

the franchise review

ISSUE 62 EDITION 2 2020

The road to recovery issue

FCA advocacy and
support during COVID-19

Preparing your business
for bounce back in the
'new normal'

Workplace safety
and return to
work strategies

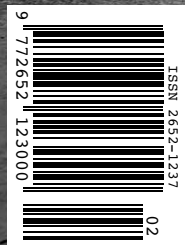
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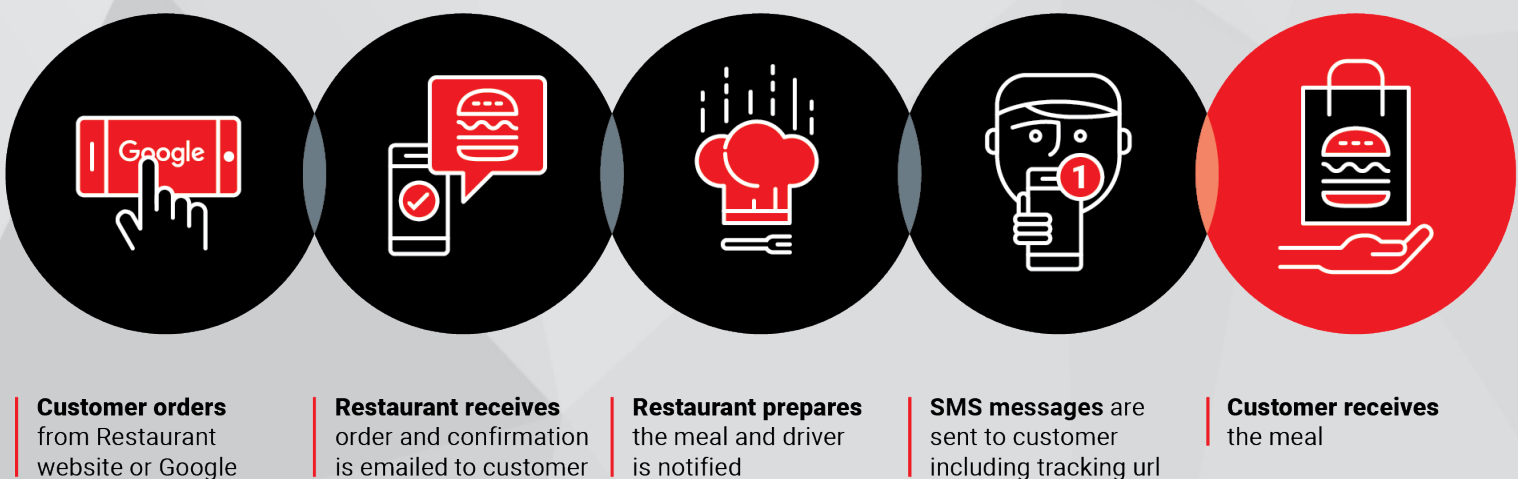


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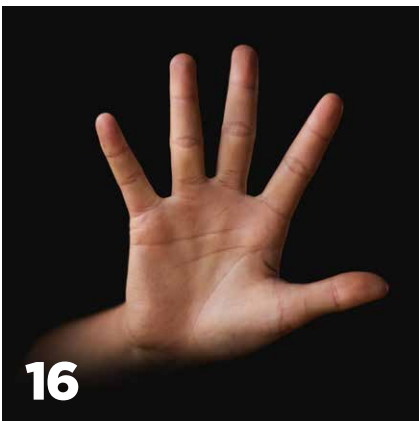
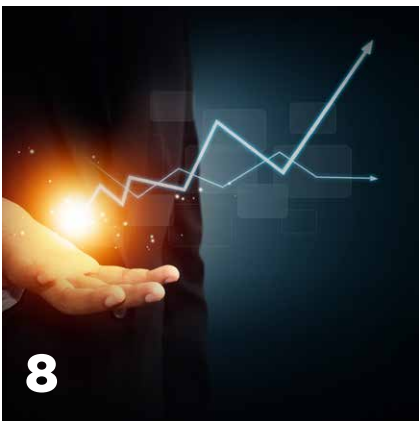
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Contents



- 2 A message from the CEO
- 4 FCA delivering for members during COVID-19
- 6 The impacts of COVID-19 on franchise businesses
- 8 Boom times ahead for franchising?
- 10 Preparing your franchise business to bounce back in the wake of COVID-19
- 14 Poolwerx' values are driving a dramatic reinvention
- 16 Five critical steps for managing change
- 18 Rolling out innovations for long-term success
- 20 Commercial leasing during COVID-19
- 22 Navigating leasing arrangements during COVID-19 and beyond
- 24 Preparing your workplace for the 'new normal'
- 26 Safely getting employees back to the workplace
- 28 Key areas of focus for franchises under COVID-19
- 30 COVID-19: the potential impacts of early release of super
- 32 Keeping up with rapid change at Shoebox Books
- 34 The psychology of resilience and why it matters
- 38 Short-term solutions support long-term goals at RAMS
- 40 Maintaining franchisee wellbeing in uncertain times
- 42 A three phase approach to COVID-19 resilience
- 44 Strategies to support mental health in challenging times
- 46 Stellar: New technology from Redcat offers struggling restaurants a lifeline
- 49 7-Eleven delivers for franchisees & customers
- 51 Delivering for businesses during the shutdown
- 54 How to take your face-to-face events online in a COVID-19 world
- 56 Baby Sensory pivots to support franchisees through COVID-19
- 58 Franchises demonstrate community spirit during COVID-19
- 60 Franchise partnership pivotal in planning for resilience

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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.

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A lot has changed since our last edition of Franchise Review and our businesses and community have had to face the massive challenges created by restrictions to stop the spread of COVID-19.

A voice for franchising and small business in unprecedented times

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

“The FCA is continuing to work closely with government and other industry peak bodies to ensure that the voice of franchising and small business is heard by government as we head down the path to economic recovery.”

For the FCA, it has meant stepping up our advocacy and activity to represent members' interests and concerns to government while delivering timely information, business advice and practical support to help meet the trading and workplace challenges.

The response from our members has been terrific, including more than a hundred emails and messages of thanks and congratulations, as well as significant positive feedback from government and media.

We have taken a strong public stance on the key issues which have impacted on the sustainability of franchising and small business, and the wellbeing of owners, managers and staff.

Some of the key platforms have been:

- the need for rental relief and government intervention as some landlords refused to negotiate despite the plight of their tenants, especially in retailing;
 - the need for tangible government support for businesses to help maintain staff and supplement their income as trading revenue evaporated;
 - assisting with expert advice on managing staff working from home, including maintaining their commitment, morale and mental health; and
 - calling on the big food delivery networks experiencing a huge lift in volumes to help the struggling food retail and hospitality groups rather than profiteer.
- currently making strong representations to the Federal Government on the issue of redefining casual workers, and we are hopeful of an improved result.

The definition of casual workers

IR is at crunch point, and last week's court decision to redefine casual workers means we can't put this conversation off any longer. There are thousands of small businesses and hundreds of thousands of casual workers this decision is going to hurt, if left unanswered.

Casual workers are paid a higher base wage, trading off sick leave and annual leave permanent workers receive for a lower base wage. Putting casual workers

on the same leave loadings as permanent workers will make it simply untenable for many businesses to keep them employed. Businesses will hit the wall, and employees will ultimately lose out.

The FCA is hopeful of an improved outcome as a result of its strong representations to the Federal Government on this issue.

Calling for food delivery platforms to cut fees

Most of Australia's 90,000-plus individual franchised outlets are small businesses employing 598,500 Australians and many are in the food and hospitality sector, so when they struggle, there's massive impact on the national economy.

The FCA argued that unless the food delivery platforms reduced commissions to help sustain restaurants and food franchises, there was a risk that many would not be able to continue operation, with the threat of further major job losses.

Relief for commercial tenants

The FCA also welcomed the ACCC decision to allow tenants and landlords to get together and collectively negotiate outcomes that optimise businesses' ability to meet rental obligations will support their ongoing sustainability as a result of COVID-19 trading impacts.

The decision recognised the urgency for retailers and landlords to collectively negotiate rent relief was an excellent outcome following a joint application to the ACCC by the FCA with the National Retail Association, Australian Hotels Association and the Pharmacy Guild.

Looking to the future

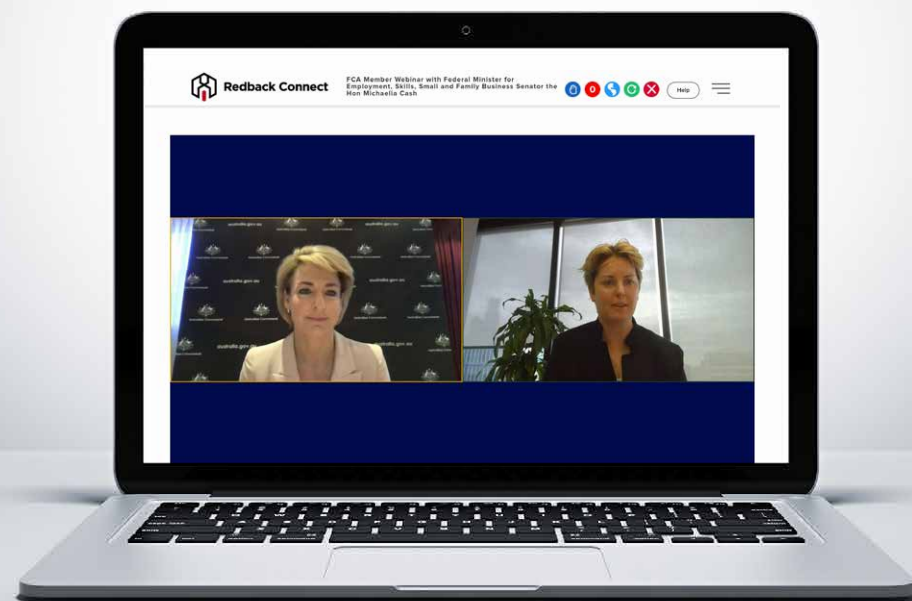
Small businesses have been hit hard by COVID-19 and although restrictions are starting to be eased, the impacts on individual businesses and the economy nationally will be felt for some time.

The FCA is continuing to work closely with government and other industry peak bodies to ensure that the voice of franchising and small business is heard by government as we head down the path to economic recovery. ■

FCA delivering for members during COVID-19

By Peter White

Executive Manager,
Franchise Council of Australia



Like so many of our member businesses, the Franchise Council of Australia has through necessity refocussed the way we deliver services during COVID-19.

And like so many of our member businesses, we have found new ways to connect and deliver value in this challenging new operating environment.

With the situation developing rapidly during March, the FCA quickly identified that members needed a reliable source to provide vital information and resources at a time of rapid change and uncertainty.

As the Federal Government made announcements on business restrictions and stimulus measures at breakneck speed during March and April, the FCA made sure our regular email Member Updates contained the key details members needed to know.

Alongside these, we launched a webinar series that provided the

opportunity to delve deeper into the issues that were impacting members and provide clarity on fast moving developments. Many of these webinars have taken place just a handful of days after major government announcements to ensure members have the most timely and up-to-date information available.

Topics have now included:

Understanding the Employment Implications of JobKeeper; Explaining the Commercial Leasing Code of Conduct; Tax and Accounting during Covid-19; COVID-19 impacts on Superannuation and Insurance; Optimising energy usage and cost during the challenge of COVID-19; The Psychology of Maintaining Positive Mental Health and Resilience; and an interactive webinar with Federal Minister for Employment, Skills, Small and Family Business Senator the Hon. Michaelia Cash.

The response to these webinars from FCA members has been overwhelmingly positive. Registrations and attendance have often been well over 200 people, with a strong Q&A component ensuring the webinar panels tackle the issues that are most pressing for attendees.

For some time now, the FCA has been dedicated to developing partnerships and relationships with organisations that meet the business needs of members across areas including employee relations and HR, superannuation, insurance, online learning, technology and finance, energy, POS, printing services and more.

The value of these partnerships has never been more apparent than we've seen over the past weeks, as we have drawn on their subject matter expertise in our member updates and webinars and shared their offers to assist members through this time.

These regular webinars and Member Updates are planned to continue over the coming months to assist members to operate successfully on the other side of COVID-19.

The FCA is continuing to monitor developments around COVID-19, including ongoing social distancing and business restrictions, and will be taking these into account, as we look to optimise and adapt our regular program of events, including the National Franchise Convention, over the coming months. ■

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A national survey of franchise businesses showed significant reductions in March 2020 revenues as a result of COVID-19 trading restrictions and self isolation.

The "Pulse Check" survey was undertaken by FRANData for the Franchise Council of Australia to gain insights on the initial impacts and experiences of the Australian franchise sector during the COVID-19 pandemic.

Representatives of 55 franchise systems covering 11,037 individual franchised business outlets contributed to the survey.

Revenue



- Revenue falls of 25-50% 30%
- Revenue falls of 50-100% 28%
- Income increase 20%

Almost one-third (30 per cent) of respondents indicated revenue falls of 25-50% on February figures and a further 28% indicated a 50 per cent to 100 per cent fall in monthly revenue.

On the other side of the coin, approximately one in five (20 per cent) indicated an income increase in March 2020.

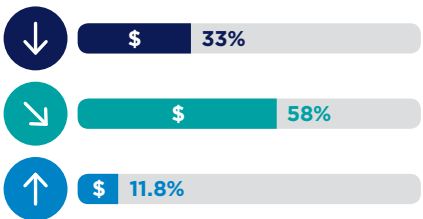
Industries



Industries showing the greatest resilience include pet related, maintenance and health services. Vulnerability was evidenced across retail, restaurants and fitness clubs.

The impacts of COVID-19 on franchise businesses

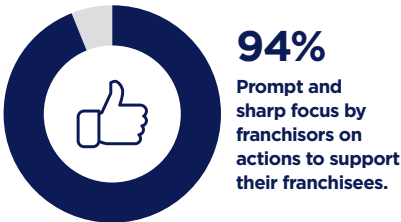
Expectations



A high level of respondents (33 per cent) indicated that 100 per cent of their franchised business outlets would record a loss for March.

The majority (58 per cent) of respondents also anticipated a significant weakening of income in the current quarter, with only 11.8 per cent anticipating an increase.

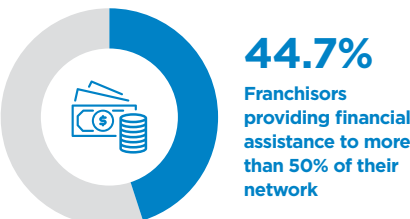
Support



Survey respondents reported a prompt and sharp focus by franchisors on actions to support their franchisees. In fact, 94 per cent of respondents provided specific and often multiple examples of the actions they were taking to support their franchisees.

Financial assistance (direct and indirect) was being provided by 61 per cent of surveyed franchise systems. Specific assistance to navigate through changed business regulations and available financial support packages was being provided by 29 per cent of respondents and direct involvement in landlord negotiations was being provided to franchisees by 18 per cent of franchise systems.

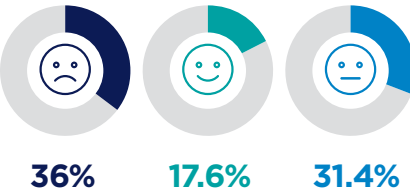
Assistance



As at 31 March 2020, 44.7% of respondents were providing financial assistance to more than 50% of their network compared to 31 December 2019 when 73.9% of franchise systems said less than 5% of franchisees were being given financial support.

The highest level of financial support is occurring in the food retail and sit-down restaurant category and the lowest in the maintenance type services categories.

Landlords



Landlords were noted as "unhelpful" or "very unhelpful" by 27.5% of all respondents (or 36% when "not applicable" responses are excluded) and as "helpful" by only 17.6%. 31.4% described landlords as "indifferent". ■

The information gathered in the survey will be used by the FCA to support ongoing submissions and representation to government for Australian franchising.



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Boom times ahead for franchising?

By **Stephen Giles**

Partner,
Norton Rose Fulbright Australia

As a leading legal advisor to the franchise sector, Norton Rose Fulbright Australia partner, Stephen Giles, has extensive experience guiding franchise businesses through economic uncertainty and regulatory change. Through it all, he has seen the franchise model prove its resilience time and time again. As the world braces for the uncertainty of a 'new normal', Stephen predicts the franchise sector is well placed to take advantage of the opportunities it might offer.

Never will the business fundamentals be so ideally aligned for quality franchise systems. Indeed for some franchise systems, the period following the COVID-19 pandemic in Australia will present the biggest opportunities seen in more than 20 years. Not since 1998, when the introduction of the Franchising Code of Conduct coincided with the beginning of 10 consistent years of strong economic growth, have we seen so many growth opportunities, and such a quality pool of prospective franchisees.

Historically the franchise sector has often been counter-cyclical, with the exponential growth in franchising in most countries coinciding with an appetite for growth, difficulties in securing finance and relatively high unemployment. Perversely, as we have seen in recent times in Australia, franchising growth slows when funding is readily available, and the pool of franchisees is depleted by almost full employment. We have seen a trend away from franchising to corporate outlets, with some taking the view that franchising is just too hard from a people management perspective.

Now the worm has turned again. I predict history will show that franchised businesses will have weathered the COVID-19 storm far better than corporate networks. We have already seen many major corporate collapses, particularly in retail. Not so much franchise networks. Franchisors and franchisees are just

better able to curl up into a smaller ball to hibernate. The well-targeted Government support packages have helped a lot, as they reward those businesses who understand their customers and can control their costs.

The stars are aligning

The aligning stars of prosperity include the following:

1. Unemployment will create a larger pool of quality franchisees, so franchisors can be more selective and discerning than they have been able to be in recent times;
2. The franchisee pool will include people with prior business and management experience, as well as a small amount of capital from a redundancy. These people will struggle to re-enter the workforce and secure a job on \$100,000 a year, as middle management will be collapsed by large corporations seeking to maintain profits in times of reduced turnover;
3. For most, it will be less of a hyper-competitive environment, as some competitors will have fallen by the wayside due to the COVID-19 impact;
4. For those in retail, better sites will become available, and more realistic rental deals should be possible as quality tenants (particularly those with a growth story) have increased negotiating power;
5. Quality franchisees have

hibernated well due to the Government support package, and can re-start quickly and even grow into multi-unit operators with the right additional funding;

6. The extent of financial carnage in the market will mean that franchise systems needing to restructure can do so without the typical scrutiny or reputational damage. The safe harbour provisions protect directors, and the fact that most assets are intangible means restructures can occur without the loss of founder control;

7. The inherent nimbleness of franchise networks means they are better able to re-establish themselves and take advantage of new market opportunities.

Only the best will prosper

There is however a qualitative overlay or proviso to this prediction. Only those franchise systems able to stand out to discerning franchisees in a crowded franchisor market will prosper. We have already seen first-movers such as Poolwerx, Pack & Send, Tatts, Quest Apartment Hotels and Muffin Break secure high-performance ratings under the Australian Franchise Ratings scale. Objective assessment of franchise systems will be an important differentiator, particularly as the media is still likely to take a negative angle and the political environment remains fluid.

The post-Covid-19 franchising fundamentals

Better locations will become available & more realistic deals possible as quality tenants have increased negotiating power

Prospective franchisees will have some capital and an enhanced motivation for financial certainty

Unemployment will create a larger pool of quality franchisees

Competitors will fall by the wayside due to the Covid-19 economic impact

Quality franchisees have been hibernating due to Government support

With most assets intangible and reliant on management expertise, corporate restructures can often be effected without founder loss of control

Franchise networks can re-establish and expand more quickly than other structures

Graphic courtesy of Norton Rose Fulbright Australia

There will also be a new due diligence question for prospective franchisees – what did you do for your franchisees during the COVID-19 pandemic? Or for that matter your staff and your customers? Leadership is best demonstrated not during growth times, but in the tough times.

The keys to riding the wave

How do franchise systems position themselves to ride the next franchising wave? It is not just a matter of turning up, or re-commencing as if nothing has happened, because a lot has happened. Some things will never be the same. A few of the important things are:

1. A compelling (and revised) customer proposition. Customers will be buying more online, they will expect greater use of technology, they will have a closer eye for value, they will want reassurance on health and safety in the premises and they will expect paperless transacting.
2. Leadership – franchisees expect leadership, and they will remember what happened during the tough times. Franchisors expecting to lead a network forward must have performed well during the COVID-19 pandemic. Remember a favourite quote of mine – 'there is no softer pillow than a clear conscience'.
3. A growth and expansion strategy and plan. Marking time is going

nowhere, and will miss the opportunity. Importantly, focusing on the past or being dragged back to it is fatal.

4. A differentiated franchise offer that meets new market expectations, and has credibility in a skeptical market where the general reputation of franchising will remain tarnished. Features are likely to include:

- a) Being independently and objectively rated, so franchisees can make a truly informed decision;
 - b) Being financially accredited both at franchisor and franchisee level, as access to finance is the key to growth post COVID-19;
 - c) Lower entry costs, as prospective franchisees will not be prepared to pay as much for a business in a competitive market; and
 - d) Lower operating costs, given the likely lower revenue environment.
5. A strong technology platform and digital presence – the world has changed, and Australia lags the world in e-commerce. Australia will catch up quickly.
6. A robust ability to withstand isolation or unforeseen circumstances, as people will want to know they can withstand challenging times; and
7. An effective multi-unit franchise model with independent capacity to be funded. Funding of multi-unit franchisees is likely to be a key to franchise network growth. ■



Preparing your franchise business to bounce back in the wake of COVID-19

Article provided by
PwC Australia

As Australia prepares to reboot the economy following the after-effects of COVID-19, we believe the franchise community will play a vital role in stimulating much needed growth. Having worked with over 300 franchise groups in the past 20 years, we are deeply committed to providing the necessary support to help businesses deal with their immediate needs and bounce back with a renewed vision and plan to reshape their future in a post-COVID-19 world.

In this article we explore three key areas franchise businesses should address as they adapt to the challenges brought on by COVID-19.

1

Act now. Immediate relief measures and access to Federal and State Government support



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"With COVID-19 causing a 1 in 100-year impact on many businesses, Federal and State Governments have responded positively via the introduction of multiple initiatives to support businesses and give them the best chance of emerging on the other side" - Tim Hall.

Whilst the intention of Federal and State Government initiatives is to support businesses of all shapes and sizes, the complexity of assessing eligibility for some businesses - particularly franchises - can be difficult to navigate. Here, we look at the various support packages available that may apply to your franchise business. Each business should seek their own advice on the application of these measures to align to their unique circumstances.

Federal Government Initiatives

Cash Flow Boost

For franchises, the "Cash Flow Boost" comes in the form of a credit in the business' business activity statements (BAS) lodged for each monthly or quarterly period from March to September 2020. The main benefit of the cash flow boost is a tax-free total credit provided by the ATO over the relevant BAS periods of between \$20,000 - \$100,000, calculated with reference to the amount of tax withheld on salary and wages by that business.

Eligibility criteria

Businesses must have employees and an aggregated turnover of less than \$50m in order to be eligible. When assessing eligibility, the concept of aggregated turnover can be complex, so we have outlined a simple framework to apply. Aggregated turnover will include the turnover of:

- The test entity;
- Entities (connected entities) that may have ownership in the test entity;
- Entities (connected entities) that the test entity may have an interest in; and
- Entities (affiliated entities) that act in concert together, which may include some franchise agreements.

Let's unpack this with an example:

- A franchisor may have to aggregate the turnovers of their franchisees when assessing whether they breach the \$50m threshold to be eligible for the cash flow boost.
- Similarly, depending on their franchise model, franchisees may need to aggregate the franchisor's turnover when assessing their own eligibility.
- Practically, this may be difficult to assess or have access to relevant information to make an informed decision.

It will be critical to understand both legal structures and contractual relationships in assessing the need to apply the aggregated turnover test. Structure may again play an important role in the amount a group may be eligible to receive. Take for example:

- a corporate group with multiple entities where each entity is eligible to receive the cash flow boost; or
- a corporate group with a single employing entity, which is the only entity who may be able to claim the cash flow boost.

A word of warning though, some taxpayers may have inadvertently received the cash flow boost where not eligible. We would encourage

these businesses to notify the Australian Tax Office (ATO) of these errors, as the ATO will undertake subsequent reviews and may require incorrect payments to be repaid.

Additional assistance may be applicable for business, in the form of a deferral of tax-related payments on an interest free basis until September 2020. We recommend that you seek advice from your tax advisor to determine whether deferral of payments is an option for your business. The good news is that at the time of writing this article, we have seen cash flow credits flowing to client accounts which is providing welcome relief to many businesses in the franchise sector.

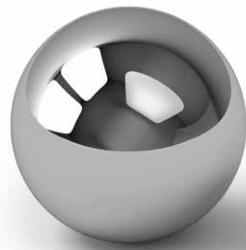


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JobKeeper program

"The JobKeeper subsidy is providing businesses with critical economic support, allowing businesses to re-open stores and sites where it might not be economically viable without the funding. It is very important for taxpayers to ensure that they maintain documentation to support their application and continue to comply with the ongoing requirements" - Joanne Murray.

On 30 March 2020, the Federal Government announced the "JobKeeper" program, which broadly comprises a wage subsidy to help eligible employers keep staff employed. The subsidy of \$1,500 per fortnight is paid (in arrears) to each eligible employee for up to 6 months commencing 30 March 2020. Although welcomed by many businesses, as JobKeeper is paid in arrears there can be a short-term cash flow strain on businesses who may already be facing cashflow pressure.



Eligibility for Employers

To be eligible for the payment, an employer must experience a decline in GST turnover of:

- 30% or more for a business with annual aggregated turnover of \$1 billion or less; or
- 50% or more for a business with annual aggregated turnover of more than \$1 billion relative to a comparable period a year ago (of at least a month or three months).

In assessing whether the business has suffered the necessary decline, you can compare either the GST turnover for a particular month or for a relevant quarter. For example, for the June quarter, the projection for a decline in that quarter must be made on a reasonable basis, and we strongly suggest that you keep documentation to support your calculations and assumptions.

If a business does not satisfy the decline in turnover for the first test period, either April or the projected June quarter, they may satisfy the criteria where they suffer the anticipated decline in future periods and therefore become eligible to receive JobKeeper payments from that later point. However, once an entity has established it has met the requisite decline, it is not required to retest that in later months.

The Commissioner can determine that an alternative decline in turnover test can apply where an appropriate comparison period for 2019 is not available, for example:

- where a business was not operating a year earlier; or
- where the prior period of business is not representative of usual circumstances (e.g. bushfires or drought).

In addition, the JobKeeper rules cater for groups that employ their employees via special purpose employer entities. However, the application of this alternative test is strictly limited to specifically provided circumstances.

The term 'GST Turnover' is not straight forward and does not necessarily align to what is on your BAS. Broadly, it includes the value

of services provided in the relevant period. However, the Commissioner has provided two alternative methods, accruals accounting or GST attribution, which, if "applied in good faith", may be used as a proxy for determining GST turnover. You may be able to use one of these methods if you have practical difficulties in assessing GST turnover.

If you have applied (or may apply) for JobKeeper, you should make sure that you have good documentation to support your decline in turnover calculations. It is also important that you identify and maintain all of your eligible employees (noting that not all employees may qualify). There are also ongoing payment and reporting requirements that you must satisfy. The ATO will review some taxpayers and if you have incorrectly assessed eligibility, or cannot support your claim, the consequence could include repayment of the subsidy together with penalties and interest. You should seek advice on these matters if you are unsure of your position.

For more information around employee eligibility and how to apply for the JobKeeper program, visit the PwC website.

State Government Initiatives

The various state and territory governments have introduced concessions for small to medium enterprises largely relating to relief from payroll tax. While this may be relevant for franchisees depending upon their size and structure, the main challenge is that each state has introduced their own conditions to both eligibility and the associated benefit available. For instance, businesses operating across Australia may be eligible for varying payroll tax refunds or deferral of payroll tax amounts dependent upon the level of Australian or state wages paid by the employer.

For updates around tax obligations and relief for businesses affected by COVID-19, visit our dedicated COVID-19 website.

2

What's next? Tips to stabilise your cash preservation and set you up for short to medium-term recovery



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"The decisive and targeted government initiatives were a welcome life raft for many potentially drowning businesses. Now business owners need to stay afloat and not take on water or get weighed down by excess baggage" - Martin Ford.

In the coming months it is important to turn your attention to proactive measures to stabilise and preserve your cash position. Those who do not act decisively in addressing their key working capital issues, may be unable to deal with the tsunami of accrued liabilities come August/September when the temporary relief expires.

We recommend that you consider the following key areas:

"The decisive and targeted government initiatives were a welcome life raft for many potentially drowning businesses. Now business owners need to stay afloat and not take on water or get weighed down by excess baggage."

1. Cash is king: Continue the focus on optimising your cash position, but don't forget the accruing liabilities.

2. Trim excess fat: Review your expenditure and identify opportunities to reduce, renegotiate or terminate costs that are 'nice to have' but not 'need to have'

3. Pick winners: Review customers, suppliers and staff and identify those who you believe are the most important to the success of your business.

4. Have a 'Plan B': Prepare a backup plan ready to swiftly enact if one of your critical stakeholders cannot support your business plans.

5. Know your funding gap: There will be a wave of funding demands in August/September. Smart businesses are engaging with their banks/financiers now to be at the front of the funding queue, ensuring sufficient time to address any queries ahead of the funding need.

It is critical that businesses, after what has rightly been an initial focus of stabilisation and cash preservation, now focus on identifying and managing the three key funding drivers for a successful return from hibernation: accruing liabilities, exit and/or investment costs and re-entry working capital.

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3

Adapting to the 'New Normal'. Reshaping your business strategy to thrive in a post-COVID world.



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"What will it take to win in a post-COVID world? Stay relevant, keep up with new demands and shifts in your customer consumption to create something that no-one else has thought of to propel you in front of the competition" - Susie Salmon.

As you look to the future, it is important to refresh your strategy plan and identify those drivers which have the most impact to your franchise business. Implement a practical action plan to navigate your path back to sustainable growth.

Let's evaluate some of the key drivers which you can focus on as you reshape your future plan:

Business Strategy

- Evaluate what you do well and how you can solve the biggest challenges in your industry and customer base. It's about finding the art of the possible to think differently with renewed vigour and positivity.

Finance

- Look for ways to improve your cash flow and liquidity and medium to long-term forecasting. This is important to understand how your business is capitalised and what measures you need to action for a rapid revenue recovery.

Workforce

- Start building your post-COVID return to work strategy. Map out the roles and responsibilities of your workforce and how changes may impact your operations and human resource policies.

Customer

- Prepare a customer communications strategy that is purpose-led. Embed this strategy across all touchpoints for a consistent and authentic customer experience.
- Where possible, fast track any digital projects to reflect your changing customer expectations.

Operations

- Develop a business continuity plan with emphasis on arrangements for handling new outbreaks of COVID-19.
- Assess where you can improve productivity, such as logistics and supply chain.
- Pay attention to cyber security and have a plan to mitigate any unforeseen risks which may arise. ■

Preparing for the 'new normal' won't be easy but reimagining the possible for your business can create a competitive edge that will sustain change no matter how big. If you need support to reshape your strategic business plan, reach out to a specialist advisor to help you navigate your options. You are not alone; we are here to help.



Poolwerx' values are driving a dramatic reinvention

Poolwerx' five corporate values were born out of tough times and have dug the brand out of every rough patch since the business started nearly 30 years ago. These values have served us well in previous downturns including the GFC, where the business actually grew. As we face another global crisis, our values will be the backbone of our transformation.

By John O'Brien
CEO and Founder,
Poolwerx

Value #1 Energise

Our energetic value is about speed, agility, quick decisions and empowering our people to 'just do it'. March week one. We immediately set up a 7am daily Cabinet meeting with our senior leadership team (SLT) and appointed a COVID Coordinator to be our go-to on everything. We quickly expanded our communications to the network with daily video updates from an SLT member to keep our franchise partners across key developments and changing government information and arranged weekly town-hall Zoom meetings and weekly Poolwerx advisory committee (PAC) meetings.

But we didn't stop there. We formed a Cabinet with veteran franchise partners who were with us during the GFC and utilised their learnings from that period. We also formed a Cabinet with our suppliers to ensure we had a full supply chain response.

With home the new place of work, study and play - we lobbied governments in the USA, Australia and New Zealand at Federal, State, County and Local levels to ensure they understood we provide an essential service to help safeguard the community and keep backyards healthy during lockdowns. These conversations were crucial in keeping franchisees' doors open, and they did!

As a business we replaced BAU with Business as unusual. Every crazy idea, new or old, we put back on the table. We achieved all this in the first week of March and our energise value ensured there was a culture of speed to change.

Value #2 People first always, and Value #3 Do the right thing

March week two. We turned to our people values to keep them safe and operational. We closed our head office and set up remote working. Next, we installed sneeze-shields in all our retail stores to protect both staff and clients and moved to one person per van to protect technicians.

As the Coronavirus spread and further restrictions were put in place, our Business Development Managers remained in daily video contact with every franchise partner, ensuring they had access to all the help and support they needed. Daily field visits and regular business meetings moved to being held remotely and daily/



weekly team virtual catch-ups became common to aid mental health.

We've had no COVID-19 infections across over 1,000 staff in three countries and at the start of every meeting we ask the question - 'is everyone safe?'

Value #4 Find the better way, and Value #5 Dare to succeed

These are the constant improvement and entrepreneurial values that have kept us at the top of our game for nearly 30 years. They keep us on our toes and force us to be agile and nimble by nature.

March week three. We developed new contact-free services, trained all staff in infection control, and rolled out the new services across more than 350 retail and mobile locations in three countries. These included:

- Poolside Water Test & Treat - designed with our retail clients in mind, we come poolside to do a water test and treat their pool.
 - Poolside Water Test & Deliver - for our DIY clients, we will come to test their pool water, and leave chemicals and comprehensive dosing instructions for them to treat their own pool.
 - Home Delivery - clients can phone, text or email and we'll deliver chemicals and all pool needs to an agreed safe place at home.
 - Curbside Dropbox Water Testing - clients can leave their water sample at a designated area in front of our stores, our team will contact clients with results to arrange pick up or home delivery of chemicals.
 - Curbside Park & Test (don't leave your car) - storefront water testing, where we collect the clients water sample from the car, complete the test in store and deliver the treatment chemicals to the car.
- As we rolled out our new initiatives, we supported these with a consumer

promise under a new COVID-19 branding device, to provide confidence in our strict safety standards and to show our commitment to the wellbeing of our franchise partners, team members and clients. The lifebuoy logo was quickly displayed on all our vans, instore, uniform badges, digital marketing channels and emails.

But there needs to be a new empathetic connection

We have seen our network pull together during these times to continue to deliver service. Upon hearing a client needed to put their pool servicing on hold after he and his wife, both chefs, lost their jobs, one of our franchise partners went above and beyond. They serviced their pool for free on Good Friday to ensure it would be safe for the whole family to swim in during the Easter Long Weekend, leaving behind a basket of Easter eggs for their two young children. I'm proud to see our value "People first, always" reflected in everything we do, even in times of crisis.



Franchise partner support systems

We reinvigorated a lapsed concept, 'Adjacent Partner Support', which acts as a buddy system between franchise partners, so they can also support one another at local level.

Our Poolwerx Family Welfare Fund kicked in with small acts of kindness and we have been heavily promoting our third party free and confidential counselling service to the entire network to ensure we're supporting mental health awareness.

We already had in place a store shutdown procedure, so if some of our businesses needed to go into hibernation, they had a step-by-step guide to support them through the process from managing rent to vehicle leases, utilities, etc. We haven't had to use it!

We re-forecast every franchisees' business plan on a quarterly basis with a variety of scenarios including - same as last year, 7.5% decline and 15% decline with associated expense reduction strategies. Most importantly, we moved to monthly franchisee cash-flow monitoring.

Banding together as an industry

We know governments prefer to deal with industries rather than a single brand, so we quickly formed a Swimming Pool & Spa Association of ANZ industry sub-group gathering CEOs of pool franchise brands - Swimart, Clark and Jims. We met weekly with our competitors to share learnings and best practice and we co-funded a lobbyist to work collectively on our behalf. This work saw us successfully open our doors again in New Zealand in a limited way during the level-4 lockdown. It's been an all industry effort and great to see competitors work together to achieve common goals.

From a local perspective, our franchise partners also reached out personally to their local members with letters and calls with information on the 'essential nature' of our service. Most received great response, many were already clients, which helped with the campaign.

Eyes firmly set on the future

We've constantly evolved through the decades and this innovation through diversification has paid off for our business, the world's largest pool and spa servicing company. From humble beginnings as a domestic pool service provider, we've evolved into commercial pool servicing, retail stores, renovation, spas and now e-commerce. Having a business model with multiple revenue streams allows franchisees to change emphasis for different market challenges, such as those presented by the global pandemic.

Our people are safe, our doors have stayed open, we've created a new COVID contact-less model and we've progressed with how we bounce back an even stronger brand. ■

About John O'Brien

As CEO and Founder of Poolwerx, John O'Brien leads the largest global swimming pool service and retail company. O'Brien founded Poolwerx 30 years ago and has grown it into a multi-award-winning system.

Five critical steps for managing change

How to prepare for bounce back and focus on the big picture for your business



By Brian Keen,
Founder, Franchise Simply

I know it's difficult.

One day we were happily trading.

- We knew our customers
- We knew what they wanted
- We knew how to make them happy

Then, the next day – nothing...

And now, as restrictions ease, it's crystal clear many of us are not going back to that happy pre-COVID place in one piece. The business environment has changed, we have changed and so have our customers.

- Our cashflow has taken a hit. There's probably no spare cash to spend on building business
- Suppliers, landlords, banks and more have changed the rules – some good and some not so good
- Staff have been put off and even with the help of JobKeeper, some will never come back. So, we've lost a lot of back up and help.
- Many of our customers have found other ways to appease their wants or simply let them go altogether
- Others have probably found new things they want instead – things to fit their newly constrained budgets and circumstances
- Most importantly, our customers will have changed in the way they see the world and the way they want to interact with it and us

And the thing is, it's hard to know what the changes will be except that change is not going to stop for a while as we all work our way out of this minefield over the next few years.

Flexibility is going to be the name of the game in business for a while.

So, what to do?

1. Recognise that in every downturn, there are opportunities for business growth

In every recession from the beginning of time there have been businesses, people, entities that have been able to grow out of problems and make good.

I have seen this in the last three recessions. For example, look at how, after Paul Keating's 1991 / 92 "Recession we had to have," Silvio's Pizza merged their brand with Domino's and their business growth took off.

Personally, in those same years, as a Perth-based partner in The Franchise Alliance, we were delighted when we were able to place ourselves well once things started to move because the demand for well-priced franchise outlets soared as retrenched employees started to look to go into business and wanted the security of a franchise for their first endeavors. The franchise recruiting side of our business exploded and, because there were few white-collar franchised businesses at the time, we established a number of new groups ourselves which also took off.

The key is to be open-minded and look for the opportunities. Then be ready to grab them when the time arrives...

Before COVID	Through COVID	As things improve	When the money starts to return
Affluent	Survival	Needs	Affluent
Wants Delivered fast	Cut back spending Basic needs met Little luxuries added Growing demand for local, quality product-food is up there now. Transparent quality service Online everything	The things they've missed most But at affordable prices Demand for different local, quality product becomes the norm And so does demand for transparent, quality service Online is here to stay.	Different wants as the economy changes Some industries will disappear or take forever to return: e.g. travel, tourist trade Others will build: e.g. demand for different local, quality products and service is here to stay

2. It's all about people

We have to be focused on what is happening around us and keep an eye on what people really want as the environment changes.

It starts with your customer and their changing needs and wants through this time (see table above).

So much of what has changed will stay and then change again differently as we move out of lockdown. Online is here in a big way, so is the demand for different, delicious, quality local product. Overseas tourists have gone for a while.

And, online or face to face, the demand for excellent, transparent sales and service is only going to increase. You do need to put in people who will relate to your customer base with empathy and efficiency.

Your sales and customer service people are the ones bringing in the money. So, you need to make sure they have the attributes (skills and personality) to do the job in a way your customers love. The personality of your business is going to become more and more important as we come out of this phase and it's your people who give your business its personality.

So often I see businesses asking sales and service staff to also take on tasks they are just not suited to. You can't ask a massage therapist, with a soft and supportive personality to also do sales – it just won't work. In this case, to be successful, the sales will have to happen elsewhere in the business structure.

3. Focus the business on what brings in the money

Simplify, simplify, simplify...

Business owners have a tendency towards an entrepreneurial personality – attracted to the next bright and shiny opportunity.

Go through the figures for each part of the business and work out what actually makes the money.

Then be ruthless and ditch the rest...

Triumphant Cleaning Services in Perth did just this when I worked with them. They quickly got rid of their domestic arm to concentrate on strata cleaning services, and in the 'killer' move, owner and GM Shannon replaced himself with one of his supervisors, stopped taking calls or looking at email until 3pm daily. This restructure, along with better systems, meant they increased turnover by 48% in six months, even before they franchised. And went on to increase turnover by \$1.2m – all before they franchised. The key – they looked like and worked like a franchise even though, ultimately, they did not choose to grow using this model.

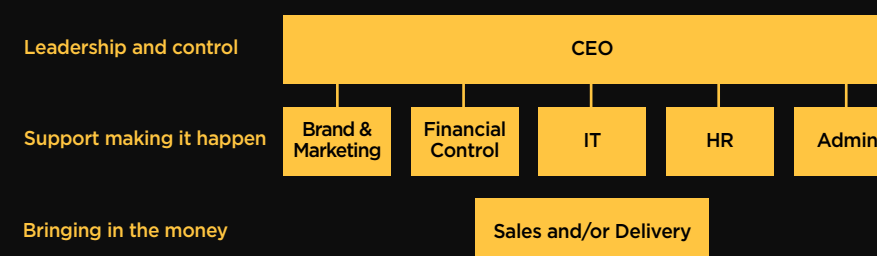
Yes, it's real and I come across so many examples of this growth once businesses become focused on what's important.

4. Examine future opportunities and then restructure your business as a lean, mean and very responsive machine for growth

Steps 1 – 3 above are all part of the first step we ask all our businesses to go through in our Restructure to Grow Workshop where we work with you to identify your opportunities and the best way to take them on board.

It doesn't matter then which business model you choose for growth – contractors, employees, company outlets, licensees, franchise partners – the structure you will finally put in place will be the same.

The bottom line is – look after the people looking after your customers and bringing in the money which means putting in a structure something like below.





Rolling out innovations for long-term success

Like many businesses, Roll'd has been severely impacted by the COVID-19 pandemic, but CEO and Founder, Bao Hoang, is using this time as an opportunity to implement long-term strategies to build the business into the future.

"As a team, we are committed to continue adapting and refining our existing practices through innovation, to ensure we build something new that is extraordinary. Some of these changes will change our business forever, but most importantly for the better," Bao told *The Franchise Review*.

They are changes designed to maintain the livelihoods of the 1800 employees and franchisees that the brand's 82 stores support – and to open opportunities for more positions into the future.

"We believe that consumer behaviour has significantly changed and will remain changed beyond this pandemic," said Bao.

"I have no doubt that technology and convenience are the keys to the future of hospitality. So we are melding technology into our new delivery systems, with the Roll'd Run, the Roll'd Runner and the Roll'd Box," he said.

Each of these initiatives is designed to bring Roll'd directly to the consumer, whether in their workplaces and offices, or at home. Each also uses technology, whether it is live video feed or GPS location data to better serve the needs of customers.

The Roll'd Run is a long-term business model that will deliver pre-ordered meals to work, home or office, as long as it is part of a Roll'd Run. Roll'd Runs are currently launched in Melbourne and Roll'd plans to regularly adding on suburbs through expressions of interest from customers.

The Roll'd Runner food van is planned as a food truck home delivery service rolling from suburb to suburb and will bring the Roll'd kitchen to your doorstep, making food in front of people's homes. Launching with a test suburb in Melbourne, the ultimate aim is to have one Roll'd Runner per suburb throughout Australia.

Finally, the Roll'd Box is planned as more of a do-it-yourself offering for customers, with deconstructed bowls of Pho delivered to customers' homes, where they can click on a link to watch how to prepare the meal.

"These group innovations are here for the long term and will become a permanent part of the Roll'd network, operations and logistics," said Bao.

"We are incredibly proud to say our franchisees have risen to the challenge of

the times and are embracing new delivery methods," said Bao.

As he looks even further ahead, Bao sees the business model continuing to evolve over the coming years.

"The future of our world has changed and it has made me consider what our world will look like in five years' time," said Bao.

"A typical Roll'd store will be located either at a door to a large shopping centre or on a suburban high street. Roll'd will continue to cater for our current customers in-store with those who work in the centre or office tower or are just shopping.

"However, the big difference will be that each store will have 10 delivery drivers, five in cars and five controlling drones, completing Roll'd runs during the day into local business parks, local sporting clubs during games on the weekend, to local professional offices, to local schools; anyone who wants to eat Roll'd but may not have the time to get their Roll'd fix at a store.

"At night, Roll'd will be delivering to people's homes, to local sporting clubs or gyms, to home dinner parties. Every Roll'd store will also have a Roll'd Runner truck connected to their store. Working day and night. I would very much like to see the Roll'd Runner become the centre of every community neighbourhood," Bao said. ■

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Commercial leasing during COVID-19



By Nick Rimington
Norton Rose Fulbright

The impact of the COVID-19 pandemic was immediate and profound, forcing many retail franchisors and franchisees into survival mode. Many were forced to close their doors, and most faced a significant downturn in patronage.

One of the first and most critical issues faced by most retail franchisors was how to meet their fixed contractual rental obligations as their income dropped dramatically. It quickly became clear that Government intervention was essential, and the Franchise Council of Australia and others were actively involved in ensuring tenant's interests were properly considered.

This article provides an overview of the policies regarding commercial leasing arrangements which have been introduced as a consequence of the COVID-19 pandemic.

National policy on commercial leasing

In the fast-moving policy environment of the early days of the pandemic, the Federal Government announced it would explore policies to shield tenants from the economic impacts of the COVID-19 restrictions. The National Cabinet then worked together to develop a consistent national approach to commercial leasing relief.

These efforts culminated in a policy framework endorsed by the National Cabinet, the National Cabinet Mandatory Code of Conduct on SME Commercial Leasing (Code), which was released in early April. The fundamental objective of the Code is to provide protection for small to medium sized tenants who are suffering from COVID-19 related financial impacts.

The Code spans the pandemic period from 30 March 2020 to 27 September 2020, which coincides with the expiry of the JobKeeper program.

Labour costs and occupancy costs are two of the major overheads in any retail business, so these expenses can quickly create a cash flow crisis for businesses feeling the impact of compromised trading conditions. The objective of the Code is therefore to allow these businesses to hibernate for a period and rebuild as the pandemic eases. The hope is that by reducing the burden of rental payments during these times of acute economic shock, more businesses will survive, and more jobs and livelihoods will be saved in the longer term.

Objectives of the Code

The Code establishes a set of good faith leasing principles, with a view to encouraging ethical dealings between the parties to a commercial lease in working through this crisis.

A primary goal of the Code is to ease cash flow stress during the pandemic period through revised rental arrangements, in circumstances where the business has closed or suffered a significant decline in turnover. The essence of the rental relief initiative is that landlords and tenants should share proportionately the impacts of COVID-19.

This involves a balancing act between the parties' respective

interests. Leases are typically inflexible arrangements, and payment of rent is a non-negotiable obligation. However, in these unique times that equation has been disrupted and landlords are being asked to shoulder some of the pain. Most landlords recognise that it is in their interests to support tenants through the pandemic, as it will be difficult to re-let sites in a slow economy and chase arrears.

The Code itself is not legislation – it is only a formal policy statement. The States and Territories maintain their own separate jurisdiction over leasing matters and are responsible for adopting the Code into law through their own legislation. In the usual course, it can take years to achieve nationally harmonised legislation. In these extraordinary times however, the States and Territories have, at various speeds, followed through on the plan.

Eligibility criteria

The Code sets two key criteria for eligibility under the Code:

1. The tenant is eligible for the JobKeeper program:
 - This requires a 30 per cent drop in turnover since pandemic arose for most businesses (50 per cent for businesses with more than \$1billion in turnover).
 - This can produce some anomalies for businesses which either cannot or choose not to apply for JobKeeper for a particular reason.
2. The tenant's annual turnover must not exceed \$50m:
 - For franchisees, the turnover threshold will be assessed at franchisee level, without regard to the turnover of the franchisor.
 - The turnover of corporate groups will be assessed in aggregate, not on a store by store basis. There are nuances between the States and Territories as to how the grouping principle is applied. Generally though, the approach is to cast a wide net and aggregate all entities which are related, associated or otherwise connected financially.

Whilst the eligibility criteria limits the protections afforded by the Code to struggling SME's, the Code does state that the spirit of the Code should apply to all leasing arrangements regardless of eligibility. Approaching landlords with this argument has produced mixed results in our experience. However, we are seeing some landlords strike deals with ineligible tenants on a similar basis as contemplated by the Code. Even for eligible tenants, whilst the Code is the yardstick, we are seeing a variety of more favourable relief packages depending on the tenant's portfolio and future plans.

Summary of leasing principles

- A moratorium on termination for non-payment of rent during the pandemic period. This does not apply to defaults of a different nature, or which pre-date the pandemic.
- Tenants must remain committed to the terms of their lease in order to obtain the benefit of the Code. This is the quid pro quo which protects the landlord in exchange for the relief available under the Code.
- Landlords must offer proportionate reductions in rent based on the reduction in trade at the store. This is the key provision around sharing the cash flow pain and is further described below.
- Outgoings should be waived or reduced appropriately.
- Any savings to the landlord offered by banks or the Government (including land tax concessions for example) should be passed on to tenants.
- No fees or interest may be charged on any rent relief package.
- The landlord may not call on security for non-payment of rent during the pandemic period. This prevents the redemption of security deposits and bank guarantees, or the enforcement of personal guarantees.
- A freeze on rent increases during the pandemic period. This includes both CPI increases and market reviews.
- The tenant should be given the opportunity to extend the lease by a period equivalent to the rent relief period. This allows the tenant the chance to recoup their capital investment over the anticipated tenure of the lease, were it not for the pandemic.
- No penalties for reduced operating hours or closure.
- Compulsory mediation to resolve disputes.

Rent relief calculation principles

Tenants will be entitled to rent relief of up to 100 per cent of the ordinary amount, in proportion to the drop in turnover. The 100 per cent relief would theoretically apply where the business is shut completely without any other sources of revenue.

The rent relief package may take two forms:

- "Waiver", which is a permanent write off with no future recourse.
- "Deferral", which means the rent need not be paid now, but is repayable after the pandemic period. The repayment period must be the greater of the balance of the lease term, or 24 months.

The Code provides that the waiver component, the permanent option, must constitute at least 50 per cent of the rent relief package. Importantly, the tenant must pay the balance of the rent in the meantime.

By way of example, if trade has dropped by 50 per cent, the tenant will be required to pay 50 per cent of its standard rent now, 25 per cent of the rent will accrue and be payable later, and 25 per cent is waived permanently.

It is important to note that tenants cannot take this action unilaterally and should negotiate a deal with the landlord before reducing rent payments. Some State and Territory legislation is less forceful than the Code regarding the proportionality concept, by using words such as "take into account" the drop in trade, instead of creating a strict correlation between turnover and rent.

This methodology leaves the tenant needing to meet a substantial part of its rent bill now, along with a significant premium on top of the ordinary rent after the pandemic period. This could impact the viability of the business after the pandemic period, so tenants should where possible try to negotiate deals which give the business a chance to survive over the longer term.

Ongoing developments

The States and Territories are now pushing forward with implementing the Code via their own legislation and regulations. There has been some divergence on certain key concepts, including with regard to the eligibility test, sub-licence arrangements and the rent relief calculation principles. This does make it harder for franchisors to manage landlord negotiations. In some cases, the legislation is more favourable than the Code, so it's important to take a bespoke view of each lease in each region.

Landlords are now engaging with tenants, after an initial hesitancy whilst the States and Territories developed their legislation. Franchisors have a particularly complex task in dealing with a mix of head leases, sub-licences and franchisee leases, especially as franchisor support offices are under significant pressure at the moment. To effectively manage large portfolios, some franchisors are reaching out to landlords with an across the board initial proposal, and then triaging the deals that can be done with limited time and resources. ■

The FCA will continue to make resources available to assist franchisors and franchisees to understand and take advantage of this important policy framework.

Among the many pain points facing franchises during the COVID-19 pandemic, leasing has been one of the more problematic issues to resolve.

Navigating leasing arrangements during COVID-19 and beyond

By Ange Kondos,
Managing Director,
LeaseWise

Once the pandemic hit, the Australian Government enacted a series of measures and social distancing restrictions to help the country get through with minimum infections and fatalities. However, the impact on day to life and the economy has been devastating.

For retailers, the most severe impact was imposed by a mandatory shutdown on gyms, nail salons and massage clinics. The reality is that all retail has been severely impacted, even for those sectors that can still trade, revenues are barely a trickle – without the Government support packages such as JobKeeper, many would not break even.

With revenues falling off the proverbial cliff, businesses have been in many cases unable to service payments under their commercial leasing contracts, either in part or at all.

As commercial tenants struggled to stay afloat, negotiating rent reductions or deferments with landlords became imperative to ensure survival but particularly in the early stages of the pandemic this was fraught with difficulty.

Importantly, the Federal Code of Conduct for Commercial Leasing, since enacted as regulations by State Governments, has helped immensely. Is it perfect? No. But the Code and

subsequent legislation does provide a strong framework for tenants and landlords to work within during the COVID pandemic and to get them through to the other side of the 'new-normal'.

Still, there is much confusion about the regulations. In short, they basically provide that a proportional amount of rent will be deducted equal to the proportional sales decline experienced by the tenant during the pandemic.

The framework also asks a retailer to confirm JobKeeper enrolment to be eligible. Where eligibility is confirmed, the regulations require that a landlord must apply a minimum 50 per cent waiver to the amount being reduced, with the balance to be deferred or waived, depending on 'good-faith' discussions between tenant and landlord. The deferment must occur over a minimum two-year period (so as to not weigh down the retailer with unsustainable debt). The regulations also state that any agreements reached must NOT put the tenant at a disadvantage in honouring its obligations of the lease in the future.

It is our experience that there are varying interpretations of the legislation and how it applies. Some of this stems from the variances in state legislation.

Most of the self-serving interpretations come from landlords or agents, who, for example even where a tenant is unable to trade have applied the minimum 50 per cent waiver required under the code and asked for 50 per cent payment now or within two years. In these circumstances, Leasewise would advise that zero revenue means just that, and all payments should be waived.

Alternatively, there are cases where a café might be doing take away coffee only, with sales down by 80 per cent on the comparable period last year. Here, we've seen landlords saying they'll waive 40 per cent and defer 40 per cent over two years, with 20 per cent payment due now. Leasewise would again argue for the waiver to match the loss of revenue; the landlord should waive 80 per cent, with 10 per cent deferred and 10 per cent to be paid now.

The example of dialogue unfolding in May has largely been coming from the large shopping centres. In essence, the regulations provide a framework, it's interpretive and MOST importantly it must work for the retailer otherwise there is no point to the regulations.

In practice, many landlords are pressing for agreements now, in May. It is very difficult to assess the true impact of COVID-19 and make a fair agreement

in May when all restrictions have not yet been lifted.

Our greatest concern is tenants being bullied into agreements that are inequitable. Franchising and the resources of the FCA ensures that franchisees and franchisors alike are privy to information and sound advice so as not to agree to an imbalanced proposal.

Of significant concern are many of the private landlords and suburban agents. Some behaviour from the outset has been the most unpredictable, non-conforming and blatantly opportunistic. We have had positions put forward such as: a 25 per cent reduction is all you are entitled to; pay all the rent now, we will assess the impact and apply a credit after September; and you will be locked out and your lease cancelled.

One of the best directives of the regulations, is that there is a moratorium on ALL landlords not acting adversely against their tenants in terms of breaching their leases or ending them because of performance during the COVID-19 period.

Another concern and looming near the horizon is October 2020. The regulations' protection expires at the end of September and the 'new normal' will not see retail business return to the levels

it was pre-COVID.

The concern is that some landlords will use the assistance they provided during COVID-19 as motivation to treat some tenants badly and the pressure will be on their tenants to honour the obligations of the lease or rent. This is why we advise tenants to strongly consider what deferment of rent means and how it will be addressed on the other side of the pandemic.

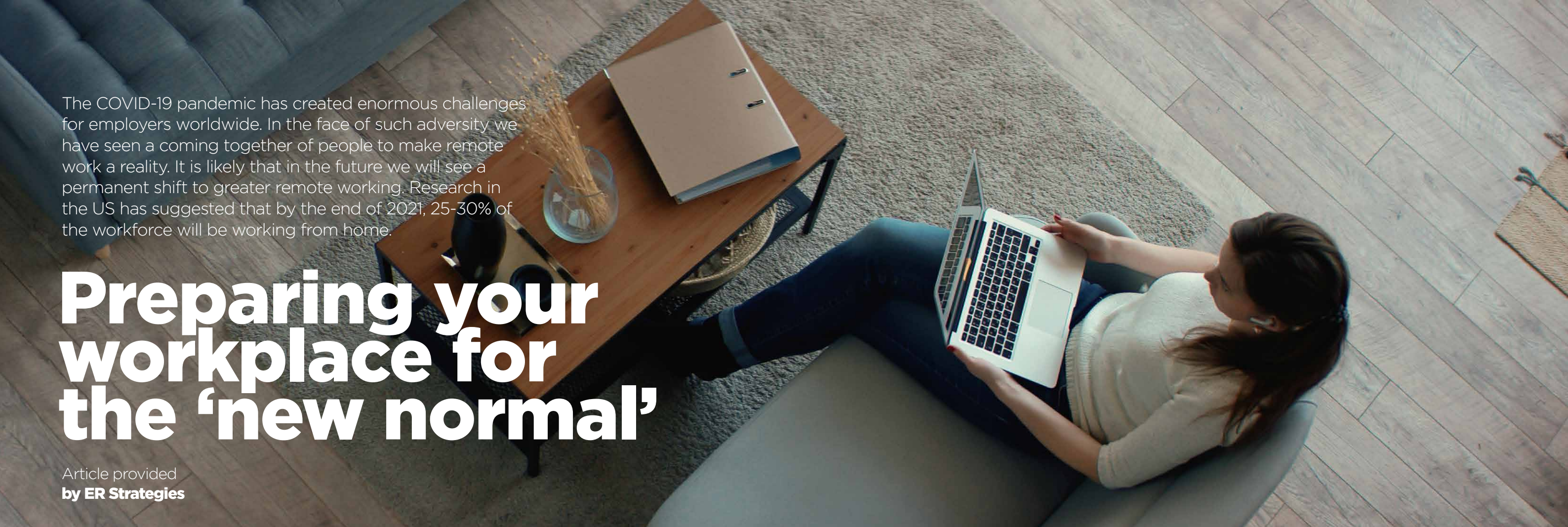
There is also the possibility to openly discuss what will happen in October and beyond now. There is no point putting a band aid on a business for six months when the wound can and will open up in October and perhaps be fatal. Commercial discussions for leases occurred every day of the year pre-COVID and will occur post COVID-19. It's a fact of daily business life that retail was overheated and suffering for a variety of reasons pre-COVID. The number of administrations up until February 2020 were at record levels. Transparency with a landlord, preparation, good advice and contingency plans are everything in order to get through the COVID period and most importantly beyond. ■

Key considerations for negotiating a lease amendment during COVID-19

The Federal Code of Conduct for Commercial Leasing requires good faith negotiations when tenants are seeking amendments to their leasing arrangements. Be transparent in your dealings with your landlord and expect the same level of good faith in return.

Understand the implications of any amendments to your payment obligations and what this might mean moving beyond COVID-19 and into the 'new normal'. Deferring payments now might relieve short term pain, but plan for how your business will service these moving forward.

Use the support available as part of a franchise system, access the resources available as an FCA member, and obtain professional advice to obtain the best outcome in the circumstances.



The COVID-19 pandemic has created enormous challenges for employers worldwide. In the face of such adversity we have seen a coming together of people to make remote work a reality. It is likely that in the future we will see a permanent shift to greater remote working. Research in the US has suggested that by the end of 2021, 25-30% of the workforce will be working from home.

Preparing your workplace for the ‘new normal’

Article provided
by **ER Strategies**

In Australia, the quick response of the Government in cooperation with the union movement has meant new levels of flexibility and support. Legislative support appears in the form of the JobKeeper amendments, allowing employers to direct employees to stand down, reduce hours of work or days of work, work at different locations or work at home whilst maintaining employees in their positions. Feedback from clients suggests that online conferencing has been effective in keeping staff connected with one another and maintaining productivity. In some cases it may, in fact, enhance productivity.

That said, managing the isolation that some employees feel without day-to-day contact with colleagues will become a significant challenge if the social distancing restrictions are maintained long term. Perhaps this is overly speculative, though, as indications from the government are that there will be a progressive relaxation of the restrictions commencing in May.

Workplaces are exempt from social distancing requirements. As restrictions are relaxed, employees may have a natural fear of coming out of remote work and back to an office or workplace situation where social distancing may not be as effective. Work health and safety concerns by employees are legitimate, especially if employees have certain health issues, care for the elderly or have

family members with compromised immune systems. Some employees will have special circumstances that will mean they need to continue working remotely in order to protect themselves or a vulnerable relative.

Accordingly, employers will need to consider their approach in this ‘new normal’ where there is no ‘one-size fits all’ approach. The COVID-19 health risks may also be an excuse for some employees to try to limit the rights of their employer to require the employee to return to the workplace. Simplistic approaches based on a contract of employment obligation to require an employee to come back to the workplace are likely to lead to significant disputes and potential disruption and we may see a rise in applications made to the Fair Work Commission to deal with disputes.

Considerations for employers

1. Social distancing

Many workplaces, especially offices, have become rather empty places. This allows for meeting social distancing arrangements for staff who have remained in the office during the pandemic. Why move to change this too quickly? A process of transition should be encouraged. A phased return to minimise the chance of exposure to COVID-19 might look like this:

1. 1 day every 2 weeks for 1 month
2. 1 day a week for a month
3. 2 days a week for 2 months
4. Review and consult about a return to full-time work or extend the arrangement.

It will be important to limit the number of staff who return so that social distancing can be maintained until a cure is found.

Adapting workspaces to achieve social distancing is crucial if employees are going to feel comfortable when they return to the workplace. Utilising conference and meeting rooms to separate staff members makes sense, as does leaving gaps between workers in an open plan office.

2. Assess your staff based on whether they are essential or less productive working remotely

Some of your employees will not be able to work remotely due to the nature of their role or for security reasons. If so, they should be targeted for early return to the workplace when restrictions are lifted or eased and it is safe for them to travel to the workplace.

There may be other workers who are less productive at home due to family circumstances or mental health issues. They may have small children distracting them, for instance. There is also evidence that some employees are not coping with being isolated at home, either due to

the stress they feel about the pandemic generally or due to their personal family situation, and some may think that the JobKeeper scheme is designed to pay them for staying at home. Now is the time to engage with your managers to determine the staff members that should be targeted or prioritised for an early return to the workplace. A process of consultation is essential to ensure the views of employees are known and taken into account. It is likely that some employees will want to return to work in order to separate home and work as they may not have a supportive home life.

Where an employee refuses to come back to the workplace they must comply with your reasonable requests unless there are legitimate health reasons. Contracts of employment have to be complied with. So examine the employee’s contract of employment. This might be enough to enforce a return to work. However, it is a better option to reach an agreement on the arrangements for a return to work where this can be reasonably achieved. There may also be options to use the JobKeeper enabling directions to require a return to work.

3. Allocation of workspaces

Often workplaces will be arranged in such a way that an employee does not have a strictly designated work area. To minimise the chance of spreading COVID-19 it is advisable to allocate a

space for an employee which is their own area and place of work each day rather than a shared space. This will limit the employee’s exposure to another employee’s lack of cleanliness. Where staff are moved around there needs to be a process of professional cleaning of the relevant areas before the change is made. In larger workplaces this means there will need to be appropriate tracking of who sits where.

4. Screening of visitors to the workplace

Many employers are now requiring information from visitors to the workplace in relation to their personal health and recent travel. Temperature checks could be implemented. Some simple screening questions could be asked such as:

- Do you have any COVID-19 symptoms?
- Have any friends or family been ill with COVID-19?
- Have you travelled overseas or been in contact with anyone that has returned from overseas?

5. Appearance of symptoms

Where an employee appears to have COVID-like symptoms, best practice would be to have areas where they can work and be isolated from the rest of the workplace to minimise anxiety for other staff. Special cleaning arrangements will need to be made for such isolation spaces.

An obvious way of handling this is for all employees to stay at home when they have COVID-19 symptoms and seek a medical clearance before allowing an employee to return to work.

6. Cleaning regimes

Cleaning processes need to be clearly explained and understood by employees. Personal hygiene needs to be enforced. Already most businesses will have appropriate signage and have provided information on washing hands, using a tissue when sneezing, coughing into elbows, etc. Signage can be downloaded from safeworkaustralia.gov.au.

Start planning now and commence the conversation with staff you have identified as needing to return to the workplace. ER Strategies is here to assist clients in this process.

FCA Employment Compliance Helpdesk

ER Strategies will continue to assist financial members of the FCA to navigate these changes in employee relations arrangements over the coming weeks and months. FCA members can contact the Helpdesk team during business hours on 1300 108 486 for assistance. Non-members can call the FCA, or ER Strategies on 1300 55 66 37, to discuss different options for how we can best help your business as we move through these unprecedented times. ■

Safely getting employees back to the workplace

By Albert Baumgartner,
Senior ER Consultant,
ER Strategies

Safe Work Australia has put together a wealth of material to assist employers to meet the Work Health and Safety (WHS) concerns of employees. There are very real WHS issues for employees where they have health issues, care for the elderly, look after children or have family members with compromised immune systems.

Safe Work Australia has provided material for each sector - for example for hospitality, aged care, agriculture, building and construction. These resources also then break down the materials under specific topics such as physical distancing, hygiene, employer WHS obligations and the like. They can be found at <https://www.safeworkaustralia.gov.au/covid-19-information-workplaces>

Employers will need to consider their approach in this 'new normal' by adopting a consultative approach with employees and aim to reach agreed outcomes where this is practicable.

Workplaces may not be strictly bound by social distancing requirements but to limit the anxiety of employees and to protect their health, efforts should be made to achieve this separation wherever possible.

Start planning now and commence the conversation with staff you have identified as needing to return to the workplace. Below we have summarised some of the recommendations from Safe Work Australia as a guide to what information is being provided.

How to work out physical distancing?

- Physical distancing is likely to remain necessary for some time. This involves ensuring there is 4 square metres of space per person in the café, restaurant, foyer, etc., and physical distance of 1.5 metres from each person or small group in the area.

- To achieve the 4 square metre 'rule' you would:

- calculate the area of the room (e.g. length of room in metres x width of room in metres = area of room in square metres), and
- divide the area of the room by 4.
- For example, if you had a room that was 160 square metres in size, you should only allow up to 40 people in the room, to allow each person (or small group) to have 4 square metres of space.

Adjustments to the workplace will be required - especially businesses with face to face contact with the public e.g. cafes, restaurants, hotels, etc.

- Physical distancing will mean adjustments to the workplace so that the 1.5 metre space is achieved by separating and eliminating tables, separating plant and equipment, etc.

- Put signs around the workplace and create wall or floor markings to identify 1.5 metres distance, particularly where customers queue. If you are already doing this when operating, for example in a takeaway business, extend this into the remainder of the workplace.

- Monitor the number of customers to meet the 4 square metre rule.

- Your staff could wear a badge as a visual reminder to themselves and customers of physical distancing requirements.

- If a customer appears to have COVID-19 symptoms, then a Manager may need to be called to ask them to leave the premises.

- Temperature checks could be implemented. Some simple screening questions could be asked such as:

- Do you have any COVID-19 symptoms?
- Have any friends or family been ill with Covid-19?

- Have you travelled overseas or been in contact with anyone that has returned from overseas?

- Maybe delay activities that bring employees into close contact until a later date e.g., training of an apprentice. So, limit the risks as much as is possible by assessing the WHS risk of exposure to COVID-19.

- To minimise the chance of spreading COVID-19, it is advisable to allocate a space for an employee which is their own area and place of work each day, rather than a shared space. This will help limit the employee's exposure to another employee's lack of attention to hygiene.

- Where staff are moved around, there needs to be a process of cleaning of the relevant areas before the change is made.

- Cleaning processes need to be clearly explained and understood by employees.
- Personal hygiene needs to be enforced.

- Appropriate signage and information on washing hands, using a tissue when sneezing, coughing into elbows, etc.

- Signage can be downloaded from Safe Work Australia - <https://www.safeworkaustralia.gov.au/doc/signage-and-posters-covid-19>

Personal Protective Equipment (PPE)

- Common PPE should be considered:
- masks,
- gloves,
- eye protection, and
- screens.

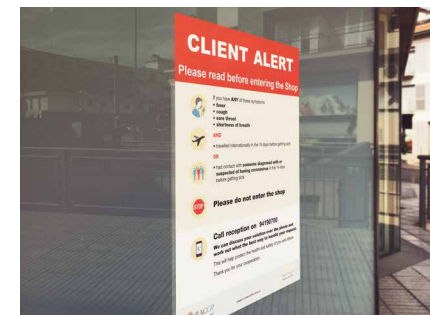
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Non-members can call the FCA, or ER Strategies on 1300 55 66 37, to discuss different service options for how we can best help your business, as we move through these unprecedented times. ■

GET READY FOR BUSINESS

Let people know that you're open and have a safe workplace.



Posters

Ideal for hygiene notices and maximum number of people notices.



Signage

Let people know you are open with signage including A-frame signs, window decals, banners and flags.



Flyers & menus

We can print and distribute flyers and menus so you can keep your customers informed.



Floor Decals

Make social distancing easy with both indoor and outdoor decal options.



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Make working or studying from home easier with high-quality training materials.



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This article is a summary of MYOB's Business Preparedness Guide, which is available to all business owners to help chart a path through these uncertain times.

Start with a focus on the customer

In the current environment, protecting and supporting your existing customer base is vital.

For many, the challenge is retaining customers when you can't sell to them the way you usually would.

Social distancing has reinforced the importance of customer communication. Without regular in-store customer visits or meetings, finding ways to keep in touch and staying top of mind has become a unique challenge.

The most important thing you can do to keep your customer, is communicate openly and honestly with them, with a service mindset.

How can you help?

A strong approach starts with understanding customer needs. And in these unusual times, beginning with the fundamental question: 'how can we help?' can make a major difference. The answer may be: 'you can't right now' – but that listening mindset will help you maintain a connection and identify opportunities to provide your services in the future.

Clarifying payment terms

Being proactive and having flexibility on payment terms could create loyalty as everyone negotiates these challenges. It may be an opportunity for valuable clients to gain more commitment for greater flexibility.

Understanding the value

This is the opportunity to re-evaluate your business and this should start with your relationship with the customer. This operational pause is a good opportunity to use customer data to take a good look at where the value lies in your customer base, and how you can maximise it.

Building service relationships

Strong brand loyalties are built during times of crisis. People remember who helped them when they needed it – and who didn't. People are building entirely new purchasing habits – many of which

Key areas of focus for franchises under COVID-19

will become hard-wired by the time the COVID-19 crisis has passed. Creating those memorable service moments is a great way to build lasting relationships in the future.

Review your pricing strategy

Setting pricing during a crisis can be fraught. While your business may be facing cost pressure and a cash flow squeeze, putting prices up as a reaction may not only push away customers, it may alienate them long-term.

Now is the time to look carefully at trends in consumer behaviour and adapt your pricing strategy to ensure you're providing value to the customer while still keeping the revenue flowing into your business.

Now we're several months into the COVID-19 crisis, if you have been able to trade through the period, your business will have found a new rhythm. One of the things that characterises successful businesspeople is adaptability.

However, the difference between coping in a short-term emergency and adapting to a 'new normal' can be significant. To move your business through the months ahead, it is likely you will make some minor and major changes to the way you operate.

Operations

Under lockdown, many businesses have thrown together ad-hoc solutions designed to get their teams back up-and-running as soon as possible.

But as the weeks of restrictions stretch out, and we face the likelihood of long-term disruption in the way we work, it's important to ensure your operations can

cope with prolonged periods of remote or socially distanced work.

For some businesses, from construction to tourism to farming – sectors which make up significant parts of our economy – a full work from home programme is impossible. But even there, business owners can adopt some of the remote work practices available to keep control of their operation.

Maximising technology

One of the keys to operating efficiently in the current environment, is maximising your use of technology. And this doesn't have to be expensive. The point is to ensure you and your team are trained and equipped to use it.

To run an efficient remote operation, consider:

- **Accounting software** – a good cloud-based system such as MYOB Essentials will enable you to keep on top of cash flow (vital at present), understand your ongoing costs, track sales (and inventory with larger enterprise solutions). You can also collaborate remotely with your accountant or financial advisor to get a greater understanding of what the numbers are telling you, or to plan.

- **Video-conferencing** – there are a wide range of apps available for you to keep in touch with your teams. Look for dependability, low use of bandwidth and, above all, security.

- **Chat apps** – larger enterprises commonly used tools like Slack or Microsoft Teams to support inter-office communication, but even for smaller businesses, where a quick stand up meeting would do, the remote working environment has proved the worth of these handy applications.

- **Back-up** – with so many people working offsite, storing and version-controlling information has gained an added layer of complexity. Secure back-ups, both in the cloud and with disc copies, are more essential than ever before.

- **Security** – protecting your essential data has become even more vital, with the additional risks created by remote working teams. Ensure your system has adequate filtering, firewalls and anti-spam protection.

Maintaining work routines

With your staff working remotely – or even for your own mental wellbeing – it is a good idea to reinforce good work routines. These will not only maintain productivity and allow you to establish performance expectations but are also good for staff morale and cohesion.

These include:

- **Morning meetings** – start the day with an all staff or all-team meeting – a great way to plan the day (and ensure everyone is at their desk, ready to work).

- **Regular informal catch-ups** – schedule quick calls or chats with individual team members to check in on progress, any issues they might have and – importantly – how they are coping in this environment.

- **Breaks** – make sure you are encouraging staff to keep up with

scheduled breaks. Time away from the computer at a planned time will allow them take care of the many chores working from home generates, while also ensuring they remain productive.

- **End the day** – lead the way by clocking off at a normal time and avoid work-creep by keeping work emails and communication to office hours as much as possible.

- **Weekends** – although the days are blending into each other, enforcing a regular weekend, for yourself and your team, to get away from work will protect physical and mental health.

- **Creating space at home** – get dressed for work as you normally would and let your family know when you are starting work.

Looking forward

More than half of small business operators say running their business has led to feelings of anxiety or depression in normal circumstances.

Businesses at risk of failure don't just create financial pressure, but also put pressure on relationships, mental health and physical well-being.

Getting help

For businesses facing the difficult decision of whether to carry on, there are plenty of resources available to help.

Your best starting point is your accountant or financial advisor. They have good knowledge of your business, understand your key costs and pressures, and could offer alternatives you haven't thought of. It's wise to do this before you take drastic measures such as adding finance on the home mortgage to cover any shortfall.

Financial support

If additional finance – either through a short-term overdraft facility or a long-term investment – could make a difference to your business' viability, the Government has made new provisions available for business investment.

Talk to your bank about finance options or visit: australia.gov.au. You could also think about bringing on a financial partner, finding an angel investor or partnering with another, complementary business. But, attracting new investment will depend on the financial position of your business. ■

You can download the entirety of MYOB's Business Preparedness Guide here: www.myob.com/au/about/media-centre

The current coronavirus pandemic has challenged us all in many ways, causing unprecedented social and economic disruption across Australia and around the world.

COVID-19: the potential impacts of early release of super

Article provided
by Rest

With many businesses temporarily shutting down and employers moving to rapidly adapt their business models, leaders and business owners have had to make difficult decisions to protect the livelihoods of their businesses and their people.

As of mid-March, the Australian Bureau of Statistics (ABS) found that 38% of businesses have changed how they deliver products and services, including shifting online, and that 47% of businesses have made changes to their working arrangements.

As a result of the impacts to businesses and employees, the Government announced a \$189 billion economic relief package. One of the measures announced by the Australian Government was a provision to allow eligible people to withdraw up to \$10,000 from their super during the 2019-20 financial year, and up to a further \$10,000 during the 2020-21 financial year.

For those who needed immediate cash-flow assistance, the early access to superannuation initiative provided a potential financial lifeline.

With more than one million people applying to access their superannuation early, and Australians taking out \$1.3 billion

in the first week that early release payments were made to members (according to APRA's COVID-19 early release of superannuation report), Australia's superannuation system has demonstrated a strong and functional response in a time of severe financial hardship.

To help you make the choice that best serves the needs of you and your business, it's important you know all the available options and remain well-informed of any potential impacts of accessing early release of your superannuation. Accessing your super should be considered as a last resort, as removing super from your account now could leave you worse off in the long run. Let's unpack the possible consequences.

Potential impact on your retirement savings

Super is designed to be a long-term investment towards your retirement savings. Withdrawing any funds early may impact the amount of retirement income you have, and as a consequence, the quality of retirement you can enjoy.

Reducing the amount you have in your super account means you may miss out on potential earnings generated over time by compound interest, through the return of good long term investments.

According to CHOICE* a 30-year old withdrawing \$20k from their super today, could result in a loss of \$50k by retirement age.

We encourage you to calculate the potential impact on your retirement savings, using the money smart calculator.

Investments in times of turbulence

Investment markets have fallen considerably over the past quarter, weighed by uncertainty around the impact of COVID-19 containment measures on the broader economy.

When you withdraw money from your super, your fund may need to sell down investment assets on your behalf, which will crystallise any losses you may have experienced in the downturn of investment markets. Furthermore, the money you withdraw won't have the opportunity to grow in value when the investment markets recover.

The important thing to remember is that future growth takes careful planning and patience. Much like the principles you apply to your business, long-term outcomes are more important than short-term fluctuations.

The impact on your insurance

Another potential implication of accessing your super early is the impact to your insurance. Many members have life, total and permanent disability (TPD) and income protection insurance through their super fund. This could also be the case for your employees.

If you take out all the money in your super fund, your account will be closed, and cover will be automatically cancelled. If you aren't receiving regular contributions your account may become inactive, which could also cause your cover to cease. You can check inactive periods with your fund. It's important to remember the same impacts may apply to your employees' superannuation funds.

If you need to withdraw money and also want to keep your insurance cover, consider leaving enough in your account to pay the premiums, because if your cover is lost due to zero or low account balance, and you would like cover in the future you may need to re-apply and provide health evidence.

Ready your business for the road to recovery

With so many industries impacted across the Australian business landscape, the Australian government introduced a range of important initiatives to combat lasting disruption to business owners, and as the initial uncertainty of the situation has settled, leaders and business owners can now begin look to towards tomorrow.

We would encourage you to investigate all available options, as these valuable relief measures are designed to assist you in alleviating any immediate financial concerns, whilst offering long-term solutions that can enable you to maintain your team, ready to re-open your doors and emerge from this epidemic set-up for success.

It's important that each of us remember that every downturn is usually followed by a phase of recovery, remaining resilient and making well-informed decisions about your business and employees today, can be essential to successfully navigating through this crisis, whilst building a future fit business that's ready for a better tomorrow. ■

You can find out more information on several of the Australian Governments COVID-19 related measures at [Rest.com.au](https://rest.com.au)

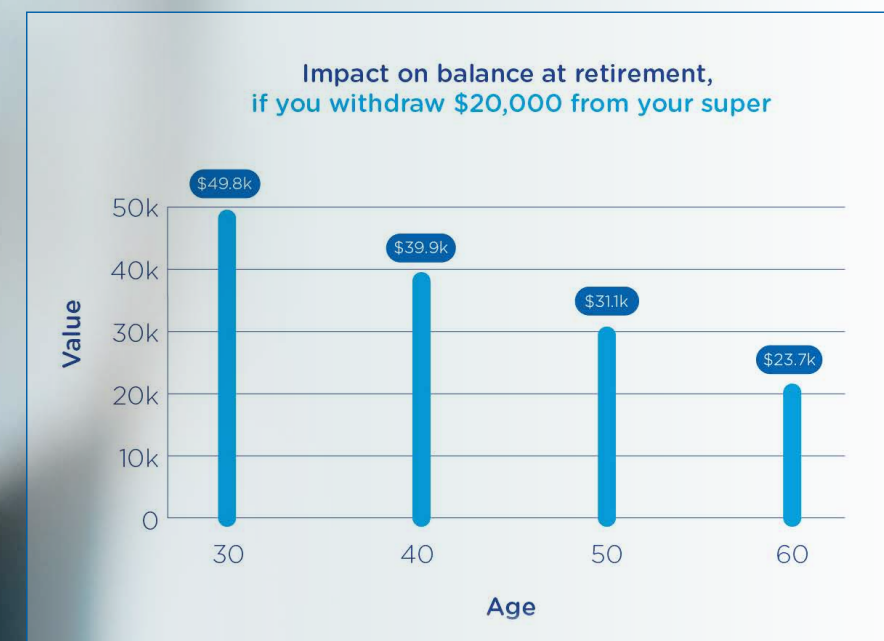
If you are considering accessing your super early, the money smart calculator can help you make well-informed financial decisions based on your current circumstance and future retirement savings goals. ■

Disclaimer

This information has been prepared without taking account of your objectives, financial situation or needs. Before acting on the information or deciding whether to acquire or hold a product, consider its appropriateness and the relevant PDS which is available at rest.com.au. Issued by Retail Employees Superannuation Pty Limited ABN 39 001 987 739 (Rest), trustee of Retail Employees Superannuation Trust ABN 62 653 671 394 (Fund).

reference* - Australian Bureau of Statistics - Business Indicators, Business Impacts of COVID-19, Week Commencing 30 March 2020

reference* APRA COVID-19 early release of superannuation report <https://www.apra.gov.au/covid-19-early-release-of-superannuation>



Keeping up with rapid change at Shoebox Books

Like most franchise businesses during the COVID-19 pandemic, Shoebox Books has been faced with a rapidly changing operating environment.

For this national bookkeeping franchise, keeping on top of the legislative changes implemented to enact the JobKeeper package and ensuring franchisees are across them too has been imperative to maintaining, and even growing, the businesses of franchise owners.

"From the beginning we acknowledged to our franchisees that it's going to be really hard. Legislation is coming out in weeks that would normally be years in the making. There's going to be gaps in it and not everyone's going to understand what's happening at the beginning," said Shoebox Books Director, Sandie Menzies.

"I also wanted our franchisees to understand this was a really good opportunity for us to be leaders in our industry and to really make it known to the franchisees that they were really important

right now and that their clients are really relying on them to get through this. And if we took that opportunity, we would come out of this better than we went in," Sandie said.

In practice, this has seen Sandie and her team poring over the detail of the legislation before developing the resources for franchisees to advise clients.

"Our tax accountant, training manager and myself have all done all of the reading, developed the learnings the webinars for franchisees," Sandie said.

"We've built out calculators on how to work out JobKeeper and every franchisee has been trained with what we call the JobKeeper Set Up Package to see if their clients are eligible for JobKeeper. We're cutting through the clutter for them. There's a lot of confusion out there so we've been very proactive to make sure we're just giving them the facts without having to go through all the research themselves."

Making sure customers know Shoebox Books franchisees are ready and able to deliver these services has been equally important.

To position Shoebox Books as an authority on providing services around JobKeeper, and to help franchisees and their clients, the website was

updated so that the latest information about the stimulus package was available in one easy-to-find place, with search engine optimisation set up to optimise results for the website.

In addition, franchisees have access to a portal behind the website where they can access information and webinars to support their own businesses.

It's an approach that has paid dividends for franchisees, including David and Lisa Eaves from Shoebox Books Sunshine Coast, who say one of the main challenges they've faced in COVID-19 is keeping up with the workload.

"The day to day management of businesses in these critical times depends on up to date information and fluent services that respond quickly to change. Clients want to know that you are there, not just once with a broad-brush email, but all the time to support them," said David and Lisa.

"We are positioning more towards advisory work as clients see that the core work we provide places us in a unique position to provide insightful advice and add-on services at an operational level.

The industry has been given an opportunity to show its worth and this presents exciting opportunities for the future if you can position your business correctly," they said. ■



SPONSORED ARTICLE

How Arid Zone can help you prepare for the 'new normal'

The COVID-19 pandemic will have long-lasting impact.

Safe personal hygiene practices for one will remain part of the social fabric into the future with or without the eradication of coronavirus.

Businesses will need to follow government-mandated health and safety guidelines to ensure they have the right procedures in place to protect employees and customers. Embracing and practicing these measures, and being seen to do so, will be key influencers in future to attract the best employees and customers to your business.

We can offer a practical, cost effective range of PPE products to help you re-open, safely and successfully.

Sanitiser: We have available stock of both Australian made and imported quality, TGA compliant hand sanitiser and antibacterial wipes. Further, we also supply touch-free hand sanitiser dispensers and stands, perfect for the retail environment

PPE Materials: We have essential PPE items such as Face masks, gloves, anti-fog retractable goggles, infrared thermometers and more, ready to go to protect your workers and customers

COVID-19 POS Displays: We can supply POS and in-store collateral to highlight the risks of COVID-19 and the measures that are necessary to stop its spread. We can produce a vast range of signage, decals, posters, protective POS barriers and stickers

Consolidated Buying option: Different franchisees within a company can come together for a consolidated buying option to increase the quantity ordered as a group to enjoy lower prices

For more information, please visit www.aridzone.com.au or call us on **1300 018 050**.

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The psychology of resilience and why it matters

By **Greg Nathan CFE**
Founder,
Franchise Relationships Institute



Resilience originates from the Latin word *resiliens*, referring to the pliant or elastic quality of a substance. When applied to people, resilience is the quality that enables us to bounce back and continue to pursue our goals, despite adversity, disappointment and misfortune.

While the personal qualities associated with resilience have been studied by psychologists for over 40 years, the high levels of stress and anxiety triggered by the pandemic have stimulated a renewed interest in this topic.

In this article I will highlight five factors proven through research to promote greater resilience. These include having a supportive social network; building an optimistic mindset; finding a sense of purpose; being self-aware; and looking after our health.

“Gratitude is not only the greatest of virtues, but the parent of all the others”

Having a supportive social network

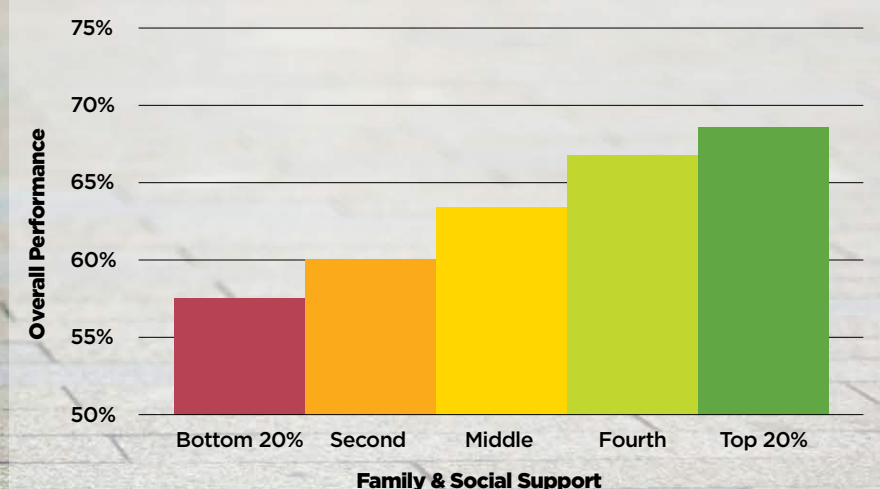
Supporters are people who want us to flourish and be our best. There is a huge amount of research that shows how supportive relationships act as a buffer to stress, help us to bounce back from adversity, and can make a huge difference to our success.

In a study conducted by the Franchise Relationships Institute (FRI) several years ago on 1,653 franchisees, we looked at the impact of supportive relationships on overall business performance, as measured by 10 KPIs. Each franchisee's level of family and social support was measured using an objective questionnaire. We then divided the franchisees into five groups, depending on the strength of their family and social support.

As you can see from the chart below, there was a clear relationship between a franchisee's level of support and their overall performance. The green bar shows the performance of franchisees high in family and social support, while the red bar shows the performance of franchisees low in this factor.

Linked to the positive impact of supportive relationships is the power of gratitude. If I asked you to write a letter of gratitude each week to someone who has helped you, you would experience a number of health benefits, even if you never send it. These benefits include improvements to your sleep, energy levels, and resilience. This is why the Roman philosopher, Cicero, stated “Gratitude is not only the greatest of virtues, but the parent of all the others”.

How Family & Social Support impacts on franchisee performance





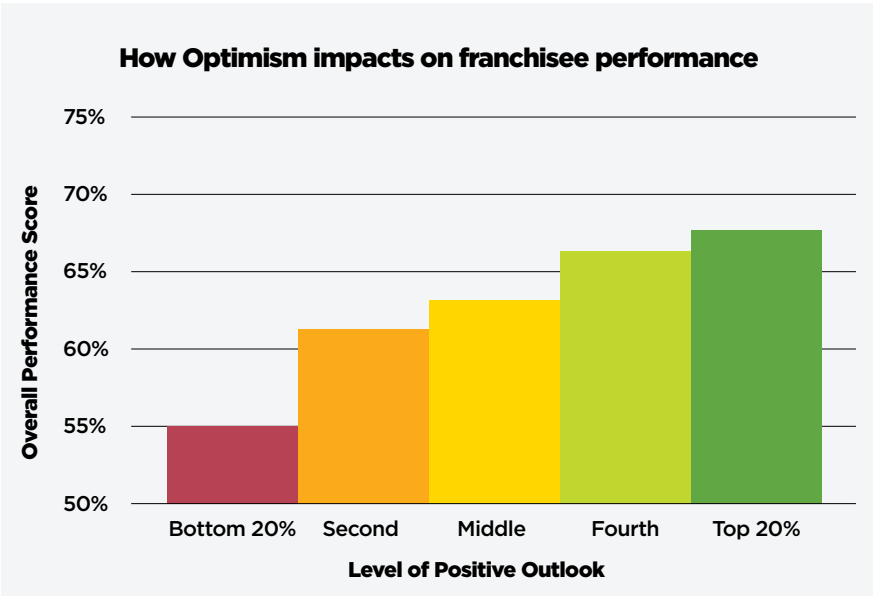
Building an optimistic mindset

There is a huge body of research showing that optimism increases our resilience, helps us to find new opportunities, improves our immune system so we are less likely to get sick, and promotes a positive business culture.

This begs the question, is optimism something that can be cultivated? Studies by the famous psychologist, Martin Seligman, who founded the Positive Psychology movement, have shown that people can indeed become more optimistic. In one study, Seligman encouraged people who were clinically depressed, to ask themselves every evening before bed, What are three things that went well today and why? And write their responses in a journal. This was shown to improve optimism and life satisfaction, and to significantly improve their mental health, equally or better than counselling or medication.

We can all practice this simple, free and enjoyable technique to help us build an optimistic mindset, and close each day on a positive note. It's also a great end of day discussion to have with your kids.

In the FRI study I referred to earlier, we also measured the levels of optimism in franchisees to assess the impact of optimism on their overall performance. As you can see in the chart below, the green high optimism group performed 12 per cent better than the red low optimism group.



Finding a sense of purpose

Purpose not only gives us our sense of direction in life, it also generates the energy and perseverance we need to keep going when the going gets tough. In 1998, when Martin Seligman became Chair of the American Psychological Association, he led a major scientific study with some of the best and brightest psychologists in the world, on what contributes to a deep and sustained sense of happiness.

Their most profound discovery was, there are 24 universal values regarded across all cultures as important for social cohesion and personal happiness. And for each of us, there are three to five of these values, what they call character strengths, which shape our sense of purpose. These character strengths are so important that, when we regularly practice them, we feel happy and energised. But if we don't get the opportunity to express them, we become grumpy and tired.

Four of my strongest character strengths are a love of learning, appreciation of beauty and excellence, creativity, and humour. When I am attending a course with someone who is opening my mind to new ideas, I get excited and energised. Great performances or works of art can make me cry for joy. I am always happiest when I am creating something new. And (unfortunately, if you work with me) there is nothing I enjoy more than teasing or playing practical jokes on others.

If we are lucky, we are able to express our character strengths through our work, which in turn, creates job fulfilment. And we know through research that job fulfilment enhances resilience and acts as an important buffer to stress. If it is not possible for you express your character strengths through your work, find an alternative involvement outside of work.

Here are a few of the other universal values Seligman and his colleagues discovered. Do any of these resonate with you?

- Ensuring people are treated justly and fairly
- Showing leadership and getting people to work together
- Contributing to the well-being of a team
- Disciplining oneself and practising self-control
- Being humble and not seeking the limelight
- Feeling connected to a universal force
- Being honest and down to earth
- Showing bravery and courage
- Being kind and generous to others
- Understanding what makes other people tick

A useful tool for exploring and understanding your character strengths is the Values In Action, Inner Strengths Survey. You can complete this for free at www.viacharacter.org. I highly recommend this as a way of identifying the values in your life that will bring you a deeper sense of satisfaction, energy and enjoyment.

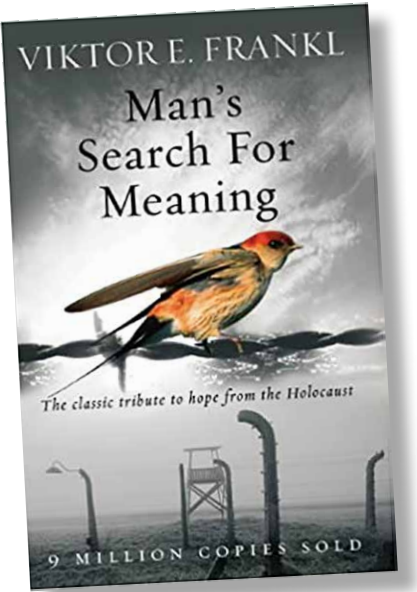
Being self-aware

If our brains had a job description, it would be to keep us safe. Whenever we find ourselves in a situation that feels physically or emotionally threatening, our brain triggers one of three reactions, depending on the nature of the threat and our prior experience. We may freeze up, feel anxious and be unable to think clearly; we may get a shrinking feeling and want to withdraw from the situation; or we may get angry and want to lash out.

Recent events associated with the pandemic have triggered these feelings in most of us, perhaps starting with shock and confusion about what's going on. Then a sense of despair associated with the losses to our lifestyle, freedom and finances. And then perhaps feelings of frustration or anger with others and ourselves for not being able to do enough to fix things.

These emotional reactions come from the primitive part of our brain, called the limbic brain, and are seldom helpful. The sooner we can get these feelings under control, the sooner the frontal cortex, called the smart brain, can kick in. The smart brain helps us to think clearly, find creative solutions, and make good decisions. To do this we need to mentally step back, name the feeling, and accept it without any sense of judgement. When we do this, the feeling loses its control over us. I call this process name it to tame it.

If I feel distracted, I observe it, name it and accept it. And now I have the insight to make a choice of what I want to do next. Do I want to stay distracted? Or will I choose to do something to become more focused? Just as we have the power of free will to make decisions in our lives, we also have the power of free won't – the ability to decide not to react in an unhelpful manner by saying or doing something we may later regret.



In his famous book, *Man's Search for Meaning*, the psychiatrist and holocaust survivor, Victor Frankl, wrote “Between stimulus and response there is space. In that space is our power to choose our response. In our response lies our growth and our freedom.”

To summarise, one way to create a more positive frame of mind, is to name your emotions, which tends to settle down the limbic brain, and activate the smart brain. We can then choose what we want to do next.

Another technique to move our mind to a more positive state is called Reappraisal. This involves stepping back, and looking at a stressful situation from a different more objective perspective. We do this by asking ourselves some coaching questions such as:

- How might this be a good thing?
- What benefits might this bring in the long-run?
- How could this situation help me grow as a person?
- What advice would I give to a friend who was about to face the same situation?

The word reappraise means to change our mind, and the reappraisal technique is literally a technique for helping us to change our mind from a negative, emotional state, to a more objective, positive state.

Looking after our health

Physical health and vitality is especially important to our sense of wellbeing, and significantly influences our ability to stay positive and think clearly. Here are eight tips to help you maintain physical vitality.

1. Recognise your stress signals.

Stress signals can include a critical tone in our voice, fidgety legs or hands, a dry mouth, racing heart, clenched teeth, or holding our breath. By being more aware of these, and using the name it to tame it technique, you'll find it easier to calm yourself down.

2. Practice equal breathing each morning.

The breath always reflects the mind. When we are upset, angry or anxious, our breath becomes shallow and jagged. And just as the breath follows the mind, the mind also follows the breath. Breathing slowly and deeply in and out for the same time period, has a sedative, relaxing effect on the brain. For most people this count will be between 3 to 6 seconds in and 3 to 6 seconds out. Doing this just 10 times each morning, is good for our mental and physical health. It is important not to strain and find a count that is comfortable for you.

3. Wind down for 30 to 60 minutes before bed.

It is naive to think we can respond to emails and social media right up until bed time, and expect our brain to act like a computer and just turn off. The mind needs time to unwind, so make a rule to not look at your phone or computer 30 to 60 minutes before bed. Some people also find it useful to have a warm shower before bed to help them physically unwind.

4. Maintain a routine. Routines help us to conserve energy and create a sense of certainty, which is important for family health as well as our personal health. Working from home has created a challenge for many people who would benefit from more of a routine around sleeping, exercising and meal times. Having a routine in terms of dress standards and grooming also has a subtle impact on our vitality. Looking shabby and dressing sloppily affects our state of mind and demeanor.

5. Cook fresh and nutritious food. The process of cooking fresh, nutritious meals can be just as important as the contents of the meal. Cooking is a creative process that engages the mind, and even provides a moderate degree of exercise. And there is an abundance of research to show there is no food better for our brain and our health than fresh vegetables!

6. Do stretching exercises that keep the spine supple. Our sense of wellbeing is largely influenced by the health of our nervous system, which is largely located in the spinal column. A healthy spine

ensures the free flowing of impulses and energy to the various internal organs and bodily systems. Stretching exercises such as those used in Yoga, Tia Chi and Pilates help to keep the spine supple and healthy.

7. Consider Vitamin D, C and Zinc supplements.

There is considerable research demonstrating how Zinc, and vitamins D and C, improve immunity. Sitting in the sun stimulates the production of vitamin D which is why this has always been recommended as a therapy for respiratory diseases.

8. Walk briskly for 20 to 30 minutes a day.

A brisk walk for 20 to 30 minutes a day is good for our body and mind, and has been shown to reduce the risk of heart attack and stroke by over 30 per cent. While out walking, pay attention to your surroundings, enjoy the rhythm of the walk, and be considerate as you approach others who may be sensitive to physical distancing rules. You might take the initiative to give them a smile as well as adequate space as you pass. I'll let Charles Dickens have the last say on this. “Walk to be healthy, walk to be happy.”



In summary, resilience is the ability to continue to pursue our goals, despite adversity, disappointment and misfortune. Five things that will increase our resilience in these stressful times are having a supportive social network; building an optimistic mindset; finding a sense of purpose; being self-aware; and looking after our health. ■

About Greg Nathan

Greg Nathan, CFE, is a registered psychologist and Founder of the Franchise Relationships Institute (www.franchiserelationships.com). He is an international thought leader, speaker and author of several best-selling books on helping franchisors and franchisees create profitable partnerships. To organise Greg to conduct an interactive virtual forum on resilience for your franchise network contact events@franchiserelationships.com



Short-term solutions support long-term goals at RAMS

RAMS Managing Director, Jake Bromwich, hasn't let the impact of COVID-19 get in the way of his resolve to help more Australians into the home of their dreams.

"From a business perspective we've reviewed how we can continue supporting our franchise network, our staff and our customers through these challenging times, particularly while most people are now working from home.

"There is also a human element at play. We are a business, and one of our pillars is CARE; caring for our people so they can care for our customers. Whether it's a phone call to a franchisee, sending every franchise hand sanitiser because it's impossible to find (which we did do), or launching Customer and Franchisee Support Packages, it's the simple act of caring that really matters, whether times are challenging or not."

Greater Together

The social, personal and economic impacts of COVID-19 are certainly not lost on Mr Bromwich, however he says the challenges have also led to some opportunities.

"While in some instances we've shifted focus to support short-term solutions, we've never taken our eyes off the bigger goal - to be the home loan specialist that helps people who need more help.

"Any short-term solutions we've

delivered had a longer-term lens cast over them, so our support for the RAMS family today will also help build a stronger business post-COVID and the economic recovery.

"Our approach is that we are Greater Together; we are genuinely invested in our franchisees' success as small business owners. For example, besides the significant support measures we implemented for them, we also quickly established a COVID-19 team that included franchise principals. We met daily which kept us focused on the right things and helping each other, so when it came to ideas or innovation and change it was done in partnership."

Innovating for success and a "future fit" mindset

RAMS prides itself on human connection and face-to-face interactions with its customers and Mr Bromwich has overseen an evolution of sorts within the business in enabling RAMS franchisees to maintain operations while also keeping its back-end operations humming along.

"Obviously we thrive on that in-person contact with our customers and our staff. It's what makes us unique in this digital world. While digital supports our vision to make the dream of home ownership possible for more Australians, digital in itself doesn't cater as well to a first home buyer, a self-employed customer or those building their dream home for example; they need a home lending specialist by their side. That's the RAMS model.

"So we adapted our capabilities and processes to continue our personalised

service remotely. We quickly adopted cloud technology, enabled remote operations including video conferencing, and changed relevant processes so we continued to deliver that human connection and service level while still meeting social isolation and distancing guidelines. These changes have also had a dramatic reduction in paper usage, cutting franchisees' operating expenses."

Mr Bromwich and his team are supporting their franchisees in the now, and to prepare for the economic recovery on the other side of COVID.

"Supporting our franchisees and our customers, while attracting new business, is as important now as when the economy recovers. We have invested in a Virtual Network Plan with a training program to build new capabilities across our network to support them generating business opportunities through COVID, and skills that will ensure they are 'future fit' to capitalise on the economic recovery.

"It's a challenging time with the housing market and our franchisees' new business writings down. We have a consistent brand presence (particularly TV), and our RAMS proposition of being there for our customers every step of the home loan journey has helped to deliver stronger brand consideration scores and customer lead enquiries.

"And as the economy recovers, we want to be positioned to help even more customers, so we are reinvigorating our franchise recruitment strategy. We will be seeking individuals who share the same passion for helping people as we do, and who will commit to being fully invested in our brand and what we stand for." ■

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Maintaining franchisee wellbeing in uncertain times

By David Wilkinson

Franchisee Support,
City Cave Float &
Wellness Centre

Unprecedented times. These words have defined 2020. Nobody could have predicted a global pandemic would shut down millions of businesses around the world and leave millions unemployed or stood down from regular employment. This is uncharted territory. It's uncomfortable, stressful and it's testing the positive mindset of even the most optimistic among us.

For most of us, the decision to close our businesses was taken out of our hands, and while we can understand why, the loss of control can still be uncomfortable. As business owners, and business leaders, we like to be in control of as many elements as possible; it's how we mitigate risks and plan the future of our business.

This lack of control, along with the inevitable financial losses, are causing stress and anxiety for thousands of franchisees across the country. So, what things can we do to keep franchisees positive, motivated and engaged?

City Cave Float & Wellness Centre very quickly identified franchisees' mental health as a major concern during the mandated lockdown and set out a series of steps that would help ensure their wellbeing.

Regular personal communication

While so much this year has been taken from our control, communication remains totally controllable. How, what, when and where we communicate becomes even more critical.

Regular calls to each franchisee personally from support centre staff and senior management are important. Set up a schedule to ensure every franchisee is contacted at least weekly and by different members of your support centre staff and senior management. This ensures there is plenty to discuss and is a great way of building strong lasting relationships between franchisees and support staff.

During these calls, try to avoid going straight into business talk. Instead, discuss how they're feeling. Have they been home-schooling their kids? Are they working on any personal projects? Are they excited about something in their personal life?

Keep the discussions positive. It's easy to be speculative about the uncertain, but it's important to focus on what can be controlled and what we can control is how we spend our time, effort and energy.

Franchisee workshops

Franchisees have always been and will continue to always be the biggest asset for any franchise brand. In many franchise brands that rely on owner-operators, it's often difficult to tap into the knowledge and time of the franchisee because they're busy working in and on their business. This "pause" will give many of us an opportunity to work with our franchisees on many of the development items that were planned later in the year or even next year.

Now is a great opportunity to engage your franchisees in small workgroups similar to what you may do during a conference. Divide your network into workgroups (depending on the number of units you can create multiple groups of each pillar) such as marketing; innovation/development; training and support; and finance.

Record the video calls and have a support team member join each group to take notes and help facilitate discussions.

These calls will give your franchisees some purpose and get them excited about the future of their business.

Call on experts

Every week City Cave franchisees have joined an "Expert Hour" Zoom call which calls upon franchising and wellness industry experts to discuss a range of topics in an open interview format. Franchisees tuned in



to hear ex Global CEO of Subway, Suzanne Greco, share her wealth of knowledge and experience learned from running one of the world's largest franchise systems. The franchise industry is blessed with exceptional leaders, many of whom will be happy to give an hour of their time to share some positive and engaging content in the name of giving back. Reach out to your contacts and make it happen.

Continue coaching

While the business world is on pause, coaching doesn't have to be. There is no better way to keep franchisees engaged than with positive, quality coaching. The term "this too shall pass" has been used often, and that's because it's true!

Your franchisees closed their businesses or were forced to restrict trade, but their business goals and personal aspirations didn't disappear. It may well be that these goals are even more important to accomplish now.

You may find that franchisees are even more open to constructive coaching and receptive to change than ever before

If you're considering slowing down and having your coaches spend some time on the sidelines, I would encourage you to reconsider.

Social events

One positive to arise from COVID-19 has been the advent of social events via video conferencing.

City Cave franchisees have indulged themselves in several wine, cheese and trivia nights over the past few weeks, and the feedback has been incredibly positive.

These events don't require too much preparation and in a world of social distancing and work from home orders, they have been a godsend for those starved of social interaction and adult conversation.

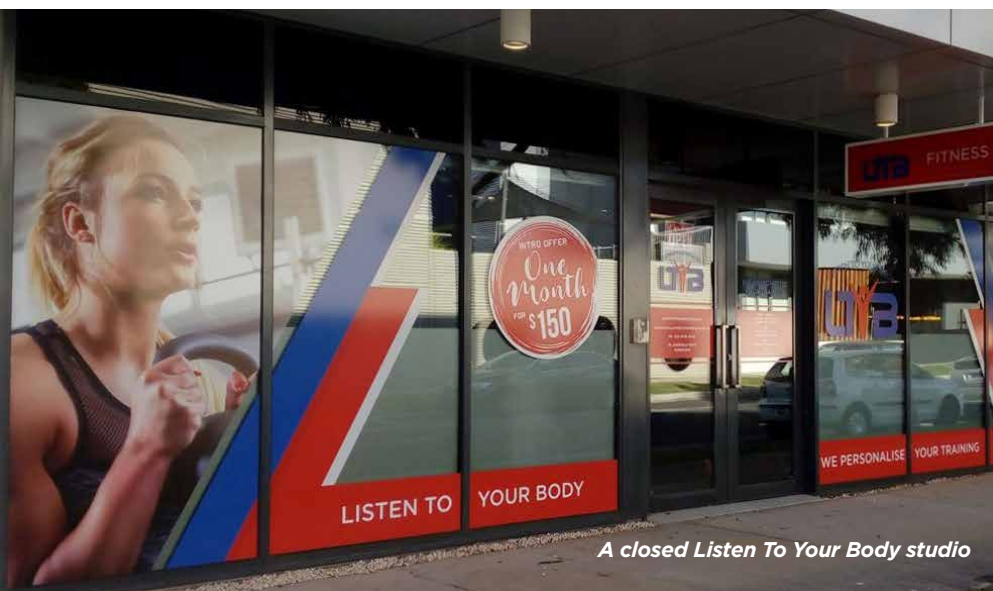
Get creative, have a theme, dress up in some crazy outfits and have some fun, because while our franchisees are at the very centre of our attention, we too should be taking time every single day to share a laugh in these unprecedented times. ■

Listen To Your Body
Studio in action prior
to COVID-19

By Ben Fletcher
CEO & Founder,
Listen To Your Body

A three phase approach to COVID-19 resilience

On March 23 at 12pm, Listen To Your Body (LTYB) effectively shut down our 13 operating fitness studios in Victoria and Queensland as a result of COVID-19.



A closed Listen To Your Body studio

We knew the shutdown was imminent and had been preparing from March 9 to give us the best chance to navigate through uncharted waters.

All we could do is clearly define our Plan A, B, C and D with multiple dimensions tailored to each LTYP Studio. There was no manual to follow at the time, so we certainly executed some "management on the run" as we met the challenges and looked for opportunities in this new operating environment.

Similar to the way we run our training sessions, we've take a customised approach with each franchise partner to give us the best chance to achieve our ultimate goal through the pandemic and that is ensure all 13 studios survive this phase of the crisis and hopefully thrive into the future once we are over the worst of this.

Phase 1 Preparation and Support

There have been many stages in the process, and we needed to be super clear and on actions and process.

In phase one, we identified the key players and worked around the clock delivering the best plans and support possible to help our franchisees through this period.

The key stakeholders we identified and the plans we developed for each were as follows:

1. Franchisor: As franchisor, we immediately froze all franchise fees and decided not to charge the previous week's franchise fees. We ramped up support to franchisees in every way possible, sending out multiple education videos to LTYP owners and providing assistance and training with our new LTYP online services. We also made multiple direct calls to LTYP owners and supported franchisees with landlord communication. We leaned on the FCA for further support and education, and in turn delivered 3-6 weekly eDMs to the network providing updates and education

2. Banks: We arranged deferral of all finance repayments to ease cashflow pressure. All owners were encouraged to cashflow forecast and defer all fixed expenses for six months.

3. Landlords: This was the biggest fixed cost threat. Thankfully, our landlords have predominantly been amazing. A majority have been heavily supportive through the crisis.

4. Government: The grants, JobKeeper, tax refunds/credits/deferral payments and potentially Government backed loans for 50 per cent of the total amount maybe very helpful. Facilitating this process has been a big project and once again the FCA, and our accounting firm have been amazing.

5. LTYP owners and staff: We supported staff where possible with JobKeeper or JobSeeker, depending on the eligibility.

6. Members: We froze or terminated all memberships. However, engagement has been at an all-time high with multiple news releases to members. We have also supported members through online classes and programming. We ran an Active April Challenge to keep clients moving and keep communication open between all three stakeholders.

"The morale has been very high through our biggest challenge and we aim to accelerate that through the phases."

Phase 2 Innovation and Change

As a fitness business, we pivoted very fast. We moved straight to a new service offering, LTYP ONLINE.

Members, staff and owners didn't have time to dwell on the crisis, instead we moved super-fast and had members on programs and in classes within two days.

There have been two new service launches the studios have executed.

1. LTYP Online Coaching: This service has more than 600 members on weekly plans through a collaboration between LTYP and Trainerize, which is an online training platform built for remote programming. We have developed multiple programs such as LTYP Lean, LTYP Lifestyle, LTYP KickStart, LTYP Muscle, LTYP Run and many more. Our process is to customise to the individual based on their equipment available, limitations and goals.

2. LTYP Virtual Classes: Similarly, we have over 600 members per week join in a Virtual Class from the lounge room whilst their Local LTYP studio owner or trainers coach members through a ZOOM workout. This has been very popular in our industry and members have adapted very well.

Our plan was to allow each LTYP studio owner to execute their own strategy with the options.

Each week we are still building and also getting referrals now and non-LTYP members join sessions and enrol in a LTYP Service.

We decided to give full control to our franchisees to drive their classes and coaching because we have a very talented, driven, skilled group of franchise partners that can pivot fast and be up and running with two days. Head office supported our franchisees with training, programming and set up wherever required.

Phase 3 Recovery Plans

This is the great unknown and we have been planning for our marketing re-launch, ongoing services and different strategies when restrictions are lifted. LTYP Online PT may be an ongoing service at a lower price which may be suitable for a sector of our member base. There are currently three main areas of focus.

1. Our number 1 focus is our pre-COVID-19 active member base resuming our standard model of face-to-face group personal training. We have engaged three times per week during the lockdown and have multiple strategies to get up to 80 per cent retained when we start again.

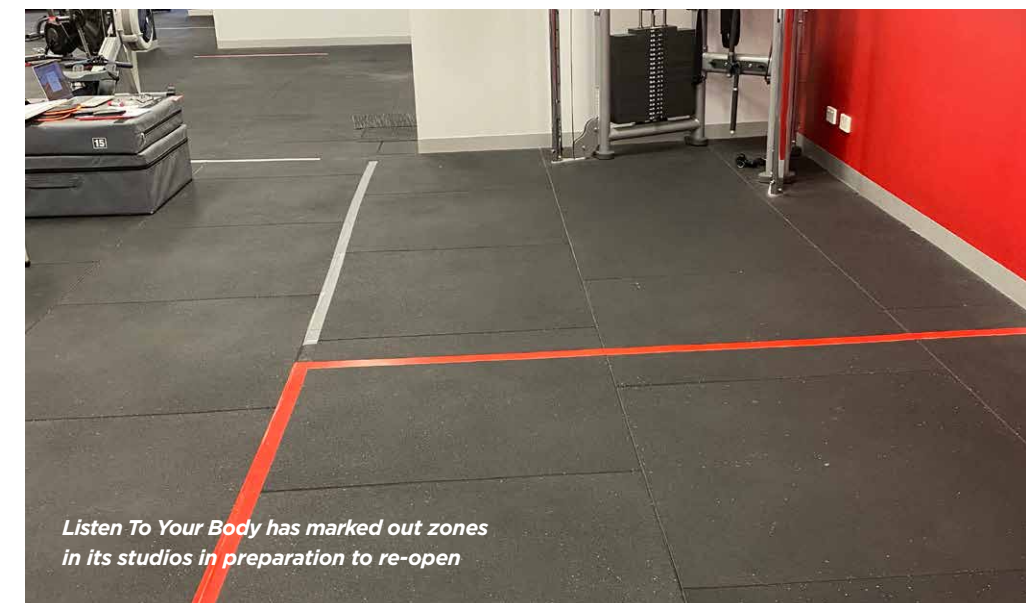
2. The next best target market to recovery is our Pre-Covid-19 inactive database who have experienced the brand.

3. New member acquisition is a huge focus as well. There will be approximately 10,000 people per territory that maybe interested in getting fit for many reasons, subtracting people who have financial challenges to invest into their health and fitness, which is why we will be integrating the low-cost membership options moving forward

The other aspects of our strategy will be ensuring all staff are engaged, fit and ready for the re-launch when that happens. Fortunately, many are on JobKeeper which gives us the best chance of keeping the team together post-crisis.

The morale has been very high through our biggest challenge and we aim to accelerate that through the phases.

Although, we are only 20 to 30 per cent through the challenge, we are optimistic we can grow from COVID-19 in the medium term. ■



Listen To Your Body has marked out zones in its studios in preparation to re-open



Strategies to support mental health in challenging times

Article provided
by **Beyond Blue**

Businesses in Australia have been hit hard by COVID-19 on many different fronts. The challenges accompanying the pandemic have had mental, physical and fiscal impacts, resulting in uncertainty for owners, managers and staff who have had to make difficult choices. Whether your business has closed or is still operating, there are some strategies you can adopt to help you, your staff and your business through these challenging times.

Managing your own mental health

Whether you're a business owner, senior leader or a manager, it's important that you prioritise your own physical and mental wellbeing to be best equipped to support your employees.

Some practical tips:

- Try to maintain perspective – there will be an end to the situation.
- Make sure you are getting accurate information from credible sources.
- Structure your days and establish a routine as best you can.
- Establish regular sleeping patterns and make sure to get enough rest.
- Look after your physical health, and find a way to stay active.
- Moderate the amount of news you consume.
- Do something each day that makes you feel good.
- Participate in exercises that you find relaxing, and perhaps try therapeutic activities such as mindfulness, meditation and yoga.

Access emotional support:

- Seek support, both practical and emotional. Talking to other people is one way to help make sense of your situation.
- In addition to speaking to colleagues and others you are close to, consider reaching out to fellow business owners and managers who can relate to your specific circumstances.
- Speak with your GP or a health professional if you find it hard to stop worrying.

Supporting your employees

If you have employees receiving the JobKeeper payment but not actively working, or working reduced hours, you should establish ways to maintain a meaningful connection.

Aside from being worthwhile for your business, maintaining links to your employees, and they with their work colleagues, will help support employees through the period of physical isolation, which may continue for some time.

Maintaining human connection, especially at these times, is an important ingredient for protecting mental health.

Specific actions you could take:

- Reach out to employees individually to offer emotional support.
- Ensure they are aware of other supports available (for example, if you have an Employee Assistance Program in place)
- Schedule a regular meeting to bring employees together using group-chat tools such as Zoom or WhatsApp.
- Invest time in preparing for these meetings so they are meaningful.
- Invite people to share useful resources and tips on how they are coping while isolated.
- Provide updates on business planning that is underway.
- Arrange to maintain regular (or additional) social events that would normally occur in the workplace, such as daily coffee catch-ups or birthday celebrations.
- Encourage people to stay in touch away from workplace forums, keeping in mind current public health guidelines.

For those who are no longer with the business

You also have an opportunity to support employees who no longer have a formal connection with your business. This support can be important for their wellbeing, and though you may feel reluctant or nervous, you may be surprised by their reaction.

Some things to consider:

- People will understand the pandemic brought about their job loss, and that it had little to do with them or their performance.
- They are likely to appreciate the effort you make to stay in touch.
- Reaching out and keeping them connected will help their self-esteem.
- If there's an opportunity to do so, providing a reference and connecting them with other opportunities can be tangible, helpful actions that may come from staying in touch.

Managing financial stress on the business

Stress about the short-term and long-term financial state of your business can have impacts on your mental health, but it will help to stay proactive where possible.

While the JobKeeper program can help with staff costs, owners will be looking to do the same in other parts of the business.

It's very important to be familiar with government assistance that is available and to contact suppliers to see whether they might be able to help you, even if it's in a small way. Many of your suppliers may not be advertising their discounts, but may be able to pause or reduce your costs. If you add up all the little bits, it can be very handy from a financial perspective.

From a mental health perspective, this gives actionable strategies and solutions to focus your energy on and make progress. Getting in contact with suppliers and other business partners can also help forge stronger relationships and make all parties feel more valued.

Accessing support

Beyond Blue

Visit the dedicated Coronavirus Mental Wellbeing Support Service. Trained mental health professionals are available to talk to you 24 hours a day, 7 days a week on 1800 512 348.

Information and financial support for businesses

Support, including financial assistance for business, is available from the Australian Government. You can reach the Business Support Line at 13 28 46.

You can also find out what tax support is available if you or your employees are affected by the coronavirus.

Financial support for those who have lost their job

The Australian Government is providing financial assistance to individuals who have lost their jobs to support themselves and their families.

If you are experiencing financial hardship

The National Debt Helpline offers free financial counselling. ■

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Stellar

New technology from Redcat offers struggling restaurants a lifeline

In the wake of COVID-19 and its impact to the hospitality industry, it's critical that restaurants join the digital age, driving sales through new approaches. Redcat has focused on developing a solution that will help the industry get online and trading again. The result is Stellar, a standalone hospitality solution that works on any browser and offers 3rd party delivery, ordering food through Google, online ordering, and order management.

Online ordering and delivery are not new, but now seem to be the new normal for hospitality businesses. We have seen the enormous growth of Uber Eats, DoorDash, Deliveroo and Menulog over the past two years. These delivery aggregators are an incredible channel to reach new customers for venues without that the reach beforehand.

Stellar is the next evolution, as it gives restaurants the flexibility of generating orders from their own website or Google, plus being able to use a third-party delivery service. Redcat was able to lift these three key enablers (third party delivery, ordering through Google, and online ordering) from their Hospitality Platform, and deliver them independently, through Stellar.

"All of our customers have been affected by COVID-19 and the ones that are doing well, have managed to get online and delivering in a timely manner," comments Jeff Lamb, Redcat CEO.

"So, we saw this as an opportunity to help other hospitality businesses to reach

their customers in a new, cost effective way."

There is no need to be a Redcat customer to use Stellar as this is a cloud-based solution and runs on any up to date browser. The integrated solution will channel online and Google orders into an order management queue that is configurable to the venue's needs. It also alerts third-party delivery services that the food is ready for pick-up. This is presented through a fixed cost delivery model that is more affordable for hospitality businesses.

"We have worked very closely with our partners to bring Stellar to market," says Jeff.

"First, we get the venue's menu online, which is easily done through Stellar. This gives them a branded website, which is published automatically to Google. Now the venue can be easily found on Google through Search and Maps, and the consumer can order a delivery or take away directly from Google."

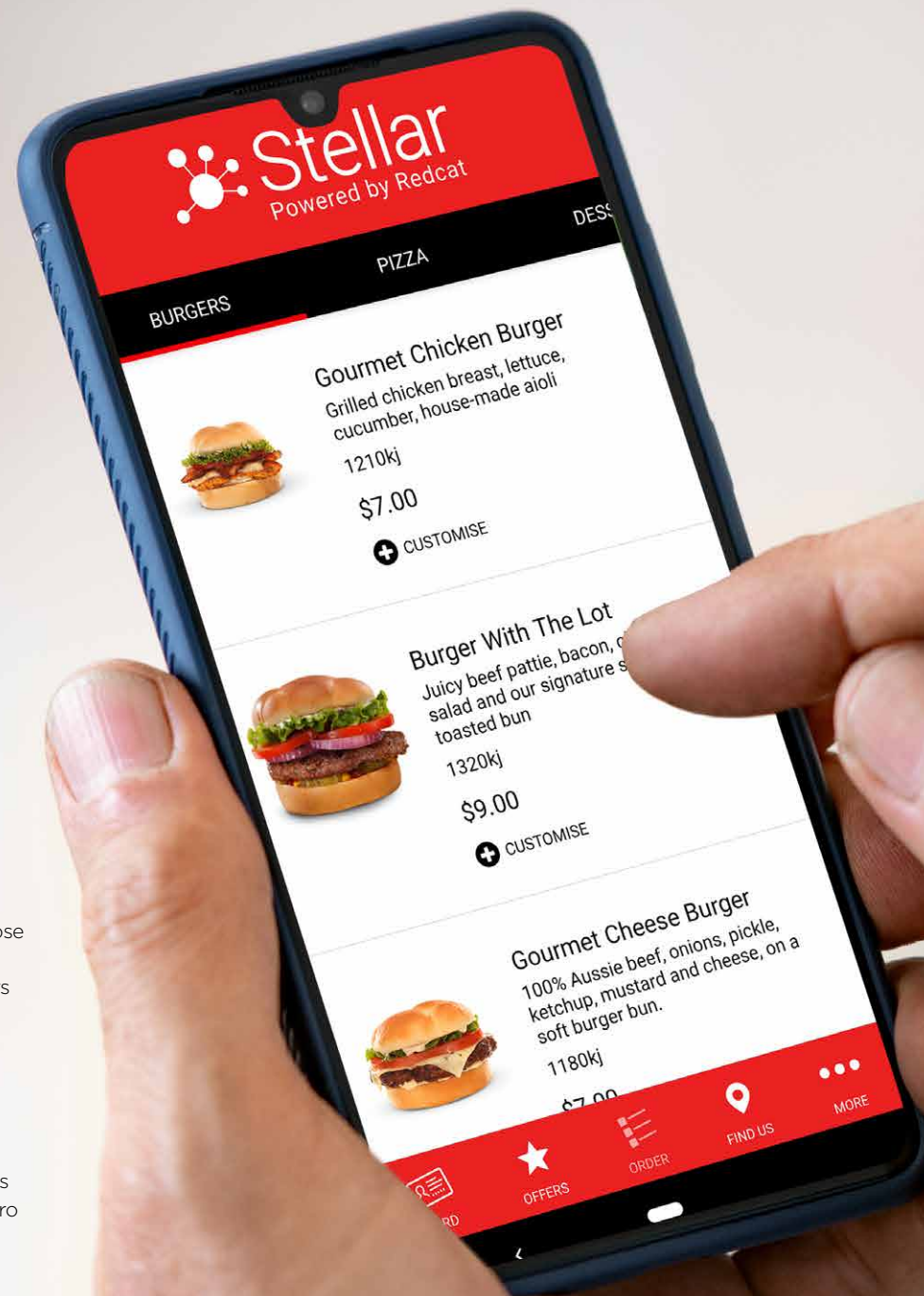
Stellar will then organise third-party

delivery services through the Redcat Delivery Engine, or businesses can choose to use their own drivers. Redcat has already integrated with major customers including San Churro and Grill'd.

"Redcat has given our restaurants the opportunity to rapidly get online to deliver to our loyal customers. The challenges of bringing this to market quickly have been dealt with professionally and the technology works seamlessly," says Mark Attard, San Churro CMO.

Key features include:

- Integrated Delivery powered by DoorDash and Drive Yellow
- Redcat Online Ordering Website
- Ordering food through Google Search and Google Maps
- Deliver Your Own (DYO) option
- Daily Sales Reporting through automated CSV emails
- Own your customer data
- Configurable displays incoming order alerts
- Order Management



How Stellar works:

Online ordering through your website or Google

Stellar publishes your menu to two different places: Stellar online ordering, and food ordering through Google. Stellar online ordering is a great place for you market to your existing client base, and food ordering through Google will help you to find new customers. The fee for these orders is 3% (ex-GST) + processing. And both order types can be enabled for integrated delivery.

Flat fee 3rd party delivery

The integrated 3rd Party-Delivery is amazing. It uses both DoorDash Drive and Drive Yello drivers to deliver your food to the customers' door. It's a flat fee service of \$11.80 (ex-GST) + processing fees, billed through Redcat. So it's a simple, seamless solution, covering most major centres around Australia.

Stellar is a delivery and online ordering platform that takes a few days to set up, and it's all done via a browser - no special hardware required.

"Stellar is purely an online solution and has been built for any browser to eliminate the need for POS hardware," says Phoebe Peck, Redcat Head of Product.

"This gives us the agility to set up a new business with delivery, online ordering and ordering food through Google in a matter of days. Venues will have daily sales reporting, view current, pending and past orders and even own the customer data. This is all backed by Redcat's Hospitality IT Platform, which means it's stable and secure through AWS. Loyalty, SMS order notifications, Marketing through Impact Data will all soon also be available."

In an industry that has been forced to pivot and redefine its service model, Stellar is helping the road to recovery, offering businesses a cheaper delivery solution, that not only provides an online presence, but gives these businesses extra exposure through Google. ■

Guess what? Your meetings and events don't have to cancel!

If the business community has learned one thing since the outbreak of the COVID-19 pandemic, it's that we can do a lot more online than we realised even a few short months ago. Why not transform your annual event, franchise training or sales meetings for a remote working world?



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Redback Connect

As customers stayed home to stop the spread of COVID-19 during April 2020, 7-Eleven launched a contactless delivery service to bring the snacks, treats and essential items from the network's Melbourne stores direct to consumers' doors.

Looking to find opportunities to support franchisees' businesses and meet fast-changing customer needs during the pandemic 7-Eleven acted fast, developing and rolling out the service in just two weeks.

"We've rolled this out using a more agile style of development drawing on people across the business to make it possible," says 7-Eleven CEO, Angus McKay.

"We built this on the platform of Tipple, an alcohol delivery business which is majority owned by 7-Eleven. This was about getting a strong service up and running quickly in a limited geographic zone and continually improving it with feedback from our customers and the stores involved."

The service operates by delivering from 'bricks and mortar' stores to customers who order online via the 7-Eleven website. Sales are processed through the store that fulfils the order, with the same profit share arrangement as an over the counter transaction, with most customers able to order for next day delivery while in some suburbs, delivery is available within the hour.

The new delivery service is just one way 7-Eleven has supported franchisees during COVID-19, with adaptations being made in-store to protect franchisees, employees and staff.

"There's no question that it's a challenging time in retail. However, the foundations of our business are strong, and our unique franchise model where we split gross profit with our franchisees means that we share the tough times with our franchisees, not just the good times," says McKay.

"We've made rapid changes to our processes and range to not only protect our customers, but also protect the more than 450 franchisees, their families, and the approximately 10,000 people in 7-Eleven workplaces across the country. We've had to be nimble to adapt to ongoing changes required for hygiene standards, and also to adapt the business to maximise sales in a time of reduced customer traffic. Our focus has been on supporting our stores to trade safely in



7-Eleven delivers for franchisees & customers

an incredibly challenging situation for everyone.

"We've funded a fast roll out of perspex screens, sanitiser units, signage on maximum people allowed in a store and in-store signage promoting social distancing requirements for our customers.

"If a store is going through hardship, we not only continue to cover these costs, but also provide franchisees with a minimum income guarantee. This guarantee sees us top up a franchisee's income to ensure that they have the resources needed to operate the store correctly. This includes support for the costs they usually cover from their share of the profit, which is the wage costs, including payments to themselves and their family members for any hours worked.

"Additionally, in late March, we announced the COVID Special Leave initiative. The COVID-19 Special Leave initiative provides up to two weeks leave for all casual employees (franchise, COHO and support office) where they have tested positive, or need to care for someone who has contracted COVID-19. This is not only the right thing to do, it is also an important and responsible response to the Australian government's advice.

"We've made sure our store leaders and team members know we are fully behind them to give them the support they need to get on with the job of serving their communities. We are also supporting our franchisees and will continue to look at what else may be needed as we work through this situation together," McKay says. ■

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Delivering for businesses during the shutdown

Courier and delivery services have become essential for businesses that have relied heavily on online sales to sustain them during the government-mandated COVID-19 shutdown.

And while in the hospitality and food retail sector, major players such as Uber Eats and Deliveroo have been slow to ease the cost burden of commissions for struggling local restaurants, in other market segments, courier companies have established valuable and trusted partnerships with their retail clients.

Adapting to a new operating environment

CouriersPlease has been agile in its response to catering for the increased demand for deliveries while operating in a changed COVID-19 marketplace, launching a returns service from home for customers, while ramping up operating hours.

"CouriersPlease (CP) launched Australia's first self-service return from home solution during COVID-19, which provides a convenient solution for customers to have unwanted items

returned to the retailer, via a CP driver collecting it from their home," says CouriersPlease CEO, Mark McGinley.

"This has helped retailers whose stores may have been closed, so that their customers can get returns done quickly, and allows the retailer to maintain a high level of service even during shutdowns. The first retailer on board who we've been assisting with this offering is Forever New, and we're currently working with other retailers to provide this service," McGinley says.

To accommodate high delivery volumes over the past months, CouriersPlease operators have been working day and night, including weekends, with the brand's automated sortation system in action 24/7.

Supporting franchisees through this time has also been paramount.

"We've been helping our own franchisees in running their own businesses," says McGinley.

"For example, deliveries to the CBD have reduced significantly due to people working from home. This has meant that those who usually cover the CBD region now have less work in these areas. On the other hand, deliveries to Sydney's eastern suburbs have experienced a spike in deliveries to residential areas. To help our franchisees, we have diverted them to work in more profitable areas, so they can maintain around the same level of work and deliveries.

A trusted delivery partner for small business

Aramex Australia (formerly Fastway Couriers) has reported a record year-on-year increase of 40 per cent in deliveries in recent months.

Aramex Australia CEO Peter Lipinski (pictured below) says he is proud of the way the organisation has risen to the challenge of increased volumes, coupled with stringent hygiene and social-distancing requirements.

"Our 800-plus courier franchisees, who deliver across 28 regional franchise networks, have adapted impressively to the new landscape in recent months and have been going above and beyond every day to deliver the goods that Australians need during these challenging times," Lipinski says.

With many locked-down businesses forced to shift their focus

to e-commerce, there was instant demand for delivery solutions. One such family-run business is Maya Sunny Honey, producers of 100% raw honey products. Company representative Joanna Wyszynski says online sales at mayasunnyhoney.com.au are keeping the business going, as customers flock to the online store in lieu of buying the sweet treats at farmers' markets.

"Online sales have definitely picked up," she says. "We're doing more advertising and marketing so people know how to find the items they normally would have bought at the markets."

Wyszynski says John, her local Aramex Australia courier franchisee, has been a big help in this new way of doing business.

"You build a lovely relationship with your courier because you see them every day," she says.

"They take such great care of our parcels and they've been so helpful. For us, the convenience of the Aramex online delivery portal has made all the difference. It's simple and easy to use and saves us time," she says.

Sparesbox, Australia's largest car and 4x4 parts store, has recorded a 50 per cent increase in online sales from the COVID-19 situation. Florian Poppe, Chief Operating Officer, says Aramex has been one of the most reliable providers over

"Our 800-plus courier franchisees have adapted impressively to the new landscape in recent months and have been going above and beyond every day to deliver the goods that Australians need during these challenging times."

the past few months, providing regular pickups and situation-appropriate delivery times.

"Even with systems and organisations under stress, we were able to reach key account managers, franchisees and drivers to resolve any issues," Poppe says. "As a 100 per cent online player, delivery has always been a major part of our business. Reliability and speed has become even more important for Sparesbox, as some parts are critical to reach consumers when their vehicle is booked in on the mechanic's hoist."

"Through our delivery network and our online delivery portal we're able to help thousands of Australian businesses to quickly set up or gear up the logistics of online selling," Lipinski says. "We make e-commerce easier." ■



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Tips for Running Great Remote Webinars

1. Have a moderator to facilitate questions and keep speakers on track
2. Two or more presenters makes for a more engaging webinar
3. Video and slides are a popular format, but audio and slides works for complex topics and slow connections
4. Find a technology provider who offers full local support for attendees who may have issues joining
5. Encourage speakers to rehearse and watch themselves on video if they're not used to presenting on camera.
6. Make use of interactive features such as online polls, resource packs, interactive maps, Q&A
7. Decide how you'll measure success when you appoint your technology supplier -- and ensure they can provide all the data you need.

How to take your face-to-face events online in a COVID-19 world

The Coronavirus pandemic has accelerated the trend towards digital transformation in most organisations, which is good news for translating your physical event for a remote working world, writes Redback Connect General Manager, Digital Events, Sara Drury.

If the business community has learned one thing since the outbreak of the COVID-19 pandemic, it's that we can do a lot more online than we realised even a few short months ago.

Social distancing has put face-to-face events as we knew them on the backburner for the foreseeable future for most organisations -- and accelerated the process of digital transformation as we look for alternatives.

Virtual events, hosted completely online, are booming -- everything from video meetings to training courses and sales webinars are experiencing strong growth.

Many organisations that have hosted digital events since late March have experienced dramatic increases in audience size. Franchise Council of

Australia executive manager Peter White says the peak body for the franchise sector has seen its own virtual events boom, with the audiences for online events held during the pandemic between two and four times as big as those for comparable events held offline.

The lesson for franchisors is that most physical events -- including sales meetings, training webinars and even annual conferences -- can be translated into an online event that's just as good, if not better than the original.

So rather than cancelling, postponing or scaling back your franchisee event programs in the second half of 2020, why not transform your annual event, franchise training or sales meetings for a remote working world? This 7-step process will guide you through how to do it.



1. Don't rush it

Give yourself enough time to translate your face-to-face event into an effective online format. Six weeks will give you enough time to do most things.

The good news is, most organisations that make the switch will find they have more flexibility when it comes to their online events: not only are they no longer ruled by venue availability, virtual events open up a whole new world of speaker talent.

2. Adapt the structure

Look at your event format and adapt it for the virtual world. As a general rule, shorten each session, and shorten the event itself. Let's look at three common event formats favoured by franchisors:

Annual Conference

Would you sit in front of your computer all day to attend a full-day or two-day online conference? Neither will your audience. To translate these into a virtual format, consider pre-recording some sessions and intersperse these with your live streams.

For example, you may wish to broadcast your opening keynote live, follow it with two pre-recorded video sessions and then kick off the afternoon with a live-streamed panel discussion incorporating a live audience Q&A.

Schedule some smaller live-streamed afternoon training sessions and perhaps follow these up with some break-out discussions in virtual chat rooms.

If you usually have a comedian present awards to your top-performing franchisees at an awards night, ask them to host a live-streamed awards event where your top award-winners connect in remotely.

You may not be able to host your conference at an international resort location, but that needn't prevent you from giving online vouchers for a free stay at a domestic luxury resort to your top performers.

Training Webinars

Educational webinars, designed to inform or train your franchisees, should be kept to about 30 to 45 minutes in length, perhaps followed by a 15-minute Q&A.

You can live-stream your training session and host a live Q&A, or you can pre-record it and respond to questions in a post-event FAQ you make available along with the on-demand video and your slide pack.

Video meetings

Your field staff may be grounded -- but they can still hold video meetings with individual franchisees, small groups or larger regional cohorts to maintain that face-to-face connection, share resources and offer assistance.

One-to-one and one-to-several video conferences can be personal and less formal, but if you're doing one-to-many, it pays to have a firm agenda, mute attendees and manage questions in your webinar platform's private chat feature.

3. Choose the right tech partner

If your team is comfortable operating and troubleshooting digital technology, you may decide to go with a do-it-yourself webinar platform.

If you would like the back-up of technical support for your presenters and your attendees, or the ability to broadcast from a studio environment, you may opt for a managed webinar provider.

4. Incorporate interactivity

Take full advantage of the interactive features of your webinar platform to include live polls, surveys or voting, competitions, question-and-answer sessions, live demonstrations, virtual chat rooms, and so on, in your events.

You can even translate networking sessions into BYO coffee or drinks meetings and invite smaller groups of franchisees to discuss different topics of interest.

To replicate that luxury resort experience, try sourcing a virtual tour of a new experience local to a relevant location of your choice.

5. Test your format, talent and tech

If you'll be broadcasting parts of your event remotely, the event will only be as good as your speakers' internet connections.

Give each session a dry run. Check the format works the way you thought it would, check your speaker's broadband speed and rehearse your speakers just as you would for a physical event, paying particular attention to transitions between speakers.

If your remote presenters' or franchisees' internet is unreliable, pre-record that session or switch from video to audio and slides.

Make sure you leave time between speakers to test their connection and get them online.

Advise your presenters on their remote set-up: they need good lighting, an uncluttered background, their camera at eye level, and a microphone or headphones to eliminate background noise.

6. Have a back-up plan

An hour or so prior to the event, run a technical test. If your remote presenter's internet is unstable, switch to your backup plan. For example, if you were planning to use video and slides, you can switch to audio and slides over slower connections.

Ensure your remote presenters have a phone nearby during the event in case they need to dial in.

7. Record your success

After the event, don't forget to check with your technology supplier or check your online reporting portal to get attendee numbers and engagement figures. For digital events, you will know exactly who attended which sessions, how long they stayed, and how engaged they were. Figure out what went well, and what you can do better next time.

The COVID-19 pandemic has accelerated the digital communication transformation already underway in the market -- both at the franchisee level and for franchisors. While it may not be possible exactly to replicate an annual conference in a luxury resort location, it's possible to create something as good, if not better, than most of your face-to-face events online.

Digital events are here to stay. All that remains is to find the formats that work for you and explore the potential upside of increased attendance, higher engagement and improved cost-efficiency. ■

Baby Sensory pivots to support franchisees through COVID-19

By Becky Hughes

Director,
Baby Sensory Australia and New Zealand

As the challenges of coronavirus developed this year, Baby Sensory Australia and New Zealand has been focussed on supporting the 76 franchise businesses that provide multi award-winning baby and toddler classes across these two nations.

From the beginning of the year we were aware and mindful of the coronavirus situation evolving in mainland China and the potential implications for our classes.

As the weeks passed, concerns within the community continued to rise and we started to see families making the decision not to attend sessions. At this point we seriously started to consider the need to adapt our class offering.

Franchisees were at this time given the power to decide whether to keep running based on their own circumstances and were provided with the information to help them make the right decision for themselves, their families, and their community.

By Sunday 23rd March, all our franchisees had decided to close and our classes had stopped running. The following week the government introduced further social distancing and maximum gathering guidelines which would have made it impossible for our classes to continue.

A solution for franchisees and customers

Very quickly we accelerated the work to develop a solution to be able to continue to support both our customers and franchisee team during this time.

The natural route was to find a way to take our classes online. Rather than rush to get online as soon as we could and at all costs, we took the time to develop an implementation plan and timeline for our online classes, communicating this with our team so that they understood our approach and knew what we were working towards – our Baby Sensory @Home and Toddler Sense @Home programmes.

In the short term, our class leaders ran activities and provided ideas for play at home via social media channels to keep in touch with customers and provide a flavour of what online classes would look and feel like. These ‘taster’ sessions would comprise a valuable marketing tool for class leaders.

The aim of the online classes was not to replicate our physical classes but to develop an online programme which provided valuable education and support to families, could be easily replicated at home and also provided moments of connection and fun for families during lockdown.

Parents also had the option to buy some props from our online shop, which was launched in 2019, to use in their online classes if they would like (although this is not required due to the design of activities) and we have definitely seen an uplift in online shop sales during this time.



When designing our online classes we decided that regular connection would be an important for families during the social distancing period. We therefore decided to structure our classes so that parents could access two sessions per week with their subscription. After collaboration with our team it was decided on a state-by-state basis that online classes would be priced at approximately 50 per cent of our normal weekly class price. This was felt to be an affordable price for families and reflect the value and expertise that our classes provide.

In addition, we all know that children can be unpredictable so we wanted to give parents the chance to “make up” a class if they missed a scheduled session, or repeat a session if they enjoyed it.

Key considerations in selecting a platform included protecting valuable intellectual property, which was accomplished through unique access links to classes, and flexibility to adjust to changing circumstances, so we chose a platform with monthly billing and no lock-in contract so that franchisees could cancel their accounts when we are back running physical classes and it is no longer required.

Insurance was also an important consideration, so before we even started work on our online offering we verified with our insurers that our policies would offer appropriate protection.

Although there have been some teething problems, and the platform is not perfect, our @Home classes are now up and running and we have received lots of positive feedback from participating parents and families.

Supporting our franchise team

It was an incredibly steep learning curve for head office and for our franchise team. With a small head office function, the past few weeks have been incredibly “full-on” as we have developed what is fundamentally a new operating model, learning new technologies and developing operating manuals, guides, policies, template customer communications and marketing material to help support and guide our franchisee team through this transition.

In a very short space of time, our team had to become proficient with recording sound and video, positioning recording devices and speakers in just the right place, as well as setting up professional looking “Baby Sensory” home studios.

We have been in regular communication with our teams, both at a state and local level, and provided extensive information and guidance, not only on getting up and running with @ Home classes, but also on government incentives and support available.

Understandably, class numbers are not at normal term two levels, but at least our franchisee teams now have a way to generate some income in the short term and provide a degree of business continuity both for franchisees and our customers.

We operate on a fixed franchise fee model and all of our franchisees have been provided with hardship payments for term two and term three, which have the effect of reducing their franchise fee liabilities in most cases by over 50 per cent for the next six months. Combined with government assistance, this should enable them to survive the uncertainty of the coming months.

Planning for the future

There are some silver linings from this unprecedented situation.

The move to an online class offering with @Home has the potential to allow us to reach customers we couldn’t previously. @Home has also given us a tool to be able to investigate the viability of new franchise territories in regional areas, providing valuable data on potential locations for expansion in the future.

Our newfound experience and expertise in the online world will also allow us to develop an internal online



CPD and training platform. Up until now, all of our class leader training has been delivered in a face-to-face environment but with possible future challenges and costs associated with travel having a way to deliver initial and ongoing training in an alternative way will be operationally valuable.

We are now turning our focus to transitioning back into running classes in person again once restrictions allow us to do so, considering class adaptations which may be required in the short term and with social distancing in mind. We are also developing our COVID-19 Management and Safety Plans to ensure the safety of our class leaders and customers. We anticipate that some families may not feel comfortable to come back into classes for some time and we envisage that there we may need to develop a hybrid class offering, with online elements remaining available for these families.

The coronavirus pandemic has definitely challenged us as a business and forced us to adapt and embrace rapid change. The information and webinars provided by the FCA and the Franchise Advisory Centre have provided invaluable support, information and guidance during the Coronavirus period.

We’re learning a great deal about ourselves, our team and our business are embracing this period as an opportunity to grow and further develop our franchise network and our business operations into the future. ■



Franchises demonstrate community spirit during COVID-19



While franchise businesses themselves contend with the challenges of COVID-19, the sector has shown its generosity and community spirit, with businesses finding unique ways to support frontline health workers and those left vulnerable during the pandemic.

Quest offers discounted rates for healthcare workers

Quest Apartment Hotels has provided healthcare professionals, in particular doctors and nurses, with discounted rates to stay in self-contained apartments at hundreds of key locations around the country.

"Australia's healthcare professionals are doing an outstanding job, working on the frontlines to help treat people affected by Coronavirus and flatten the curve. These people are often needing to self-isolate between shifts in order to protect their own loved ones and communities – it's an enormous sacrifice they're making so we wanted to do something to help", says Quest Apartment Hotels COO, David Mansfield.

In order to assist front-line healthcare workers to easily access these rates, Quest has launched a purpose-built booking service, which it has called Quest Healthcare Assist.

"Quest Healthcare Assist will mean that healthcare professionals staying with us can access our full suite of services including Room Service Powered by Deliveroo, the Quest Pantry Service for groceries and more, all with just a few clicks on their mobile device," Mansfield says.

As part of the package, Quest has also offered healthcare professionals who book using Quest Healthcare Assist a free 2-month subscription to mindfulness and wellbeing app 'Bloom'.

Gelatissimo shares the love with local communities

With restrictions in place due to COVID-19 this Easter, Gelatissimo decided to ask the Australian public who they thought deserved to be gifted a tub of limited-edition Choc Cross Buns gelato.

These were delivered by Gelatissimo Truck across Sydney, and by various interstate teams as a way for the brand to give back to communities who have supported locally-owned stores.

From the thousands of nominations received through the Share the Love free gelato nomination and delivery initiative, Gelatissimo delivered to nearly 100 nominations including frontline healthcare workers, family members going through a hard time, early childhood educators and countless more.



Bakers Delight donates hot cross buns to healthcare workers

Bakers Delight franchisees across the country also wanted to give back to the frontline healthcare workers within their communities this Easter.

In the week leading up to Easter, franchisees donated more than 24,000 hot cross buns to hospitals across Australia to provide a welcome treat and distraction from the reality that hard-working hospital staff were facing as they worked to fight COVID-19 and keep communities safe.



Home Instead Senior Care develops Pen Pal Program

What started as a community initiative to connect with seniors by Karen Buckley from Home Instead Senior Care and Lou Rice, from Better with Rice, Home Instead Senior Care, has developed into the 'Home Instead Pen Pal Program.'

The program invites all members of the community to send a message of care and news to seniors, including those in their own homes or residing in aged care facilities or villages, to stay connected with the community whilst they are in COVID-19 social isolation.

"Members of the

community can either handwrite a letter, record a video message or simply note some words of support. They may choose to write a message telling their senior pen pal a little bit about themselves, whilst sending some reassuring words," says Karen Buckley.

"We have set the system up electronically to adhere to the COVID-19 guidelines and protocols. CAREGivers and Health Care Workers will print out the letters and notes and distribute them to the senior they are caring for. If there is a response, they will scan it and send it on accordingly.

"It will help in some way to enable one of the most vulnerable groups in our society to feel less alone and isolated at this time."

Martin Warner, Founder of Home Instead Senior Care Australia says, "Approximately one-quarter of the senior population is affected by social isolation and loneliness, which has a significant impact on mental and physical health. This Pen Pal program facilitates ongoing community connectivity during this time of crisis." ■



Franchise partnership pivotal in planning for resilience

While COVID-19 has impacted small businesses across Australia, being part of a robust franchise system has been advantageous for multi-unit franchisee, Soon Khoo.

As the owner of Chatime Australia T-Breweries at Chatime Carousel, Waterford and Willetton in Western Australia, Soon was one of the many thousands of food retail proprietors across the country who faced the new reality of business restrictions when the COVID-19 pandemic hit.

Access to the support of his franchisor and network-wide information and learnings has been crucial for Soon during this time.

"The brand itself has a strong business model which allowed for flexibility and adaptability to weather different circumstances," says Soon.

Soon says in the lead-up to COVID-19, acting on early warnings and using learnings from the bushfires of early 2020, his business worked with head office to evolve his business model in order to be resilient during the pandemic.

In developing a new business strategy and a COVID-19 plan, Soon worked closely with his franchisor, who provided advice and governance on key areas within the business strategy.

This process resulted in developing a business strategy and COVID-19 roadmap that allowed for flexibility and scalability depending on the severity of the economic impact, the personalisation of customer

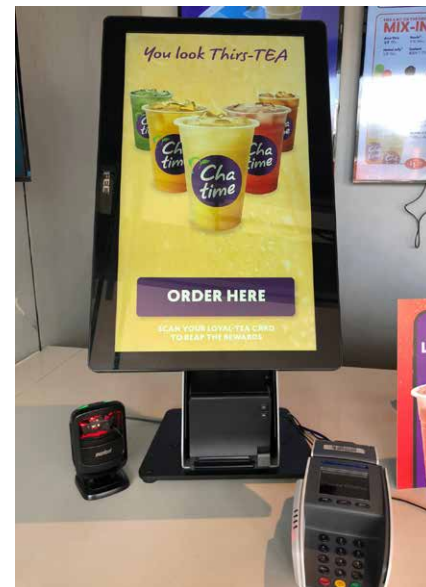
experience in alignment with government guidelines, and a transition back to 'business as usual' post COVID-19.

Internally, the plan sought to preserve the cash balance of the business and delay capital expenditure while also looking after his team's wellbeing, which included a robust communication plan with team members on business activity, as well as a staff retention plan and commitment by the business not to stand down employees.

"This strategy has guided the team in the past two months in working out every challenge and obstacle effectively and efficiently. The best practice and learnings will form part of the upcoming annual business plan," says Soon.

Soon says that as franchisor, Chatime Australia also undertook several key actions for the benefit of the network including proactive discussions with landlords around rent relief; adapting the marketing strategy to be relevant to COVID-19; lowering franchise fees; and negotiating with vendors to lower marketing fees.

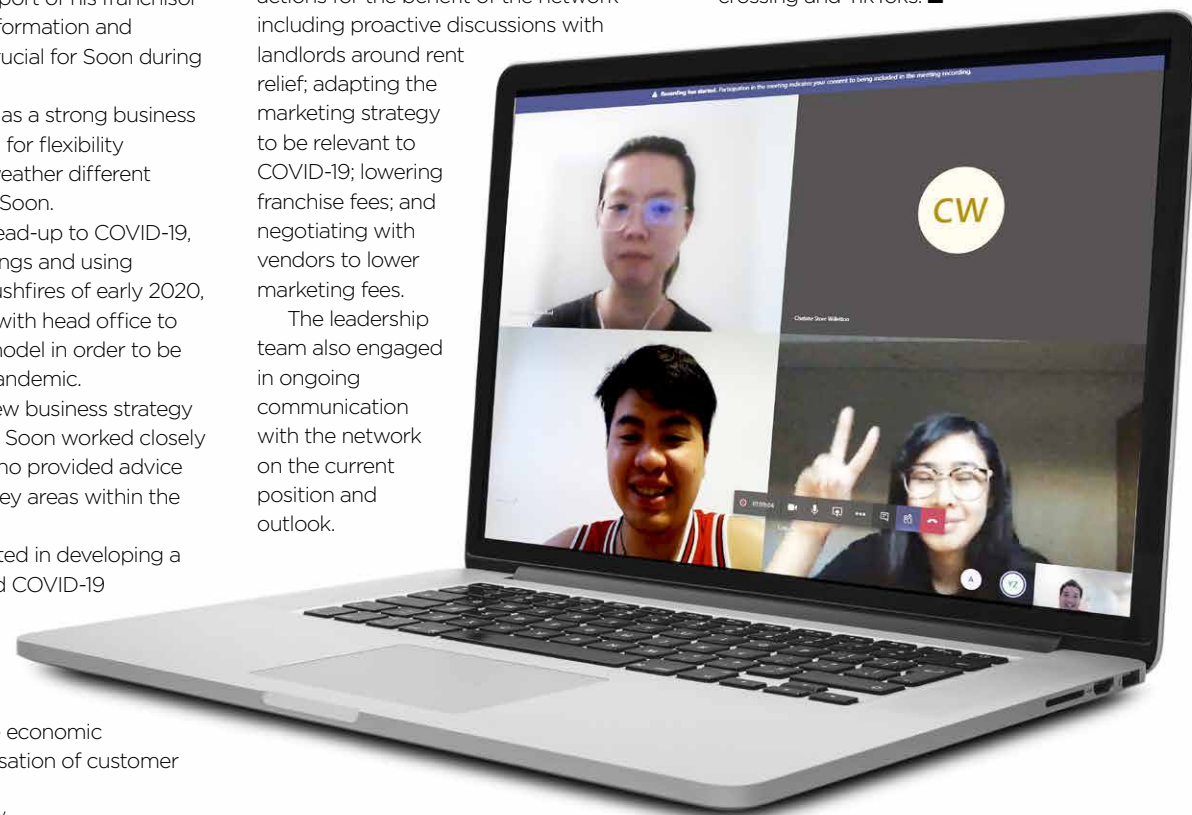
The leadership team also engaged in ongoing communication with the network on the current position and outlook.



The key innovation implemented during the pandemic has been the installation of self-serve kiosks to allow for contactless service and contactless payment during COVID-19, removing the risk of human to human interaction and adopting the social distancing rule of 1.5m apart.

Soon says during April, 70 per cent of the transactions in his business took place via the self-serve kiosks, demonstrating customer support for this option.

Other technology innovations have also been accelerated across Soon's franchise stores, including holding virtual team meetings on business operations, implementing Office365 for all business-related documents, moving to online platforms for gatherings with team members and undertaking local marketing via virtual platform such as animal crossing and TikToks. ■



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