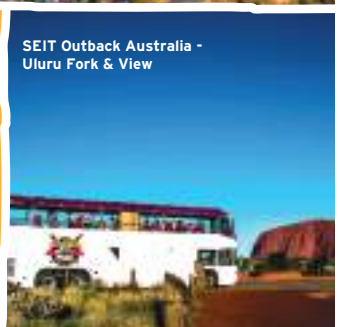
Ooraminna Homestead,  
Alice Springs

## CULTURAL

Allow our ancient Aboriginal culture to complement your program through story-telling, art, activities and entertainment. Engage, interact, learn and consider the option to leave a lasting CSR legacy.

## DIVERSE

Sophisticated convention centres, hotels and resorts, luxury wilderness lodges, corporate retreats and extraordinary off-site venues - the NT has it all across our three key destinations of Darwin, Alice Springs and Uluru.



SEIT Outback Australia -  
Uluru Fork & View



Crococaurus Cove, Darwin

## INSPIRING

For conferences and incentives, the NT has "wow factor" with spectacular landscapes, venues, activities and experiences which ensure not only long-lasting memories but also delivers successful business outcomes for your event.

## CONNECTED

The NT is a leader in the health, agribusiness, land management, mining, renewable energy, education and defence sectors. Connect with expert speakers, experience off-site technical tours and attract local NT support.



Maruku Arts, Uluru



Darwin Harbour Cruises



Voyages Ayers Rock Resort



Darwin Waterfront & Darwin Convention Centre

## LOOKING FOR AN INSPIRING DESTINATION TO HOST YOUR NEXT CONFERENCE?

NTCB will be exhibiting at the National Franchise Convention in October in Melbourne, please visit us at stand #32 to learn more about hosting your next conference in the NT.

Visit our website, email or call us for more information:

Website: [www.ntconventions.com.au](http://www.ntconventions.com.au)

Email: [info@ntconventions.com.au](mailto:info@ntconventions.com.au)

Tel: 1800 656 209







The Northern Territory Convention Bureau (NTCB) understands the importance of getting your annual franchise conference right. It is an unrivalled opportunity to reward your hardworking franchisees, recognise and celebrate their successes and provide the tools and information that will ensure franchisees continue to thrive.

In short, your annual franchise conference needs to be both memorable and valuable for your franchisees. As a franchisor, you need the organisation to be straightforward and the event to run smoothly and seamlessly.

The Northern Territory offers all this and more, so let us take you on a journey of discovery of the unparalleled attractions and support on offer when you choose the NT for your next franchise conference.

### THE NT “WOW” FACTOR

The diversity of NT experiences for delegates, either as part of their conference social program or as pre and post touring options, are simply amazing. Choose from three distinct conference destination options in Darwin, Alice Springs and Uluru, all offering dedicated meeting and convention centre facilities.

### CITY LIGHTS AND SIGHTS IN DARWIN

Darwin offers shopping, dining, cultural, historic and nature-based experiences, as well as a myriad of ways to explore its spectacular harbour. City attractions such as Crocosaurus Cove provide impressive function venues and iconic Top End experiences such as the Mindil Beach Sunset Markets are a must-do for conference groups. The city also provides a portal to Australia's largest national park, the World Heritage-listed Kakadu, where abundant wildlife, stunning pristine landscapes and exclusive wilderness lodges and retreats, as well as exciting touring and activities await, just a few hours away.

The Darwin Convention Centre is an award-winning world class venue in the tropical harbour city of Darwin. Located in the beautiful surrounds of the

Darwin Waterfront, it offers spectacular views over Darwin Harbour and comprises multi-purpose event spaces, with the largest catering for up to 1200 delegates. Darwin's accommodation portfolio offers over 4,200 rooms ranging across hotels, motels, apartments and beachside resorts.

### THE OUTBACK SPIRIT OF ALICE SPRINGS

The pioneering history of Alice Springs means it is a destination where a resourceful spirit prevails. Iconic Australian community organisations such as the Royal Flying Doctor Service and the School of the Air provide scope for off-site educational tours as well as social program options. Activities such as hot air ballooning over the desert or a mini Henley-on-Todd Regatta in the town's dry river bed provide unforgettable experiences. Off-site venues such as the historic Alice Springs Telegraph Station and The Quarry provide a true taste of the Territory for offsite conference dinners and events.

The purpose-built Alice Springs Convention Centre has a versatile suite of event spaces suitable for up to 1200 delegates. The Centre, which is equipped with contemporary audio-visual technology including free delegate Wi-Fi, is located at the foot of the MacDonnell Ranges and is adjacent to Crowne Plaza Alice Springs Lasseters. A range of other smaller hotel and resort venues are located within close proximity, with the city-wide accommodation portfolio offering more than 1,500 rooms appropriate for conferences.

### HEART OF THE RED CENTRE - ULURU (AYERS ROCK)

The Uluru (Ayers Rock) landscape is dominated by the massive rock monolith and the equally spectacular Kata Tjuta (The Olgas). Located in the World Heritage-listed Uluru-Kata Tjuta National Park, these massive rock formations

World-class conference venues, unique cultural experiences, pristine wilderness and iconic outback landscapes combine to make the Northern Territory a destination of choice for astute franchisors looking for their next franchise conference location.

# Northern Territory

## An inspiring conference





are rightly regarded as natural wonders of the world. As a sacred Aboriginal site, there are many opportunities at Uluru for fascinating cultural interaction. The spectacular light installation at Uluru, 'Field of Light' will be available for viewing at Uluru until 31 December 2020. Companies such as Uluru Camel Tours deliver memorable camel rides across the desert for conference groups as well as providing an impressive al fresco conference dinner venue.

Voyages Ayers Rock Resort is located at Uluru in the very heart of Australia and provides a variety of accommodation options including the premium Sails in the Desert Hotel. The Resort is managed by Voyages Indigenous Tourism Australia and owned by the Indigenous Land Corporation. The resort's dedicated conference facility, known as Uluru Meeting Place, includes a ballroom seating 420 people, which can be sub-divided into smaller meeting spaces. There is also a second ballroom that seats more than 300 guests.

#### HELPING FRANCHISE SYSTEMS WITH CONFERENCES

The NTCB has positioned itself as the ultimate concierge for franchise conference planners, providing innovative and comprehensive services. The NTCB represents all operators and suppliers in the Northern Territory who provide products and services for conferences and events. The bureau can provide introductions to hundreds of suppliers Territory-wide including those in the three key conference destinations of Darwin, Alice Springs and Uluru. The bureau can also enable cross-Government, business and industry access providing scope for support and a range of expert local NT conference speakers.

Franchise conference planners considering Australia's Northern Territory for their next business event have been given even more reason to consider the NT,

with the recent launch of the Northern Territory Business Events Support Fund (NTBESF), which offers financial assistance of A\$100 per delegate for eligible conferences at the consideration or bidding stage.

Further information, eligibility criteria and relevant application forms can be found on the NT Convention Bureau website at <http://ntconventions.com.au/en/why-the-nt/event-support>.

#### TESTIMONIALS

"We chose Darwin because it was a different destination to those we usually go to," said Narellan Pools Group Chief Operating Officer, Peter Bailly. "We loved the chance to do an indigenous experience with our team and we were really well looked after by our venue and Tourism NT."

**Narellan Pools Group** - The Narellan Pools Group held their annual conference for approximately 90 franchisees in Darwin in 2016 at the Hilton Darwin.

"The highlight of the Alice Springs Conference was the night at the Telegraph Station," said Think Water National Support Office Operations Manager, Phil Best. "Great atmosphere and history, well worth travelling to the centre of Australia - our delegates couldn't stop talking about it!"

**Think Water** - Think Water, the Australasian network of independently-owned water services businesses, held its milestone 10th National Think Water Conference in Alice Springs in August 2017 for 130 attendees.

**For further information on meetings, conventions and incentives in Australia's Northern Territory, visit [www.ntconventions.com](http://www.ntconventions.com)**

The Northern Territory Convention Bureau (NTCB) is an NT Government non-membership organisation which provides the key to unlocking a successful business event in the NT. Its concierge level of service is independent and impartial, designed to connect event planners and delegates to the many surprising and ingenious perspectives of the NT. Through the NTCB, unparalleled personal access is provided to destinations, venues and facilitators of meetings, incentives, conferences and exhibitions in the NT.

# and event destination

# No resources or desire to run your own webinars?

Let our dedicated project managers & event specialists take care of you.

**25% Off First Event**

**First 3 Months Free**

*Your First Managed Event + 15% Off Future Events*

*Teleconferencing, Web Conferencing, Video Conferencing*



Check out our state-of-the-art studios today:  
<https://goo.gl/jxTw8b>



**1800 733 416**

Take advantage of this offer now!  
Mention FCA or Franchise Council of Australia to receive discount.





# Identifying and overcoming barriers to growth

## How do you rate?

**By Brian Keen,**  
Founder and CEO,  
Franchise Simply

**Over 35 years in the franchise industry, watching many new and very experienced groups succeed and fail, my own among them, I'd say the commercial barriers to growth in a franchise network boil down to four things:**

- **Your product over time**
- **Your people and the money**
- **Service first always**
- **Systemise and delegate**

So, how do you rate in the four key points I believe franchisors need to look out for when establishing and running a franchise group to ensure its growth in the long term?

### **The wrong product for the time**

#### **YOUR SCORE /10**

Know your customer and keep your brand aligned. Then keep an eye on your market in perpetuity so you stay relevant, contemporary and ahead of the competition.

It's easy to dismiss this as being obvious. This is business 101 and you probably know your current business is working and your known target market is on board and loves your product.

But – is this enough?

Are the times changing and maybe your franchisees are making the change without you?

You are responsible for the brand and marketing for everyone's business in your network so you really need to know what is going on to keep the money rolling in.

Hire A Hubby (*The Franchise Review*,

Issue 1 of 2018) illustrated this point so well when they replaced their traditional marketing tools with improved social media and online marketing. The results brought everyone on board with pride and increased the value of everyone's assets.

The lesson here is – know your KPIs. Know how your target market is changing and what your franchisees are actually doing matched against the market's needs. Collect and understand data from your own digital sources and stories from your franchisees and change as required.

Otherwise you will come up against barriers to growth.

### **Get the people/money balance right**

#### **YOUR SCORE /10**

We all know franchise 101 means your franchisees give you money in return for the use of your intellectual property in the brand, your systems and the support services you provide. We also all know there needs to be enough money so both franchisor and franchisees are happily profitable and can focus on delivering great service.





“Above all, give your franchisee customers the same brilliant service you expect them to give their customers.”

What this means is budgets and cashflows with fees, royalties, expenses and profits for each tier need to be worked out at the beginning in association with the demographics of your specific target market and territory size.

What's often missed is that you also have to get the people/money balance right around the likely personality of your prospective franchisees.

As franchisors or successful business people, we tend to have an entrepreneurial personality, happy to pick up the phone to make that marketing call and keep an eye on cashflow and budgets. The trouble is, so many sectors of the franchise industry are asking franchisees to deliver a caring and supportive service – the health industry is a case in point – and people who will deliver your service with the care you want are so often really not able to look after their marketing or books. If the network is to be successful, you have to take on these tasks and adjust your budgets accordingly.

So, it's not that simple. You need to understand personality to get the money right.

In today's rapidly changing world, the money/people balance needs to be watched and adjusted continually. Get it wrong and either your franchisees will not be profitable and happy or you will not be able to fund the support they need in the long term or both.

No growth in these circumstances.

## Provide your franchisees with brilliant service

**YOUR SCORE /10**

The customer service industry has it right, great service is a foundation of growth and I am sure you will be teaching your franchisees to give your customers great service.

The question is – do you in turn provide your customers – your franchisees – great service too?

Don't let hubris get in the way. Listen to what is going on around you and make sure both you and your support team are able to hear and show you have heard. I agree you will be making decisions which will not always be liked by one or all of your franchisees. But you must make these decisions in an environment where you know what is going on and the impact you will have.

Without your great service, your franchisees will not thrive nor your group grow. With profound impact on the value of everyone's business!

## The foundation of a great franchise is a great interrelated franchisor/franchisee system

**YOUR SCORE /10**

Franchisor operations are rarely documented

I'm amazed even the biggest franchise brands initially take the greatest care in preparing the operations manuals for their franchisees, but completely forget to write their own.

How then, can their support staff know how to consistently deliver that brilliant customer service to your franchisees?

To grow the network, you need to systemise your franchisor business too.

I am also amazed even the biggest brands tell me they simply cannot get their franchisees to use their operations manuals. The reason – manuals are difficult to use, not kept up to date, not relevant to the job being done on the floor...the list goes on.

The E-Myth tells us, to delegate successfully so everything looks, feels and works the same, you need systems and procedures. Systems need to be simple to

put together, easy to use, hyperlinked so all modern business software is connected and it is easy to travel to the right place for the answer to that question. This means your systems in today's digital environment need to be cloud-based across all media formats.

And to give your group a foundation for growth, your systems need to be relevant, secure and easy to use and all your support, induction and training should be focused on heading here first.

## To conclude

Structure your franchise right to meet the needs of your target market and the personality of your franchisees. Make sure your budgets and cashflows for every level work in the long term. Make sure systems are in place for both your franchisee businesses and your franchisor business so everything is fair to all, looks the same, feels the same and operates the same. And make sure this system is kept up to date as the market changes around you.

Above all give your franchisee customers the same brilliant service you expect them to give their customers.

And if you don't rate 10s in each case, you've work to do – immediately. ■

Brian Keen is the founder and CEO of Franchise Simply, a disruptive consultancy to the franchise sector and the developer of FranchiseSimplySYSTEM, franchising's cloud-based systems solution. Brian works internationally and is available at [brian@franchisesimply.com.au](mailto:brian@franchisesimply.com.au) or learn more at [FranchiseSimplySYSTEM.com.au](http://FranchiseSimplySYSTEM.com.au) and [FranchiseSimply.com.au](http://FranchiseSimply.com.au)

# HR SOLUTIONS FOR THE FRANCHISE SECTOR



## HR Central provides Human Resource solutions to the Franchise sector, Australia-wide.

As the HR Partner of the Franchise Council of Australia, we understand the world of franchising and provide tailored support and guidance for anything HR related at all levels of a franchise network.

Our model is a combination of software and HR Specialist support and advice and we work with your business to help you manage your network/team efficiently and cost-effectively.

---

### The key areas of support that HR Central can offer your business are:

- Award and Enterprise Agreements (including wages, conditions and entitlements)
- Contracts and Position Descriptions
- Policies and Procedures to ensure your staff are aware of how you run your business and expected behaviours
- Record keeping and pay slip delivery
- General HR Consulting such as recruitment, training and dispute resolution.

Our approach is to work with any Franchise Head Office to develop relevant HR documentation and systems tailored to the network. We then help roll it out to all Franchisees to ensure consistency across sites and teams, compliancy with HR legislation, less staff turnover, increased performance and importantly minimisation of risk to brand, reputation and pocket.



# Looking for franchisees?

INSIDE **FRANCHISE  
BUSINESS**™

Partnered with

**careerone**®

## Capture your share of the marketplace

**David Strong**

david.strong@octomedia.com.au  
02 8224 8370 / 0411 366 656

**Charlotte Redfern**

charlotte.redfern@octomedia.com.au  
02 8224 8373 / 0451 672 967

**DIRECTORY**

**NEWS**

**EMAIL**

**MAGAZINE**

The Official Online Directory of the FCA



[www.franchisebusiness.com.au](http://www.franchisebusiness.com.au)

# Climbing the mountain: the importance of systemising franchise growth

By **Lee Trevena**,  
CEO, LeaseEagle

Expansion is one of the most challenging and exciting initiatives that a business owner will ever undertake. In many ways, it's the fundamental premise of franchising. It says: this business system is good enough to be repeated over and over and others will want it.

Retailing and franchising are also ground-up business models. Where one territory becomes two, becomes ten, becomes fifty and so on. It's generally the franchise brands that have grown from humble beginnings to national or international leaders that we all admire and are striving to emulate.

The stories of Colonel Harland Sanders and Ray Kroc are stuff of legend as they charted a path from the precipice of failure to effective world domination. Just as impressive and rewarding are our own national champions who've also started from scratch and grown into industry icons like Boost Juice, Grill'd, Baker's Delight and The Coffee Club.

There are still many more franchisors who are currently on that journey, converting their first site into a franchise operation, opening their first store interstate or their 50th site nationally. The expansion journey never really ends; the

milestones and achievements just become greater, grander or more important.

Whilst the rewards, and let's face it, the fun, is in the growing, this is also where the pain usually lies. Bigger operations mean new suppliers, more regulation, more people, more risks and more overall complexity. This is of course normal and necessary but it's also usually where those that don't make it fall over. The faster and larger the expansion, the greater the likelihood that problems will arise.

Having seen and worked with dozens of franchisors for more than 20 years, I have witnessed some of the most successful roll-outs, as well as been exposed to many of the not-so-successful. Apart from a great product, a committed founder and good people, the common features of those that have succeeded is the presence of a clear strategy, calm execution and the ability to assess and adapt when needed.



"Everyone wants to live on top of the mountain, but all the happiness and growth occurs while you're climbing it."

And in every case, underpinning these factors is an organised and information rich business. One that is in control of itself and the information it relies on daily and beyond. By its very nature, franchising is a business system - repeatable, reliable and responsible. Generally everything in store or in the system is planned, documented and measured to achieve this. Holding true to the core values of franchising, your expansion should be too.

Systemise your execution, just like you systemise your brand. Bring the same expertise and careful execution to your growth as you would to the formation of your franchise system.

Identifying your best locations for expansion is not overly hard, agreed. However, tracking all opportunities in those locations or determining which is your next best site is never as straightforward as it may seem. And it often becomes harder the bigger you get, until and only if you reach that point of “crossing the chasm”. But even, and especially, at that point you need to have a proven, reliable and efficient way of evaluating and ultimately executing at that location, and your information systems will be the centrepiece of achieving that.

Market data, internal performance benchmarks, domain expertise, legal and regulatory compliance, recruitment and project management, along with effective collaboration and risk mitigation systems for your team, will help to ensure that your expansion is done right and is sustainable for the future of your brand.

Importantly, in expanding your franchise system, you should also be protecting your potential downside. While exciting and potentially very rewarding, expanding your business can create many risks that you should be mitigating against for the future of the system. As you introduce new partners into the franchise, assess new locations and are continually stress tested as you grow, it is exactly the time when mistakes can be made.

So again, ensuring that you have complete and accurate records as well as effective processes and systemisation is crucial, and something that you may not understand the need for until it's too late. Having your business information and systems managed correctly from the very early days of your franchise business not

only assists with your business strategy and execution but will also help to protect you and your business from many of the risks associated with growth and expansion.

And finally, if you want to get better at expanding your franchise business, you must be in a position to learn what works and what doesn't. Being able to benchmark and track performance is key to being able to develop this learning. Profile of location, contractual terms and key performance metrics are vital to understand in achieving this.

Regardless of the quality, knowledge and commitment of each wonderful individual in your business, there is no replacement for efficient processes. Your team will be empowered by the ability to measure, assess and better the business throughout each phase of expansion. And always remember the words of American journalist Andy Rooney: “Everyone wants to live on top of the mountain, but all the happiness and growth occurs while you're climbing it.” ■

“Regardless of the quality, knowledge and commitment of each wonderful individual in your business, there is no replacement for efficient processes.”







# FRAGMENTED LOCATION DATA IMPEDING YOUR PLAN FOR GROWTH?

You need a lease portfolio management solution that streamlines:



## Portfolio Management

- ✓ Centralised control of information
- ✓ Systemised document management
- ✓ On-demand portfolio visibility
- ✓ Reduced admin costs
- ✓ Reduced business risk



## Projects & Workflows



## Reporting & Analysis

- ✓ Automated alerts & reporting
- ✓ Expanded business intelligence
- ✓ Guaranteed security and functionality
- ✓ Improved compliance and standards
- ✓ 'Pay as you grow' pricing



## Payment & Financials

Kick start your plan for growth:  
Contact the LeaseEagle team today.



**1300 887 609**



**[sales@leaseeagle.com](mailto:sales@leaseeagle.com)**

# LeaseEagle




A portrait of John Shepherd, Assistant Commissioner ATO, smiling and wearing glasses, a blue suit, a light blue shirt, and a red and white striped tie. The background is a blurred office setting.

# Full steam ahead for Single Touch Payroll

Single Touch Payroll (STP) is a new way of reporting that applies to employers who had 20 or more employees on their payroll on 1 April 2018. It will streamline the way tax and super obligations are reported to the Australian Taxation Office (ATO). From 1 July 2018, many franchises will be required to change the way they report tax and payroll information to the ATO. John Shepherd Assistant Commissioner ATO (above), offers a brief outline of the changes and where to find more information.





Under STP, you will report tax and super information to the ATO from your payroll software each time you pay your employees. This includes your employees' salaries and wages, pay as you go (PAYG) withholding and super information.

### Now is the time to get ready

There are steps you can take to get ready, depending on your payroll set-up.

If you haven't already, ask your software or other payroll provider what you need to do to get ready. Similarly, if you use a registered tax or BAS agent to report your payroll for you, ask if they can report through STP and if so, when they can start.

Some payroll software and other providers, including agents, have asked us for more time to finalise their STP solutions. If your provider is not ready to report, ask if they have a deferred start date for your product from the ATO. You should also make sure that, if they do have a deferred start date, it applies to you.

### Deferred start dates and exemptions

If you won't be ready to start STP reporting from 1 July 2018 or by your software provider's deferred start date, you'll need to ask the ATO for more time to get ready by applying for an employer deferral.

If you have a deferred start date through your payroll provider, or have been granted an employer deferral by the ATO, it's important to know that you still need to get ready. You need to start reporting through STP by your deferred start date.

Ask your provider for the details of their product or solution and its requirements.

Under certain circumstances, there are exemptions for STP reporting. If you have short term peaks of employees due to seasonal events that pushed you over the 20 or more employee mark, you may be exempt.

If you had fewer than 20 employees for at least 10 out of the 12 months prior to 1 April 2018, and you expect to have fewer than 20 employees for at least 10 out of the 12 months after 1 April 2018, you won't need to start STP reporting this year.

You can self-assess this exemption – and there's no need to report it to the ATO. You should, however, keep a record of your decision.

For employers with 19 or fewer employees, the transition to STP is scheduled for a year later, from 1 July 2019. This is subject to the passage of legislation through parliament.

### Complete and correct payroll information

One thing every business will need to do before reporting through STP is ensure their payroll information is complete and correct. Whether you already have your STP-enabled software or have been granted a deferral, checking the basics are correct is the first step to a smooth STP transition. More detailed technical guidance is available on our website.

Before starting to report through STP ensure your employee information such as names, addresses and tax file numbers (TFNs) are correct. You should also check that employees are being paid correctly and their super is being correctly calculated. If you intend to use a registered agent or payroll bureau to report STP, you will need to work with them to ensure the appropriate authorisations are set up with the ATO.

### Benefits for employers and employees

In the longer term, STP will give many employers and employees more visibility of their overall tax and super position at any given time.

One of the benefits of STP is ensuring there's a more level playing field, in which all employers provide the same information when they report their payroll information to us each payday. You also won't have to provide payment summaries to your employees for the information you report through STP. Further, from 2019, certain information will be pre-filled into your activity statement (for small and medium withholders).

For employees, there will be greater day-to-day transparency regarding payment of entitlements such as super and their PAYG withholding status. Employees will be able to check this information directly through their myGov accounts.

### A year of transition and collaboration

We appreciate that at first, getting ready for STP may not be a simple process. While we're remaining firm on the 1 July start date, we are committed to a transitional year to support both providers and employers to make the transition successfully. In general, penalties won't be issued in this first year, and you'll have the opportunity to correct the information you report to us.

**Find out more at [ato.gov.au/stp](http://ato.gov.au/stp), to access a range of resources including a fact sheet, checklist and technical guidance. ■**



---

# New data privacy laws are here.

## Are you prepared?

New data privacy legislation came into effect on the **22nd February 2018**. If your business collects and stores personal information about your clients you need to ensure you have the right processes and protection in place.

To find out more about the new legislation and cyber insurance coverage please contact Aon.

---

Steven Taylor

**03 9211 3405**

[aon.com.au/professionsnews](http://aon.com.au/professionsnews)

© 2018 Aon Risk Services Australia Limited | ABN 17 000 434 720 | AFSL 241141. This information is general in nature and should not be relied on as advice (personal or otherwise) because your personal needs, objectives and financial situation have not been considered. So before deciding whether a particular product is right for you, please consider the relevant Product Disclosure Statement or contact us to speak to an adviser.

AF0977 0518

**Aon**  
Empower Results®





# Touching distance from Single Touch Payroll

Article provided by MYOB

Single Touch Payroll (STP) will soon be mandatory for employers who had 20 or more employees on their payroll on 1 April 2018.

**For those employers, it means that as of 1 July 2018, salaries, wages, PAYG, withholding and super information will all need to be reported to the Australian Taxation Office (ATO) directly from their payroll solution at the same time or prior to paying their employees.**

With such a massive change looming, it seemed like a great time to catch up with MYOB's resident STP expert, David Wilson, and get to the bottom of what this change means for MYOB and its clients.

**David, how big is STP?**

**David Wilson (DW):** Anything that touches on payroll is obviously a very important topic, and at MYOB we see STP as the biggest compliance change since GST. Obviously, words like compliance often make people feel a little nervous but that's why we're working so closely with partners like the Franchise Council of Australia and the ATO, to make sure the change is as seamless as possible for our clients.

*The Fair Work Amendment (Protecting*

*Vulnerable Workers) Bill 2017* makes this particularly relevant to franchisors. Ensuring payroll systems are STP ready is central to demonstrating that reasonable steps have been taken to avoid a contravention. Limiting risk now could help to avoid compliance issues in future.

**A pretty big impact then, and is that across all MYOB clients?**

**DW:** Ultimately it will impact all our clients, but in the short term the focus is solely on employers who had 20 or more employees on that 1 April date. Those with 19 or fewer won't need to be compliant until 1 July 2019, though they can opt in early if they wish.

**What if people have been hiring or firing since 1 April?**

**DW:** The cut off for headcounts towards STP compliance was 1 April 2018. Whatever the headcount was on that day will determine when businesses need to be compliant, subject to the exemptions outlined by the ATO on page 33.

**So what is MYOB doing to make sure its clients are STP ready?**

**DW:** There are two big streams of work we're engaged in to try and make sure all our clients and partners are ready for STP.


The first is really about education, making sure everyone who needs to know about STP has access to the information they need so they can make plans for their own business or if necessary, advise their clients.

The second is in making sure that our suite of solutions is STP compliant by 1 July 2018.

**Will all of MYOB's products be ready for STP?**

**DW:** Online versions of our software will be STP compliant by 1 July. Users of our desktop software will need to move to a compliant solution. Anyone needing to upgrade should contact our team so we can work through the process with you.

MYOB's online solutions already have a handy STP readiness check in place that can be used to ensure your payroll data is prepared and ready for STP reporting in July.



The thing for franchisors to remember is that their franchisees are going to be looking for them to be the hero of STP. It's vital that you are proactively communicating with franchisees to make sure that they're comfortable with their obligations.

**Are there any exceptions or do all desktop clients need to upgrade?**

**DW:** We have been granted an STP reporting deferral until 31 May 2019 for clients using specific features. These include:

- Multi-currency
- Negative inventory
- Multi-warehousing
- M-Powered Payments

The deferral also applies to anyone using the Apple Mac version of our software, MYOB AccountEdge. Anyone who qualifies, or has clients who qualify for a deferral, should have received information from us and if not, can also contact us for a deferral number to supply to the ATO.

**Will STP change the way people run their payroll in your software?**

**DW:** Put simply, not really. There is a one off set up process to undertake, but other than that, we've worked hard to ensure that our STP solution leverages the natural rhythms of business. That means no matter what the payment frequency, it is easy to supply the ATO with all of the information they need, which ultimately reduces the payment summary burden at the end of financial year.

**And what if someone makes a mistake?**

**DW:** We all know mistakes happen, and STP isn't about preventing that. So, if you make a mistake using STP, simply deal with it the way you would now. Run a new pay cycle the next day, or wait until the next pay cycle to resolve it, whichever is best for you, either will work.

From an error perspective, one of the great things about STP is that because of the way year to date figures are being sent to the ATO, they will automatically sort themselves out over the year.

**What advice would you give to franchisors?**

**DW:** The thing for franchisors to remember is that their franchisees are going to be looking for them to

be the hero of STP. It's vital that you are proactively communicating with franchisees to make sure that they're comfortable with their obligations.

Make sure that at a head office level you and your staff are familiar with STP and its implications so you can guide and advise your franchisees appropriately.

Finally, I'd say don't be afraid to reach out. MYOB has a specialised team dedicated to the franchise space, so if you have any questions or concerns, let our team help you.

**And what about to franchisees?**

**DW:** The big thing I would say to franchisees is, do not be complacent.

At the end of the day, the obligation here lands with you, not your franchisor, so check and double check that all of your information is correct. If you outsource your payroll to a third party and they use software that isn't compliant, that is on you, so be extra vigilant and question all of the advice you are given.

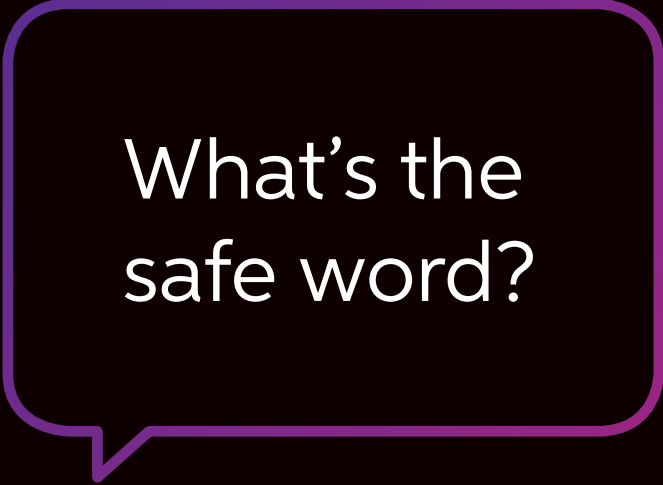
**Is there anything else you'd like to add?**

**DW:** I'd just like to emphasise the point that MYOB is here to help if anyone has questions around STP. You can reach out to our specialised franchise team, or alternatively refer to some of our online resources:

- If you use an MYOB solution, look out for in product messaging
- We have a dedicated STP website with a lot of helpful information that is updated regularly – [myob.com/stp](https://myob.com/stp)
- Our blog [myob.com/blog](https://myob.com/blog) features a number of fantastic articles from our own team and from STP specialist Amanda Gascoigne. ■

Reach out to speak to MYOB's Franchise Team about STP in your franchise.  
Phone – 1300 730 921  
Email – [franchise@myob.com](mailto:franchise@myob.com)





What's the  
safe word?



MYOB

Payroll compliance is less intense  
when you're prepared.

MYOB's advanced ecosystem of technology keep things going smoothly,  
ensuring your business stays compliant for a safe and legal workplace.



# TAKE YOUR FRANCHISE TO NEW HEIGHTS

Free registration is now included in your FCA Membership

## Leading Australian franchises are now using the registry to:

- Promote their transparency and compliance
- Find higher quality prospective franchisees
- Obtain priority access to coming new pools of franchisees
- Significantly improve finance options for their franchisees

**Register today at [www.thefranchiseregistry.com.au](http://www.thefranchiseregistry.com.au)**

Contact us on **(02) 8346 6093** or email **[fca2017@thefranchiseregistry.com.au](mailto:fca2017@thefranchiseregistry.com.au)**

Level 8, 1 O'Connell Street | Sydney NSW 2000 | +61 2 8346 6093 | [info@thefranchiseregistry.com.au](mailto:info@thefranchiseregistry.com.au) | [thefranchiseregistry.com.au](http://thefranchiseregistry.com.au)



Since 2001, Hog's Australia's Steakhouse (formerly Hog's Breath Café) CEO Ross Worth has overseen the brand's growth and evolution, and ensured Hog's and its franchisees have continued to thrive in the highly competitive restaurant market. *The Franchise Review* spoke to Ross to find out just what it takes to keep a franchise brand fresh and relevant and franchisees profitable and happy for the long term.

# Hog's diversifies and evolves to ensure ongoing growth



**The Franchise Review (TFR):** You've got an extensive background in franchising and at Hog's Australia's Steakhouse. What drives your passion for franchising and what are your key philosophies for leading a successful franchise system?

**Ross Worth (RW):** I joined Hog's in 2001, so I've now been with the group for 17 years but I started my career more than 40 years ago as a dish hand at KFC before moving up the ranks and developing a passion for hospitality and the quick service restaurant industry that I still have to this day.

The most rewarding part of the franchise model is seeing our franchise

business owners achieving their goals and success, along with the young guns who start working in our restaurants and then work up through the ranks to become restaurant owners themselves. We also consider many of our franchisees to be family. They've been with us for many years and we've shared their triumphs as well as the challenges they've faced, both in business and life. Ultimately, we're all working towards a shared goal, and that's a commitment to giving customers a fun and memorable dining experience, as well as delivering great service and excellent food ... or as we like to call it, Hog'spitality.

Listening to our customers, and our franchisees that deal with them daily, is key to a successful franchise system, along with constantly evolving based on consumer and market trends.

**TFR: Hog's has been operating for almost 30 years. Can you detail how the brand has grown and some of the key achievements over this time?**

**RW:** There's been many achievements and highlights over a long period of time, from our first restaurant in Airlie Beach in 1989 to now operating in every state and territory in Australia and retaining our legacy as an Australian-owned business.

Most recently we're extremely proud of the Hog's Express model, which is

a smaller footprint offering that allows us to be more versatile with our menu and take our great product to a wider audience. We did extensive research and development to ensure it's a cutting-edge model. It's also been exciting to enter into the delivery market and see our participating restaurants enjoy success with it.

Some of the initiatives we undertake to raise money for worthwhile charities make me immensely proud of our team. Most recently we raised more than \$25,000 for A Chance for Change which will go towards assisting men battling depression, and we also regularly raise funds for HeartKids, and prostate and breast cancer, as well as many other community-based causes.

Over the years we've also sponsored many sporting teams at both a national level as well as in small regional towns. Developing local talent is something we're passionate about.

I also think it's a great achievement that we attract such a broad range of customers. You could walk into any Hog's and see young adults, couples, kids, mums and dads, grandparents, as well as corporates enjoying a business lunch. We're a family-focused company, but we attract an all-ages market which is why we





“Listening to our customers, and our franchisees that deal with them daily, is key to a successful franchise system, along with constantly evolving based on consumer and market trends.”



have such a diverse menu that includes something for everyone.

And of course I'm extremely proud of our sister business, Funky Mexican Cantina. It's such a fun brand with a very authentic Mexican menu and again, we spent years developing and refining Funky's to ensure it's a world class Mexican offering.

**TFR: How has Hog's evolved over almost three decades of operation and how have you embedded a philosophy of continuous improvement at Hog's?**

**RW:** We haven't stopped evolving throughout our 29 years of operation - this is not an industry where you can sit back and rest on your laurels with a little bit of success. The hospitality industry is notoriously unforgiving so it's imperative to always be ahead of the game and thinking about the next development to advance the business and support our franchisees. Consumer tastes and preferences are constantly evolving, so we do what we can to make them happy - from changing the menu to accommodate all dietary requirements, to introducing technology such as iPad ordering, to establishing a delivery service for Hog's full-service restaurants, through to developing our generous customer loyalty program, Hog's Squad. We use our valued loyalty members to continually assess

where we are, and more importantly what they want for the future. This is an integral part of our continuous growth plan and helps inform us on where we are going as a brand.

In today's challenging environment it's incredibly important to be a step ahead of the game. Innovation is a huge part of what we do, and we're continually working on ways to enhance the guest and dining experience by trialling new initiatives and processes. Having a three-year development plan is critical to the future success of the group, and to keep building momentum without becoming complacent. We use franchisee and customer groups to review feedback on



our plans and this has been extremely beneficial for our future direction.

**TFR: You mentioned that Hog's has recently added the Hog's Express and Funky Mexican Cantina concepts to its offering. Can you tell us more about what they are, why they were introduced, including the market research process behind them, and how they integrate with the original Hog's offering?**

**RW:** Hog's Express is a smaller footprint proposition that perfectly complements our standard full-service restaurants. It takes the form of both a static offering in shopping centres, service stations, airports and similar locations, as well as mobile food trucks. Consumer trends show us that life is increasingly busy (and expensive), and people want quick and accessible options, but they also want them to be of a high standard while offering great value. Hog's Express is a very valuable addition as it allows us to offer all of this to our customers. Plus, it gives franchisees the opportunity to be part of the Hog's family with much lower setup costs.

Funky's evolved following a trip to the US where we experienced some remarkable Mexican restaurants. We wanted to diversify so saw this as a great opportunity. We quietly perfected



the model in Queensland for four years before taking it to Western Australia and now we're looking for new opportunities. Funky's offers authentic Mexican food that incorporates healthy and fresh ingredients for incredible flavour at a very reasonable price, and we've created a vibrant, and lively atmosphere that almost makes you feel like you're in Mexico City.

Both Hog's Express and Funky Mexican Cantina benefit from the research and development of our 29-year history, ensuring that these very different offerings are a wonderful platform for future business ownership and a huge part of our expansion plan.

**TFR: You've also implemented several innovations to help keep Hog's franchisees profitable, including implementing a home delivery service and digital ordering in your restaurants. What was the process you went through when implementing these innovations, how have they been rolled out in your network and how are they helping franchisees to drive sales and profitability?**

**RW:** We have embarked on a determined approach to driving forward with home delivery, ordering online, and ordering at the table. Some of the results are remarkable, with a number of the restaurants that have implemented the home delivery innovation generating an additional 10 percent of sales on top of sales to dine-in customers.

The smaller footprint Express restaurants allow more versatility to sustain our driven approach to business. Trialling the products and initiatives tirelessly and

reviewing feedback is essential to future directions, and we review not only the operational benefits but the financial benefits to anything we do in order to protect the profitability of our franchisees. We are constantly evaluating new and exciting ways to drive customers into the restaurants and introduce the new technology that we need to maximise guest delight in all areas and further build on customer loyalty.

**TFR: How do you support franchisees to maintain profitability in a challenging marketplace and promote growth and opportunities for high-performing franchisees within the network?**

**RW:** There is no doubt the industry is facing challenging times and Hog's is not immune to the current climate, but all of our initiatives are put in place with a primary goal of profitability and driving customers into our restaurants. We're constantly reviewing our business practices and model, and importantly, we undertake a large number of initiatives to ensure we're doing all we can to support our franchisees. We have more than 30 support staff in head office committed to doing just this, plus a number of outsourced businesses that manage our digital marketing, social media, public relations and customer loyalty programs.

We also execute massive national advertising campaigns on TV and radio as well as outdoor campaigns such as billboards. Our sponsorship of national and state sporting teams also creates opportunities for all restaurants.

We have a very supportive approach to our valued business partners and

every region (consisting of around 12 restaurants) has their own dedicated business coach who is on hand 24 hours a day, seven days a week to offer support. Where required, we also offer full financial advice, human resources, cost control, and comprehensive marketing plans.

We're continually rewarding our high performers and incentivise them (and their staff) with opportunities such as attending our national conference, which is often held outside of Australia, completely on us. There are also a large number of awards that are given out to franchisees and staff at this conference which are much-coveted and keep franchisees performing at their best. ■

"In today's challenging environment it's incredibly important to be a step ahead of the game. Innovation is a huge part of what we do, and we're continually working on ways to enhance the guest and dining experience by trialling new initiatives and processes."



**Hospitality  
software**

**By hospitality  
people**

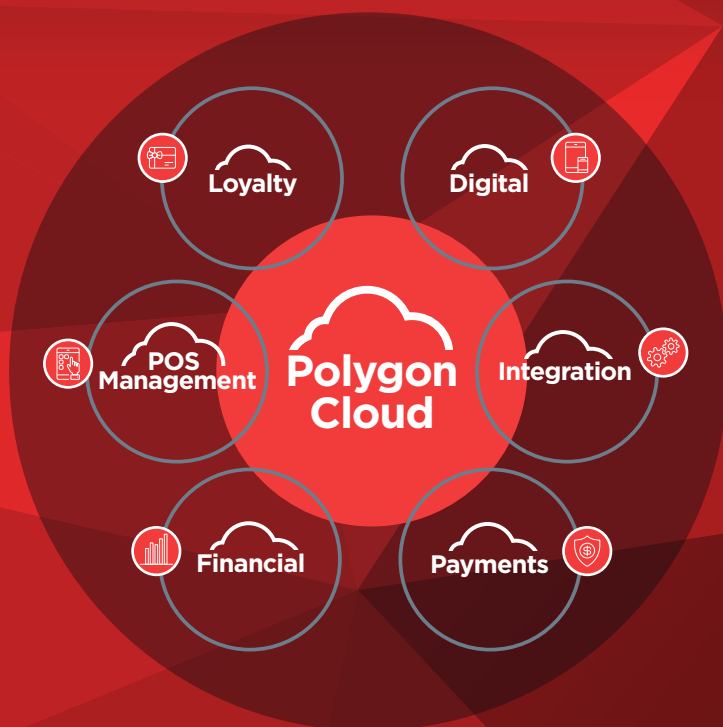
**For your  
hospitality  
business**



HUXTABURGER



**Franchisors  
need  
centralised  
control.**



## Redcat delivers.

Centralised reporting, pricing, digital media, promotions, loyalty, kitchen management, inventory management, and more.

WHAT'S MORE, REDCAT INTEGRATES WITH KEY 3RD PARTY PROVIDERS



**TANDA**



**myob**

Premium Developer  
Partner

**Say hello@redcat.com.au or call us on 1300 4 REDCAT**

**FRANCHISES**

**RESTAURANTS**

**CAFÉS**

**redcat.com.au**

POINT OF SALE SYSTEMS. HOSPITALITY SOFTWARE.  
ACCOUNTING AND BUSINESS MANAGEMENT SOLUTIONS.

PROUD PARTNER OF



FRANCHISE COUNCIL OF AUSTRALIA



# Franchise expansion: the issues to be managed

**By Alicia Hill**, Principal  
**and Raynia Theodore**, Principal, MST Lawyers

Expansion of a franchise system can be exhilarating, gratifying and a vindication of the concept which forms the basis of the franchise and the efforts of the franchisor, franchisees and the management team.



It can see an influx of enquiries from potential franchisees looking to get involved in an emerging or reinvigorated franchise system, new customers or clients for the franchise system, new franchisees attracted to the business model and a general increase in activity across the franchise system. However, expansion also brings its own set of challenges that need to be managed effectively to avoid undermining the value of the franchise system for its clients, franchisees and the franchisor.

The issues can be loosely grouped around two primary expansion issues: expansion of the franchise business, that being the sale of franchise goods or services and expansion of the franchise network, that being the number and location of franchisees within a system.

## Expansion of the franchise business

### MARKETING CAMPAIGNS

It is the dream most businesses wish for: a new marketing campaign grabs attention and suddenly the franchise business is the next big thing. Everyone is talking about it, wants to have it or wishes to know more about it.

Where it can cause more grief than good fortune is where the marketing campaign outcomes sought are not clearly set, or its implementation has not been fully thought through, so that the campaign causes surprise or adversely impacts parts of the franchise business.

For example: the viewership of a new nationwide television marketing campaign, costing tens of thousands of dollars and drawing on funds from the marketing fund into which the franchisees as well as the franchisor contribute, reports that no clear linkages have been drawn between what the franchisees' businesses offer on a local level and the campaign, instead reporting that the campaign was all about the sale of franchises by the franchisor.

Alternatively, a state-based radio campaign by the franchisor teamed up with targeted local area marketing to link the size, or reputation of the franchise system, with the local operator of that business avoids the resentment and questioning by franchisees of the way in which the marketing fund has been used while still building brand recognition.

### CLIENT/ CUSTOMER GROWTH

Sudden growth in clients or customers also needs to be managed closely. If the franchise business promotes itself as having specific customer service standards, e.g. 24 hour turnaround of your order, or only made with Belgian imported chocolate, the ability to meet and maintain those specific customer service standards may not be possible if customer numbers expand too rapidly.

Where there is no adjustment for the change and the franchise system continues to promote itself around the specific standards then customer expectations are unlikely to be met. That may lead to adverse word of mouth and poor online reviews and comments, which can quickly change public perception of the franchise system.

Open communication with clients/customers which adjusts to the new expansive environment can address and alleviate what otherwise can be exponentially expanding negative sentiment. Sometimes the choice can be to curb the rate of expansion as opposed to attempting to ride out an exponentially increasing business.

### SUPPLY ARRANGEMENTS

Franchise systems that expand need to ensure they have arrangements in place to secure the key components required for business operation. Prudent franchisors working off business growth plans will identify the inputs needed, when they anticipate they need to scale up and negotiate and secure advantageous rates with core suppliers so that they can pass on the benefits to the franchise system.

Some suppliers, however, require exclusivity, minimum amounts or favoured terms status to provide particular prices, quality goods, services or rebates. Having the foresight to ensure that such arrangements have a mechanism for modification or adjustment when factors change can protect the ability to meet extra demand, increase or maintain profitability and get things where they are needed most.

### TECHNOLOGY DEVELOPMENTS

Business expansion can occur as a result of adoption of a new technology, such as introducing online sales in addition to traditional bricks and mortar shopfronts.

The introduction of online sales that capture enquiries from territories where shopfronts have been granted exclusivity within a defined territory, may be in breach of franchisee rights, with expansion online potentially able to be halted by court order or compensation provided to those affected due to breaches of the franchise agreements.

To avoid this, system-wide agreement to permitting an online shopfront can be negotiated with terms agreed, preferably pre-emptively rather than after online trading has commenced and goodwill has been lost due to damage to franchisee sales.

## Expansion of the franchise system

### INCREASING FRANCHISEE NUMBERS AND FUNDING


When a system has sufficient interest to expand its franchisee numbers, the critical factors can often be maintaining the rigour around franchise selection and the funding to support such expansion.

Just because everyone wants to be a franchisee of a particular franchise system does not mean they should be. The psychological, financial and cultural assessment of each applicant franchisee still need to be maintained.

Assuming potential franchisees meet pre-agreed criteria for the grant of a franchise, the question then turns to funding expansion of those numbers.

Is the price set for the sale of a franchise designed to cover the initial costs of set up and support? If not, how is the franchisor going to fund the performance of its obligations and what it is providing under the terms of a franchise agreement? Does the franchisor have a policy of financially funding the buy-in of its franchisees to ease them over the initial start-up building and consolidation of a new business? If so, can it afford this and, if not, how is external funding to be obtained and from where?

There are a multitude of options which require different commitment and have



“Franchise systems have always been about the collaborative nature of the business operation by both the franchisees and franchisors, so ensuring all stakeholders are on the same page is critical for effective and sustained expansion.”

different consequences. Unexpected expansion can cause deviation from carefully considered business modelling and require rapid adjustments or deliberate decisions about whether to expand at certain numbers of franchisees sold per year or by some other basis.

#### **FIT OUT EXPECTATIONS (TIMING AND COSTS)**

As more franchisees are put on, the project delivery of new franchise sites can become problematic. Lease negotiations for sites stall, documentation required to operate the franchise has to be created, provided and signed off, training of new franchisees has to be undertaken and marketing campaigns implemented.

Expansion can see the same head office staff member who was tasked with this when there were only five franchisees in the system attempting to roll out 20 new franchises over a three-month period.

Representations made, based on prior fitout times, costs expended or the like can be dramatically lengthened if the resourcing by the franchisor is no longer able to perform each of the functions required. Add into the geographical breadth of Australia and the time to deliver a new franchise site for an urban capital city suburb may be no measure for setting up the first franchise in Broome, Western Australia, especially if everything needs to be flown in and then erected.

#### **SUPPORT**

The more franchisees, the more expenditure required to provide the support the franchisor contracted to provide.

Whether this is IT, field managers, head office management or other resourcing, having the right people, with the right experience in the roles and the infrastructure available to connect, provide or maintain services or data flow is critical for smooth, or at least smoother, expansion of the franchise system.

Expenditure required can be difficult to gauge especially as there can often be a lead time between adding new franchisees and the franchisor seeing profit in the form of royalties being paid at sufficient levels to make a return on the investment.

#### **OTHER COUNTRIES**

Finally the most admired feature of expansion is the opening of a franchise in another jurisdiction. Whether this is in New Zealand, Asia, the United States or Europe.

International expansion costs incorporate:

- a the hidden top management time inspecting, considering and testing the new country
- b the trademark and registered design registration fees for protecting the brand in the new jurisdiction;
- c the legal fees to ensure compliance with local business laws;

- d the infrastructure costs for reporting and remotely monitoring the operations of the new business; and
- e the flights, wages and other costs associated with set up, training and marketing.

Like most of the business world, sometimes it is not until you commence operation that will you know if the expansion overseas will be successful. In the interim, the costs of the expansion need to be covered by revenue, debt or some other means. If the venture fails, then this may reflect on the local system or cause brand damage.

Expansion clearly is the desire of most businesses, including franchise systems. But it needs to take place on an informed, clearly understood basis, with the risks clearly identified and either mitigated or accepted as the cost of doing business. Growth should also be carefully planned.

Franchise systems have always been about the collaborative nature of the business operation by both the franchisees and franchisors, so ensuring all stakeholders are on the same page is critical for effective and sustained expansion. It is imperative to plan for and manage the issues that may arise and obtain advice on the areas your system is expanding to, in order to successfully harness the expansion of a system and retain the integrity and value of the franchise for all those who interact with it. ■

# DON'T TRY TO **HANDLE HR** ON YOUR OWN

The FCA have launched a  
HR service for your benefit.



**HR HELPDESK**  
**13000 FCA HR**

**Free for all FCA members**

FCA members have direct access to a free HR helpdesk that provides HR advice around any HR issue. Members can call the HR helpdesk and speak directly and confidentially to an HR Specialist.

The HR Specialist will provide HR guidance and advice and will work with the member to achieve the best possible outcome and solution.

General Advice | [Award Interpretation](#) | Templates Compliance  
[Record Keeping](#) | Recruitment | [Exiting Staff Policies](#)  
Procedures for best practice

[www.hrcentral.com.au/fca](http://www.hrcentral.com.au/fca) | 1300 FCA HR 1300 032 247



**CENTRAL**  
YOUR PEOPLE. OUR SOLUTIONS





# Framing the franchise partnership at Specsavers

by **Charles Hornor**

Director of Communications  
Specsavers Pty Ltd

As a franchise it is important to have a foundation stone that everyone – franchisees, franchisor, suppliers, field teams, support office, store colleagues and more – all instinctively recognise as the critical ingredient that above all else sums up what the business is about, that drives shared success and provides natural guidance to all business decisions on the part of the franchisor.

At Specsavers, that foundation stone – our philosophy and ethos – can be best summed up in one word: ‘partnership’. Every fibre of the business is drenched in the concept of a living, breathing partnership. It is what we are and what we do.

## **The partnership in operation**

In each store we pair an optometrist with an optical dispenser as ‘partners’ in their store as owner-operators in their shared business. As the franchisor ‘partner’ we support our stores with the deepest array of services. Marketing, training and development, product and supply chain, software and IT, helpdesk and customer service, stakeholder engagement, business development, shopfits, lease management and more – these services form the bedrock of our support offering.

Going one step further, we also support all stores by managing all their back office and administrative functions including accounting, financial statements, payroll, accounts payable, insurance, BAS and Tax Office compliance services. Taking the burden of this work off our partners’

hands enables them to focus on excelling in their areas of expertise – looking after their customers and developing their teams. And with full oversight of each store’s trading position on an everyday basis, as support partner we can easily identify what additional assistance may be required with individual stores. In short, the back office model delivers uniformity on how business outcomes are accounted for, making them fully comparable across the network, while giving back to partners that most precious of commodities – time.

We also act as ‘bank’ to our partners – when new partners join us in new stores and when new shopfits are required, Specsavers funds the store development and manages the pay-back plan on store loans on a formula basis, managing cash carefully so as not to hamper store profits and partner distributions.

## **Supporting our customers – the store partners**

While our products, customer service, optometry expertise and our marketing are the first things customers mention when they think of Specsavers, it is our



*Every other year, Specsavers brings its partners to the Partnership Seminar.*

support services that are the unsung heroes of the business. They underpin our commitment to the partnership concept and it is perhaps no surprise that our support office and field teams now comprise more than 500 very focused individuals – almost one person for every 10 in-store – whose collective and individual remit is to help the partnership thrive and flourish.

Indeed, as our partners will tell you, the vigour and energy we apply to meeting our support responsibilities defines our role. As ‘support partners’ we take on all these support services so that our store partners can focus their efforts on two major items: looking after the needs of their customers and on training and developing their store teams. This leads to very high customer service scores, collected every day of the year from customers and fed directly back to our partners in their stores.

Or you can look at it another way. While our stores have millions of customers across Australia, we know that our own customer base is the 650 or so partners in our network of 325 stores – and

we have to cater to them at a consistent and high a level as they and their stores teams cater to the five million Australians who now actively shop with them.

### **A continuous focus on strengthening the partnership**

As a franchisor, the ethos of partnership drives us in everything we do, and we are always looking to introduce new ways of strengthening the partnership. For example, last year three of our store partners joined the Specsavers operating board, which ensures the broader partnership can see that store partner involvement is built in at all levels of the organisation, that there is no concept of ‘us’ and ‘them’. On a practical level it also provides for a great litmus test – is a decision being made a good decision for the store partners and their businesses? Having store partners on the board helps ensure that the right decisions are made.





“As the franchisor or support partner, we recognise that it’s our store partners who will be responsible for delivering on the plans and strategies and that these plans will have a direct impact on their day-to-day operations and profitability.”

Two years prior to that we introduced a number of ‘Partner Representative Groups’ (PRGs) which throughout the year work hand in hand with the support office teams in Port Melbourne on everything from products and service delivery, to marketing methods, customer service training and more, helping shape the business as it evolves. One example of this in practice is the ‘Optometry PRG’ which reviewed a landmark pilot to introduce a new integrated element of automated eye testing equipment into each store. The total investment per store would be \$80,000 and we needed to test the

support for its introduction. Having piloted the equipment and demonstrated the payback to the OPRG at every step in the pilot journey the OPRG was satisfied and ultimately so were the partners across the entire store network. As a consequence, we are now part-way through a \$25 million rollout that is a step change in every-patient eye screening. And most recently, we introduced a new support office team – Partnership Engagement – to build into our day to day business plan a clear set of activities that are focussed on developing and strengthening the partnership.

Supporting the partnership, we ensure lines of communication are always open. We have a weekly communications wire to partners. Three to four times each year our operating board meets face to face with all of the partners in their own state in the form of a Communication Meeting roadshow that unveils and reviews the coming quarter of activity, keeping all parties abreast of the next steps in our shared business plan. And, every other year, we bring all of our partners from across Australia (and New Zealand) to our Partnership Seminar and Exhibition. Demonstrating our support role credentials, the also event sees all support office teams host an exhibition stand so that they can present to store partners the range of their offering, what’s new for the coming year and so on. Importantly,

it demonstrates that our support teams think of the partners as their own customers, and present accordingly.

Our annual planning process itself is a microcosm of partnership and partner engagement. While the process commences with the operating board (including the three store partners who are on the board), the formulation does not finish there; before presenting our plans for the year ahead, partners are involved at every step. For the most recent plan more than 25 store partners representing each state and territory were involved in one two-day session alone, to consider the outline plan and test its thinking, while providing input and invigorating the ultimate plan that is now into its implementation phase.

As the franchisor or support partner, we recognise that it’s our store partners who will be responsible for delivering on these plans and strategies and that these plans will have a direct impact on their day-to-day operations and profitability. Making this a collaborative process ensures the knowledge and experience of our store partners is incorporated into future directions, any challenges are addressed during the planning phase and once the plan is finalised it is accepted and embraced by franchisee partners – who know the partnership relationship is at the heart of all decision-making processes.



## Embedding the partnership in the franchise model

Importantly, the focus on partnership is not new. Rather it is what drove the franchise forward from its beginnings in the UK in 1984 and provided the DNA for Specsavers in Australia and New Zealand. And, as in other countries, the results have been startlingly successful here. Starting from scratch in 2008 we have grown to 325 Australian stores (and 52 New Zealand stores). Our tenth year of trading saw the Australian store network post almost \$950 million in annual sales, exactly 10 years after we opened our very first store.

For Specsavers, it is the partnership that guides our decision-making and locks in our results, it is the critical ingredient that helps our shared business thrive. The end result of attaining a successful model? A virtuous circle of happy customers, happy partners, well-supported teams and a purposeful franchise. ■

Specsavers is a franchise made up of qualified optometrists and optical dispensers. All stores are owner-operated.



## Futureproof your franchise

**myob loans**  
Powered by **ondeck**

MYOB Loans Powered by OnDeck offers a fast and easy solution that goes beyond equipment financing to renovation, relocation and working capital. Business loans from \$10,000 to \$250,000, with repayments over 6-24 months.

- ✓ Purchase additional stock
- ✓ Upgrade or repair equipment or technology
- ✓ Carry out refurbishments
- ✓ Invest in marketing or product innovation
- ✓ Manage cashflow



**Apply online:** A simple 10 minute online application and 3 months of business bank statements



**Get funded:** Receive funding in as fast as 1 business day



**Dedicated Australia-based loan specialists**

**Apply today at [myobloans.com/franchise](https://myobloans.com/franchise) ►**

Loans are issued by On Deck Capital Australia Pty Ltd ABN 28 603 753 215. Loans subject to lender approval. MYOB holds a 30% stake in OnDeck Australia and has a referral agreement under which it earns a commission on loans referred to OnDeck Australia.





# Supporting you and your franchisees

## The Fair Work Ombudsman's Small Business Showcase

Article provided by  
**the Fair Work Ombudsman**

The *Fair Work (Protecting Vulnerable Workers) Act 2017* has clearly set expectations that franchisors will help their franchisees understand and comply with workplace laws. The Fair Work Ombudsman's new Small Business Online Showcase, can help you support compliance throughout your franchise network.

The Fair Work Ombudsman recently launched the Small Business Showcase (the Showcase), a virtual hub providing a wealth of resources for small business owners seeking information about their workplace obligations.

Many franchisees are small or family business operators. Some franchisors are too. We recognise that Australia's workplace relations system is complex and can be hard to navigate, particularly for time-poor small and family businesses. We also know that small business often lacks the resources and ready access to professional help that can make it easier to ensure they are meeting their workplace obligations.

Equipping small businesses with the tools and information they need to ensure compliance with workplace laws is a priority for the FWO. The Showcase is a great opportunity for small businesses to brush up on their workplace relations knowledge, download practical resources and find out more about the assistance the

Fair Work Ombudsman can provide. It consolidates all the information and resources a small business needs in one place.

We encourage you to explore the Small Business Showcase for yourself and particularly urge you to encourage your franchisees to participate in the Showcase. Supporting franchisees to use the Small Business Showcase is a great way for franchisors to demonstrate their commitment to compliance with workplace laws.

As employers, franchisees and franchisors should be aware that changes made by the *Fair Work Amendment (Protecting Vulnerable Workers) Act 2017* have doubled the maximum penalties for failing to keep employee records or issue payslips to \$63,000 for a company and \$12,600 for an individual. Further, the maximum penalty for knowingly making or keeping false or misleading employee records has tripled.

Whilst the Fair Work Ombudsman





...we have now made it even easier for small businesses to access the information that they need at any time of the day, to implement positive workplace practices and help their business succeed.

takes a proportionate and fair approach to enforcement action, we also expect employers to have checked the rules that apply to them - if not with the Fair Work Ombudsman, with a qualified advisor.

Through the Showcase, we have now made it even easier for small businesses to access the information that they need at any time of the day, to implement positive workplace practices and help their business succeed.

The Showcase contains information on topics that are most relevant to small business owners, such as hiring, paying and managing employees, handling employee requests and keeping accurate records.

The Showcase also includes:

**Short instructional videos** which demonstrate how to use the Fair Work Ombudsman's tools and resources to meet your obligations as an employer, including the Pay Calculator and our Online Learning Centre.

**An interactive small business**

**checklist** so that small business owners can check how they rate against critical business requirements.

**Direct links to sign up to My Account** to make it easier for small business to stay up to date with changes to workplace laws. This addresses feedback we've received from small business customers who prefer receiving workplace information updates via email.

**Opinion polls** that run throughout the showcase to provide small business owners with the opportunity to share insights and highlight the key workplace issues facing small businesses today.

We know that you want your business and your franchisees to thrive. We do too. Participation in the Showcase will assist in building positive workplace cultures to the benefit of both the franchise and the workers employed throughout the network.

You can access the Small Business Showcase at [www.fairwork.gov.au/smallbizshowcase](http://www.fairwork.gov.au/smallbizshowcase)

**The Fair Work Ombudsman (FWO) is an independent statutory office responsible for promoting harmonious, productive and cooperative workplace relations and for ensuring compliance with Australia's workplace laws. The FWO's free services provide employers and employees with information about fair work practices, rights and obligations. A cornerstone of the FWO's approach is work with key stakeholders to build strong, effective, long term relationships promoting compliant workplaces. ■**



# Hello progress Hello Rest



If you enjoy the feeling of making progress, then say hello to Rest. We help make super easy by providing the tools you need to keep your business progressing towards a brighter tomorrow.

**Connect with Rest today at [rest.com.au](https://rest.com.au)**

Product issued by Rest. Go online for a PDS to consider before deciding.

**Rest**  
Together towards tomorrow



# A picture is worth a thousand words

## International mapping for your brand's expansion

**By Peter Buckingham CFE**

Managing Director,  
Spectrum Analysis Australia Pty Ltd

It is reasonably easy in a market that you know quite well to find and visualise information. In Australia many of us can use Google Maps combined with some QuickStats from the Australian Bureau of Statistics to have a reasonable understanding of what is in a particular area.

However once you move to overseas expansion, your gut feeling about an area (from many years working and holidaying) disappears and you are at the mercy of locals with an agenda to sell or lease you a site.

You may have invested in having rules for site selection and having territories done properly for the Australian network, but may have been "led" into a different approach overseas.

This should not and does not need to happen!

### The process to make it happen

We recommend using a GIS (Geographic Information System) such as Pitney Bowes MapInfo to download the relevant data for the country in question, and combining the rules that have been established with the mapping and the data, to map the sites or the territories required.

Competitors can also be mapped. In a recent job we had to map 7,400 competitors across the USA for a client, to find out where their two main competitors' sites are compared to theirs, and use that in the process of territory formation.

Once the mapping has been set up, you can then use a simple, commercial web based system to upload the maps and files into. This allows you to view the data / territories or sites anywhere across the world via the web. The ongoing licence of this type of worldwide interface is around \$300 per month to make your data visible in ways that best suit your business operations, including giving various levels of access to different people and potential franchisees.

Other companies may have different solutions; however, this has worked in cutting thousands of territories across the USA and recently in creating three territories in Botswana.

### International coverage of information.

In countries which I shall broadly describe as "first world" and "second world" countries, there is inevitably mapping and demographic information that can be used in understanding the markets you are leaping into. Many countries such as the USA, Canada and the main countries in the European Union have mapping and information on par (if not better) than what we have in Australia. Also, basically all Commonwealth countries have good data and mapping (including India), as the British always placed a high level of importance on census data, and this has continued across these countries.

Other countries may be a bit of a struggle depending on how big their census collection areas are, and how this is mapped. We see this in some of the growing Asian countries (including China and Indonesia), partly because of what they spend on their census - and both only undertake a census every 10 years. This makes some of the data fairly stale as the last census for both countries were done in 2010.





“We have been using a combination of a GIS system and Mango Maps for our global expansion, and find this to be a cost effective system we can use, as we now operate in over 40 different countries worldwide with 1100-plus franchises. We can grant a territory we know meets our criteria, and can keep up to date records and mapping as the new sites are opened. Highly recommended if you want to keep control of your world-wide expansion”.

**Luke Armstrong,**  
Global Sales Director, F45 Training

### The advantages of a synchronised mapping system

Jade Winter, the CEO of Studio Pilates says “Having our studios and territories available worldwide has given us huge impetus in offering our services into the US, England and China. I now feel confident I can give a territory based on realistic size and population in all the countries I want to take our franchise to.”

Everyone will tell you it is “different” in their country, but having a standard approach to information, site selection and territory planning should give your system an advantage over the less informed competition.

If you are undertaking international expansion, you should be able to map and visualise your markets, sites and competitors, and build territories so you can say they offer similar potential. If you use this as a sales tool to secure Australian franchisees, would you not want to be seen as offering a similar level of security or understanding in the territories you offer internationally?

### Summary

Mapping on an international scale has become practical with the tools that are now available, combined with the data available in most major countries.

If you have plans for international expansion (be it large or small), do not be misled to think you cannot find or afford to have a reliable system to show mapping, information and territories. Don't you want to have control over the international expansion of your brand? ■

**Peter Buckingham is the Managing Director of Spectrum Analysis Australia Pty Ltd, a demographic, mapping, franchise network planning and statistical analysis consultancy. Peter is the Go To person as to how and where to establish sites and territories in Australia and now worldwide. To contact Peter email [peterb@spectrumanalysis.com.au](mailto:peterb@spectrumanalysis.com.au) or visit [www.spectrumanalysis.com.au](http://www.spectrumanalysis.com.au)**





# Let us take the pressure off your franchisees and manage all their energy needs



We negotiate electricity and gas deals for some of the largest franchise groups in Australia. We also provide metering services to help understand and track how you use your energy.



Our Target 40 program assists businesses to reduce their reliance on grid power by up to 40%. We offer several Solar options including one with no cost installation, LED lighting, Battery Storage, Power Factor Correction, Voltage Optimisation.



## Our Clients



Contact us now on (03) 9872 6869 or [admin@energyalliance.net.au](mailto:admin@energyalliance.net.au) to discuss your business's electricity and gas needs.

**ENERGYALLIANCE.NET.AU**

# Upcoming FCA Events

The Franchise Council of Australia holds numerous breakfasts, roundtables and education sessions across Australia. As a member of the FCA, you are entitled to attend some of these events free of charge, and some at member-only prices.

## New South Wales

### JULY

26 July	Innovation Panel: Next Level Franchising
---------	--

### AUGUST

7 August	Coffee Catch-up
----------	-----------------

30 August	Event (topic TBC)
-----------	-------------------

## Queensland

### JULY

3 July	Coffee Catch-up
--------	-----------------

12 July	Women in Franchising Afternoon Tea
---------	------------------------------------

20 July	Luncheon - Growing Franchising 2018
---------	-------------------------------------

21-22 July	Franchising & Business Opportunities Expo
------------	---

### AUGUST

7 August	Coffee Catch-up
----------	-----------------

### SEPTEMBER

4 September	Coffee Catch-up
-------------	-----------------

6 September	Breakfast
-------------	-----------

## South Australia

### JULY

3 July	Wine Talks
--------	------------

12 July	SA Excellence in Franchising Awards
---------	-------------------------------------

### AUGUST

7 August	Wine Talks
----------	------------

### SEPTEMBER

4 September	Wine Talks
-------------	------------

12 September	Breakfast Fundraiser: R U OK?
--------------	-------------------------------

## Victoria

### JUNE

15 June	Vic/Tas Excellence in Franchising Awards
---------	--

### JULY

3 July	Coffee Catch-up
--------	-----------------

31 July	Breakfast - Growth is all about Profitability, Change and Communication
---------	---

### AUGUST

7 August	Coffee Catch-up
----------	-----------------

15 August	Franchisee focussed event
-----------	---------------------------

25-26 August	Franchising & Business Opportunities Expo
--------------	---

### SEPTEMBER

4 September	Coffee Catch-up
-------------	-----------------

12 September	Franchisee focussed event - Local Area Marketing
--------------	--

## Western Australia

### JUNE

19 June	WA Breakfast - Dos and Don'ts of Franchise Success
---------	--

### JULY

3 July	Coffee Catch-up - HR Dos and Don'ts when Employing Staff to Avoid Legal Disputes
--------	--

### AUGUST

7 August	Coffee Catch-up - How to Understand the P&L Balance Sheet
----------	---

28 August	Panel Breakfast: WA Legal Symposium Seminar
-----------	---

## National

### OCTOBER

14-16 October	National Franchise Convention
---------------	-------------------------------

Events held by and in conjunction with the Franchise Council of Australia are designed to be informative and educational, along with providing ample networking opportunities. Meet franchisors, management staff and experts in the sector to discuss issues relevant to your brand and your career.

\*NB - Breakfasts, forums, roundtables and education courses are being added to the national calendar all the time. To see the most up-to-date version of the calendar and register for events, go to [www.franchise.org.au/event-calendar.html](http://www.franchise.org.au/event-calendar.html)



◀ From top:

*Sandra Carrington, 2017 Franchise Woman of the Year*

*Meda Royall, Founder, Your Law Firm and 2017 Vic/Tas Franchise Woman of the Year*

*Wendy Donaldson & Marianne Marchesi, Co-Chairs of the FCA's Women in Franchising Committee*



# Unlocking the value of your professional network



Good franchising requires that networks are carefully developed and nurtured to reach their full potential. Professional networks are no different and if well cultivated can assist in achieving both corporate and professional growth. *The Franchise Review* asked four successful women in franchising to share their tips for building strong professional networks and the value this can deliver.

**The Franchise Review (TFR): Do you think it's essential to have a professional network in order to expand?**

**Sandra Carrington, 2017 Franchise Woman of the Year (SC):** Working in isolation limits you to repeating only what you know and what you have done in the past. A professional network exposes you to new knowledge, ideas and opportunities that you can feed off to help develop your future plans. Meeting regularly with your professional network gives you accountability to stick your expansion plans.

**Meda Royall, Founder, Your Law Firm and 2017 Vic/Tas Franchise Woman of the Year (MR):** A professional network is an essential part of any business. I consider fellow legal practitioners and professional service providers such as accountants and mortgage brokers as great sounding boards when I have ideas I want to bounce off others. Building a team of support around you is vital during those testing and busy growth stages as your business expands. Having strong relationships with these professionals can also result in referral work. In my experience these are the highest value and longest standing clients, helping to keep cash flow steady and word of mouth business growing from clients speaking to their friends and family.



“Connect with as many people as possible. Attend forums, industry events, local business events and join associations. When you meet people, ask lots of questions, find out what makes people tick and what you have in common. Learn as much as you can.”



**Wendy Donaldson and Marianne Marchesi, Co-Chairs of the FCA's Women in Franchising (WIF) Committee (WD and MM):**

It can definitely help having a professional network to call on when you need support. We believe you can learn from the experiences of your network and leverage your network in terms of skill set, opportunities, introductions and inspiration. Within the WIF network for example, we have lawyers, accountants, franchise consultants, franchisors, marketing specialists and so many more - meaning that when you need to expand, you've got a community to help you with it right at your fingertips.

**TFR: Who are some of the key people you think should form part of your professional network?**

**SC:** Successful people that you share a commonality with, including women in business/management, other industry professionals, or advisors that are knowledgeable about your business and industry. Meeting with other successful people is a fantastic motivation tool as they have so much to share and are often eager to do so.

**MR:** The key people in the different areas that make up our business are integral to our success. In the area of law I practice, fellow legal practitioners and professional service providers including accountants, mortgage brokers, barristers and real estate agents are key people in my professional network. A notable mention also goes to mentors who can contribute greatly with professional development.

**WD and MM:** It's important to have a mixture of people who will support you not only professionally, but also be there to provide moral support. Having these people in your network can support and challenge you. We've met people within WIF who perhaps we've never done business with, but who we have forged

great relationships with and support us in growing our businesses.

**TFR: How can you build your professional network?**

**SC:** Connect with as many people as possible. Attend forums, industry events, local business events and join associations. When you meet people, ask lots of questions, find out what makes people tick and what you have in common. Learn as much as you can.

**MR:** I find that the most organic and time effective means of building your professional network is through attending industry events of interest to you. These events can broaden your knowledge on areas of relevance, while associating with likeminded professionals.

Catching up with old colleagues and stakeholders is another great way to build your professional network organically.

**WD and MM:** Get out there! It's a good idea to go to a mixture of networking events, and when you find one you like try to attend regularly. You'll often see familiar faces when you attend one type of event frequently, and this allows you to develop those relationships further. Another way to build your network is to reach out to someone via a common connection and request some time to "pick their brains" on a specific topic.

**TFR: Are there any strategies you can recommend if you're not the "networking type"?**

**SC:** If you're not the networking type, organising a monthly or bi-monthly lunch with a handful of trusted industry or likeminded business professionals you have clicked with or share some commonality, is a great forum to bounce ideas around and share experiences. Leave it open for people to bring a colleague to widen your network.

**MR:** Start with catching up with old friends and colleagues for day time coffee or lunch dates. Taking up and creating

speaking opportunities can give you some practice speaking in front of new faces, along with engaging in further education seminars, conferences and the like. If you are going to a networking event, practicing your elevator pitch beforehand and going with a few colleagues can settle the nerves and make all the difference. If these options are still too daunting then being active on LinkedIn and posting articles on relevant blogs could be best suited to you.

**WD and MM:** Networking doesn't have to be uncomfortable or a 'hard sell'. When you change your mindset and attend networking events purely to meet and connect with people, it takes the pressure off and makes going to them a lot easier. If there's someone in particular you'd like to connect with, it's worth doing a little research on the person, and perhaps even sending a note in advance that you'll be at the same event and are hoping to connect. People are generally impressed if you are across their achievements or can talk to a presentation they have made. Even a post on LinkedIn can be an easy ice breaker. If all else fails, a good tactic if you feel awkward is to grab a drink first - many relationships were made at the coffee/bar table! ■

**The Franchise Council of Australia's Women in Franchising (WIF) initiative provides women in the sector with the opportunity to meet likeminded women and grow their networks. Find out more at [www.franchise.org.au/women-in-franchising](http://www.franchise.org.au/women-in-franchising)**



# Adobe Sign



The assurance you need,  
from the company  
you trust.

Place Signature

John Smith

**Security.** Protect your data, your documents, and your company with industry-leading security resources from Adobe.

**Compliance.** Adobe Sign meets the most demanding industry and regulatory requirements — making it easy for you to ensure compliance and collect legal e-signatures.

**Control.** Get the control you need to deploy and manage with our enterprise deployment resources and admin guides.



Find out more at  
**[adobe.com/au/  
information/fca.html](https://adobe.com/au/information/fca.html)**

# A JUICY INVESTMENT

485 STORES WORLDWIDE. 18 COUNTRIES.

**Janine Allis**  
Founder of Boost Juice



# BOOST<sup>®</sup>

**We are seeking passionate owners/operators to join our thriving Boost Juice network Australia-wide**

For further details visit [boostjuice.com.au/franchising](http://boostjuice.com.au/franchising) or call 03 9508 4409.