

the franchise review

ISSUE 53 EDITION 1 2018

Delivering an innovation culture

How Fastway Couriers
is future-proofing
franchisees

Marketing transforms Hire a Hubby's business

Inside this award-
winning program

Getting your social media presence right

Five things franchises
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We all know and love the franchise model of enterprise for what it can deliver: higher rates of success, accelerated progress to profitability, aligned interests and prospects for mutual reward.

FCA Chair heralds a new and brighter future for franchising

By Bruce Billson,
Executive Chairman,
Franchise Council of Australia

These are just some of the benefits available to franchise agreement partners.

But it is not enough for us in the franchise community to know how our model of entrepreneurship is driving small business and family enterprise success stories across Australia, building world-class brands, business formats and systems, and growing the economy and jobs for Australians.

The relentless current commentary about specific aspects of select businesses in the franchise sector is being bracketed with sensationalists and fuelling ill-informed assertions that these specific failures relate to the franchise business model itself rather than enterprise-specific circumstances.

This heightens the need for us all in the franchise community to be on the front foot, sharing the things that we know and love about franchising.

We need to tell our stories, share franchise successes, highlight the comprehensive regulatory and dispute resolution framework, always keep an eye on our standards and compliance performance, lift and acknowledge best practice amongst our membership and always recall that successful franchisees are the foundation for our sector's sustainable success.

This also means respecting and empathising with the small business people, and those who depend upon them, for experiences and outcomes that have not been what they had hoped for and what may not have been the best application of the franchise model in all its elements.

What can we learn and how might we all improve?

That's why the FCA is as keen as any party to identify, understand and see addressed any specific shortcomings in

Our new initiatives aim to support franchising and drive economic and entrepreneurial success. The FCA is 'turning up', taking decisive action and getting on the front foot.

individual business conduct that may have contributed to the failure of a franchise business beyond the challenges and rivalries of a highly competitive market.

We need more entrepreneurs in Australia, not less, and a poor experience can certainly harm the more business-minded people prepared to invest in and commit to their own enterprise.

To falsely frame individual business factors and circumstances as the premise for proclaiming the entire franchise model of entrepreneurship is 'broken', as some commentators are choosing to do, is recklessly causing sector-wide harm, reputational damage without justification, and impeding the capacity of franchising to continue to lead economic and employment growth.

With the challenge of business ownership and management, cost and margin pressures in many segments, dynamism in the market and the need to constantly revitalise and refresh the 'offer' in the face of competition, new concepts, and changing consumer expectations, good franchising relationships see the franchisee and franchisor combine their strengths to collaborate for success.

Not all businesses face and can overcome these challenges well to sustain an advantage, remain competitive and continue to delight customers without performance improvement or innovation.

No-one in the franchise community wants to see a franchise business fail, and there are many factors well outside the control of regulators, law-makers and industry associations. At the FCA, we are cognisant that we are a member-based industry association and not a regulator, commercial advisor or 'umpire', or oversight agency with investigative powers.

The FCA cannot ensure franchise business success, viability in every business

unit or the reliable exercise of sound due diligence, market evaluation or commercial judgement.

But what we can do is work even harder to ensure that any lack of success does not arise as a result of:

- A lack of awareness of, or attention to, the regulatory framework;
- Poor knowledge about or lack of access to available support, due to inadequate information about the nature of franchising and its diversity;
- Insufficient recognition of the need for due diligence; or
- Some skill or know-how deficiency that we are in a position to address by way of sector-specific training, professional development or networking opportunity.

The FCA offers guidance to prospective franchisees about whether running their own business is right for them and what kind of enterprise might best align with their goals, ambitions, skills and lifestyle expectations. This 'eyes open' introduction is supported by a full disclosure ethos in the franchising regulatory framework that the FCA seeks to enhance with further information, training and support around factors that go beyond base legal compliance, and guidance to available dispute resolution avenues.

The FCA leadership agenda does include initiatives to help discern between franchise systems that are exemplars of the franchise model of entrepreneurship and those with work to do to reach this standard.

This is useful information for intending franchisees, financiers and franchise brands to know where 'better practice' can be found and what is required to improve or extend in this regard. An objective and evidence-based examination into the utility, awareness and effective application of the Franchising Code of Conduct

and associated fair dealings and dispute resolution mechanisms would also be worthwhile and timely, given some of the careless commentary and sniping that is harming credible and well-run franchise businesses, their employees, stakeholders and the Australian economy.

Such an inquiry would seek to identify any deficiencies or gaps in this extensive regulatory framework with the view to recommending any necessary regulatory change, agency operations, public education and awareness campaigns or industry-led initiatives, having considered a thorough assessment of the likely impacts.

Meaningful outcomes from such an inquiry would assist in ensuring that Australia maintains its reputation as a leading economy in which to develop and deploy the franchise model of entrepreneurship to the benefit of franchisees, franchisors, stakeholders, consumers and the broader community.

These are just some of the FCA's current leadership agenda items and the bold and forward looking next steps we are taking to ensure an even brighter future for franchising.

Our new initiatives aim to support franchising and drive economic and entrepreneurial success.

The FCA is 'turning up', taking decisive action and getting on the front foot.

We, the people who most believe in franchising, know of its strengths and benefits, can support more franchise businesses to be exemplars of this best model of entrepreneurship, to ensure it continues to deliver enormous small business ownership, economic vitality and employment benefits well into the future, just like franchising has done for decades as a part of Australian life. ■

A portrait of Mary Aldred, a woman with short blonde hair, smiling. She is wearing a dark blazer over a light-colored top and a necklace with a horseshoe pendant.

FCA appoints Mary Aldred as new CEO

By Bruce Billson, Executive Chair,
Franchise Council of Australia

The Franchise Council of Australia is delighted to announce that Ms Mary Aldred has been appointed as CEO, commencing on 3 April, 2018.

Mary was selected from a top-class field of candidates for her extensive experience across government, industry and the corporate sectors and brings a very strong focus on membership engagement, stakeholder collaboration and effective advocacy. She leaves the Committee for Gippsland after many successes in her seven years as CEO, including attracting strong government, business and community support through effective and engaging advocacy, building a growing membership base that includes several franchise businesses and establishing strategic partnerships that position the organisation for long term growth.

Having left school at 15 to work in her parent's small business, Mary brings a real life understanding and genuine affinity with small businesses. She understands the operational and financial commitment families make in small business, along with the passion for entrepreneurialism. This perspective, combined with her executive experience, resourcefulness and success in effective member organisation leadership means that the FCA will benefit from Mary's strong focus on membership and partner engagement, stakeholder

collaboration, strong advocacy for the franchise sector and pursuit of key FCA strategic objectives.

The FCA is excited to bring her breadth of experience, success and leadership to the organisation, our membership and the broader franchise community.

"The role of CEO at the Franchise Council of Australia presents a once in a generation opportunity to work in the engine room of the national economy. There are transformational challenges and opportunities presenting to the industry. Sector confidence, strong advocacy, a focused and engaged membership elevating industry standards and developing the industry's reputation as an employer of choice will be early areas of focus in my new role," Mary said.

"The industry is about people, and I want to drive a renewed focus on the mums and dad working small businesses to create jobs, young people in our industry starting their first job, and building regard and recognition for a sector that contributes \$146 billion to the Australian economy," she said.

The Board and I have set some clear performance expectations and accountabilities for Mary, particularly

in relation to commercial and member engagement outcomes. An early task is to lead a review and refinement of our strategic plan to sharpen the focus on key objectives and to make sure the organisation is structured in a way that best support the delivery of these objectives and priorities.

I am confident the franchise community will quickly gain an appreciation of Mary's capacities and significant 'value-add' to the FCA and rationale for her selection from a strong collection of short-listed candidates. We have good reason to be confident about the future and the ever improving 'value-add' the FCA contributes to the franchise community and our sector's strengths as the best model of entrepreneurship. ■

"The role of CEO at the Franchise Council of Australia presents a once in a generation opportunity to work in the engine room of the national economy"

FIND OUT WHY SNOOZE WINS AWARDS FOR FRANCHISE PARTNER SATISFACTION



Choosing a tried and tested franchise

When considering buying a franchise, finding an established and recognised brand is often the key to securing success. Established leading franchise brands offer investors a tried and tested business model, supported by years of experience within the marketplace. Larger franchises create their own momentum by attracting new customers and fresh interest in the brand. With 91 stores, Snooze is a leading brand in the Australian marketplace, both in terms of size and reputation.

"In my franchising history, I have never seen as many associated people, either direct employees or franchisee employees, who have wanted to get involved in the business."

Simon Beaty, Managing Director – Snooze

Strategic marketing and adapting to trends

Any given marketplace can change significantly over time, meaning brands must evolve to meet these challenges. Strategic marketing plans allow brands to plan ahead and maintain optimal performance. Changing market trends, however, may call for a shift in planning or reconsideration of marketing tactics. It is not enough to rely solely on being a recognised brand – attracting, converting and retaining new customers is vital to any marketing plan. So, how does a franchise take all of that brand strength and convert it into sales? Snooze achieves this by maintaining a high-profile multi-channel marketing program that supports the national franchise network. Its multi-million dollar advertising campaigns include TV commercials, print ads, social media and ongoing updates to its award-winning website. This is where the Snooze strategic marketing plan – which has been proven to work on a national level – comes into its own.

Category kings and industry leaders

Recognition as an industry leader in franchising is attained and maintained through a combination of important business systems. Elements such as strong marketing, buying power of a group and specialised services can achieve a competitive advantage over other brands. Capitalising on these brand strengths can prove to be the difference between strugglers and leaders in a category. Snooze continues to be an industry leader, ranked within the top 5 for mattress and bedroom furniture sales in Australia. The Snooze brand has also been recognised in the Top Franchise 'Top 10' awards since 2010, winning first place in its franchise category in 2016. It's that top-of-mind awareness with franchisers and customers alike that makes Snooze such an attractive prospect for anyone looking at franchise opportunities.

Beaty says, "The bedroom is our core competency, and from a Snooze store and a Snooze bedding perspective, that's where our focus is."



Ongoing support for continued success

When you take powerful customer brand recognition right across Australia and combine it with training programs and support, you can leverage this strength for your own franchise. Snooze provides a 4-week program, including IT and operational training, to ensure franchisees are knowledgeable on product and sales, plus you will have access to a Business Development Manager and the Snooze Support Centre for ongoing.

For more information about becoming a Snooze Franchise Partner, visit snooze.com.au/franchising

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

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A HIRE A HUBBY CASE STUDY

How marketing can transform a franchise

By **Caragh Welford**,
Marketing Director,
Hire A Hubby





Hire A Hubby was awarded the Franchise Council of Australia's Excellence in Marketing award in 2017. Marketing Director, Caragh Welford, discusses their award-winning marketing program and how it transformed Australia's largest handyman business.

At the time I joined Hire A Hubby in 2014, the business was undergoing a digital and business transformation. It was an exciting time to join the team with many new things on the horizon, and I soon realised that our marketing program would need to evolve accordingly.

Hire A Hubby had spent the last few years developing an end-to-end franchising solution to drive efficiencies, collect better data and improve support for the network's almost 300 franchisees. Realising this system had application industry wide, it would eventually be launched to market as Franchise Cloud Solutions in 2017.

By July 2014, adoption of the system had hit 90 per cent, which meant we suddenly had access to much more comprehensive data about our franchisees than we had ever had before. We were now able to pull reports about leads, jobs, quotes, time spent, financial results and much more, enabling us to easily identify trends and patterns across our whole franchisee network.

Of course, this data is a gold mine - especially for a marketer. When analysing that data, we realised that most franchisees were working on much larger or more complex jobs than simple handyman work. These included full kitchen and bathroom renovations, preparation for sale, pergolas, tiling and painting. Many of our Hubbies were working closely with strata managers, property managers and real estate agencies on repairs and maintenance, or office fit outs.



◀ *Hire A Hubby CEO Brendan Green and Marketing Manager Caragh Welford (centre) accept the FCA's Excellence in Marketing Award for 2017*

A brand perception mismatch

At the time, Hire A Hubby still largely had a reputation in the market as a basic handyman service, undertaking more simple jobs such as hanging up pictures, fixing cabinets or hanging doors. We quickly realised there was a gap between the work franchisees were actually doing and the perception of the work they could do.

We realised that these misconceptions could prevent Hubbies from attracting leads for these larger and more complex jobs. We could tell from the data that these jobs led to more repeat business and generated higher revenue and margins, so it was critical that we could help Hubbies attract this work.

As part of our analysis, we surveyed our franchisees in June 2015 to find out more about how they work. The findings of the survey further revealed the gap between perception and reality, and also revealed some interesting insights about how the brand is perceived by customers. Many customers were feeding back how much they valued Hire A Hubby for our superior quality workmanship and customer service. Many franchisees reported the many ways they added extra value through identifying unforeseen problems while on the job - such as rotting timber, exposed asbestos or white ants. They were also often engaged to 'fix the fixing' through fixing jobs from other tradespeople.

So, it became clear to us that there was a significant opportunity to reposition the Hire A Hubby brand as more than just a basic handyman service. We wanted to focus on the diversity of jobs that Hire A Hubby could complete for customers as well as highlight the quality workmanship and superior customer service that Hire A Hubby offers. Ultimately the goal was to generate higher quality jobs and leads for our franchisees.

The importance of quality leads

When we first began to assess how we would go about repositioning the brand and the benefits, we already knew there was significant room for improvement in the quality of leads coming our way.

Many of the leads that Hire A Hubby generated came through third party websites such as comparison websites and search directories. We found that the nature of those leads was poorer in quality as typically quotes were assessed on price rather than quality. It was difficult for our franchisees to compete and they would end up spending a lot of time quoting on jobs which wouldn't convert. Or if the quotes did convert, the margins were lower.

We recognised that if we could reposition Hire A Hubby as a higher quality handyman and tradespeople service, while simultaneously boosting our digital presence, we could reduce our reliance on comparison websites and search directories, and instead rely on our website and digital channels as the primary lead generators - ultimately generating higher quality leads directly to us.

An investment in digital

To attract direct leads we needed to completely overhaul our digital strategy to ensure that all our digital channels were lead generating.

We decided to develop a new website and invest further in SEM and SEO. We switched to a new digital agency to manage this - allowing us to develop a more integrated and transparent approach.

We redesigned our eDMs to make them mobile responsive, with content and calls to action geared around our new brand positioning. We also repositioned the content for our social media channels in line with our new strategy.

We decided to bring Facebook in-

"Hire A Hubby continues to go from strength to strength and I have no doubt that marketing has played a key role in that. If you want to change your business, you need to change your marketing."

house, which saved us tens of thousands of dollars per annum. This allowed us to fund the new website redevelopment as well as free up additional funds in the marketing budget. Because the marketing budget is drawn from the ad levy of franchisees, we didn't want to increase the levy, but knew that we would need more money to fund our ambitious marketing program. By finding efficiencies throughout the course of the program and switching gears when needed we were able to achieve more without the franchisees needing to spend any more than they already were.

The new digital strategy and digital channels launched in November 2015. To complement the new digital strategy we also began to invest in public relations to reposition the Hire A Hubby brand. We partnered with a PR agency who used the results of our Hubby survey to develop PR angles for media stories throughout the remainder of 2015 and into 2016.

Buy-in proved critical

It was extremely important for us to get buy-in on the new marketing program. We knew that it could potentially face some backlash from franchisees due to a lack of understanding around what we were trying to achieve. In particular, we anticipated a reluctance by franchisees for us to spend a large proportion of the 2016 ad levy on national marketing efforts and not just local area marketing efforts.

On top of that, our marketing team was relatively new and could be perceived as coming in and changing everything or trying to fix things that weren't broken. The website had been redeveloped only two years prior so we knew that recommending that it be redeveloped again would be controversial. Digital knowledge was also limited across our franchisee network, so it was important that we could explain why things like mobile optimisation, SEO or SEM were



important to generate leads and support their businesses.

Ultimately our goal was to take all stakeholders, especially the franchisees, on the journey with us - to keep them engaged and committed to the marketing program's success. We set out to communicate well and often, with the purpose of educating all stakeholders on why the change in strategy and investment was worth it. We also set out to regularly update them on progress and results.

The results

We were blown away by the results of the marketing program within only 12 months. We exceeded our KPIs across every channel. We saw big shifts in how we acquired customers. From 2015 to 2016 we were able to increase acquisition across every channel by 20 to 30 per cent, except third party referrals which decreased by over 60 per cent - a great result in line with our strategy.

We also achieved excellent results from our PR program with nearly 200 pieces of coverage acquired throughout January to December 2016 with a total reach of over 23 million people. We found that our PR results were contributing to website traffic and therefore jobs acquired directly rather than through third party websites.

We hadn't expected the turnaround from our reliance on third party sites to our digital channels to occur so quickly. It was a welcome surprise to see we were achieving what we set out to do in less time than expected.

What this meant was that we were able to bring forward the process of completely phasing out third party referrals. We banned franchisees from listing on third party websites, completely removing

Hire A Hubby's presence there. The ban was accepted by franchisees as we were able to demonstrate the great results achieved across our other channels. Our franchisees were also noticing a difference in the quality of the leads they were getting, which really helped with getting the ban over the line.

Hire A Hubby continues to go from strength to strength and I have no doubt that marketing has played a key role in that. If you want to change your business, you need to change your marketing - it just goes to show that an ambitious marketing program can pay off. ■

By analysing the data, Hire a Hubby found most franchisees were working on much larger or more complex jobs than simple handyman work ►





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Setting your franchisees up for local marketing success

By Karin Ingram,
Marketing Manager,
Kwik Kopy Australia

With more than 35 years in the business, Kwik Kopy Australia recognises the importance of local area marketing to each franchisee's success. These days, Kwik Kopy franchisees can be found embracing the world of posters and signage in addition to print, design and marketing services.

Investing in a franchise gets a business off to a great start with instant brand recognition, but it's important to give your franchisees ongoing marketing support to help grow their customer base in their local areas.

Marketing is key to creating awareness, attracting clients and building loyalty so that your franchisees can run a profitable business and feel motivated to achieve their goals. Remember, your franchise owners will have varying degrees of experience when it comes to promoting a business. A focus on local area marketing helps to level the playing field and set each franchisee up for success.

Engage your franchisees from the get-go

The first step to maximising your franchisees' local area marketing activity is to ensure they have a business and

marketing plan before they even launch their new site or territory. Local area marketing activity can be built into the overall strategy as a new owner defines their short and long-term goals.

Leverage national campaigns

As a franchisor, you have a responsibility to help your franchisees have all the promotional resources needed to unleash the full potential of their business. When national campaigns are running, make artwork such as posters and point of sale material available for franchisees to promote the campaign locally. You can also consider subsidising some of the local area activity from your national budget. Remember, the larger the franchisee engagement then the greater your marketing reach and brand presence across Australia.



KWIK KOPY CASE STUDY

Over the past two years, Kwik Kopy has leveraged our national fund to subsidise the local components of the national promotions, giving the franchisees a 50 per cent discount on printing and mailing costs for unaddressed and addressed mailers in their local area. This has helped us achieve our biggest participation in marketing activity ever, resulting in double the number of bulk mailers distributed. Our franchisees are seeing the benefits of increased promotion in their local areas!



Create an annual plan

Having a marketing plan in place gives the entire franchise organisation a shared vision and lets your franchisees know that you're serious about their success. Circulate a copy of the plan to every franchise owner so that everyone has all the information they need and knows exactly what is planned at any given time. Send out regular updates in monthly newsletters and other internal communications to keep everyone in the loop and motivated throughout the year.

Use a marketing portal for easy access to materials

Making your campaign materials accessible via a centralised marketing portal delivers business benefits to the franchisor and franchisee alike. It ensures that every franchisee has the materials they need with the peace of mind that there will be brand consistency across the entire franchise network. A marketing portal also saves each franchisee time with the ability to order online and download artwork to have printed at their local printer. Flexibility is an added bonus, allowing for customisation so that your franchisees can target each customer; from a receptionist in the CBD to a business owner in the suburbs, each campaign can have a tailored approach.

Support the all-important follow-up

Follow-up is essential for increasing conversion rates so make sure your franchisees have all the support they need. Leads should be responded to quickly, so providing scripts your franchisees can use will help increase their chances of success. Consider investing in a head office person who can follow up and set appointments for your franchisees if necessary (and applicable to your business).

Remember, communication is key

Good communication is essential to delivering an effective marketing strategy. Take the time to thoroughly explain each upcoming campaign and provide physical samples of marketing material to get the buy-in of your franchisees. Provide feedback on campaign effectiveness and results to help your franchisees understand what has worked best in reaching their local customer-base (and encourage future participation in campaigns). Case studies from other high-performing franchisees are also effective in keeping your stakeholders engaged.

At the end of the day, your brand is only as strong as your entire group of franchisees. By providing your franchisees with the tools they need to successfully roll-out local marketing activity, helps maintain brand consistency as they build a profitable business in the local community and take their success to the next level. ■

KWIK KOPY CASE STUDY

Our state-of-the-art online print management solution Zenith Hub, allows us to load assets for all national promotions. It's a fantastic tool for storing all the relevant marketing collateral for each campaign in the one place. Posters, banners, email signatures, social media assets etc. are all accessible for franchisees to download and print in-house at any time. This ensures brand consistency as well helping to give our campaigns a wider reach at a local level!

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BOOSTING FUTURE BUSINESS OWNERS

The Boost Juice story is well known and embodies the entrepreneurial spirit that has seen it shake up the Australian wellbeing industry. It's with no surprise that this spirit has filtered into Boost Juice stores, where the brand has seen three of its team members (internally known as Boosties) transition to owner operators in the last six months.

Boost Juice was built on the ethos of having employees and franchisees who are extremely passionate about the Boost brand and can convey that passion to their customers. After 18 years of growth, Boost has now opened 283 Australian stores and in February opened its 208th international store in a new market for the brand, Bangladesh.

Beginning her Boost journey at the age of 16, Johanna Brecard quickly took on a team leader position within her first two years. After a short stint living overseas, Johanna returned to a business manager position working for Boost Central Coast franchisees Tony and Cheryl Dormer. The Dormers saw Johanna's devotion and potential and awarded her the area manager role for their three stores.

When the opportunity arose to own her own Boost store in Green Hills in partnership with the Dormers, Johanna knew it was an opportunity she needed to jump on.

"Boost is a brand whose values really align with my own and one I've loved since a young age. The simple philosophy of delivering an amazing product to our customers and have them leave feeling just that little bit better is something that really resonates with me," said Johanna.

Zachary (Zac) Jones has long been passionate about owning his own Boost store. He spent years tenaciously working towards his goal through numerous roles at Boost Craigieburn and Broadmeadows. In December 2017, the Boost Support Centre assisted Zac in transitioning from Boostie to the new owner of Boost Forest Hill – a store which also debuted Boost's new store design concept.

Zac's concept store is quite unique and is another way Boost Juice continues to be innovative. The Forest Hill store engages customers with its illuminated graphics, bright colours and cheeky messaging. In a first of its kind, the store debuted Boost's digital menu boards, on-trend new uniforms and USB hook-up stations to keep customers entertained whilst waiting for their smoothies and juices.

Boost's new store design has been positively received by their current partner network as well as applicants coming through their franchise recruitment process. With numerous stores scheduled to undergo lease renewals and refurbishments in 2018, Boost's new look will soon debut in each Australian state. The brand's 284th store is scheduled to open in Mount Gambier in April.

Boost appeals to new franchise partners by providing a trusted business model while simultaneously offering outstanding support in digital marketing, customer relations, operations, leasing, IT, human resources, franchising and product and supply. As part of the franchise application process, Boost provides new partners with a comprehensive three week in-store and back-of-house training program with their Learning & Development team.

Yash Soni also worked as a Boostie for two years in Sydney. When the opportunity presented itself to own a Boost in Darwin, he jumped on a plane to become a part of the brand's story. "It was a huge risk moving from Sydney to Darwin but seeing what I am achieving at the Casuarina store with the support of Boost is truly inspiring," says Yash. He describes his training as "a motivating experience that gives you a feel for the brand and what it stands for. You leave feeling motivated and wanting to excel in your own store".

A common theme between Johanna, Zac and Yash is their aim to perfect their first stores and become multi-site franchise partners in the future. Their journeys are a reflection of the opportunity for

growth within the company and Boost's eagerness to approve new and passionate franchise partners who bring fresh ideas to the brand.

When asked what advice she'd give to other Boosties looking to purchase their own stores, Johanna recommended that they set both financial and development goals. When the opportunity arose



for her to enter into the partnership, she started to look at the Boost stores she had worked in for 14 years differently. Johanna was eager to shadow the Dormers, learn the back-of-house systems and processes and strengthen her areas that required improvement. She also recommended that Boosties keep an eye on any new and existing opportunities that become available throughout Australia.

With six Boosties overall having progressed to franchise partners, Boost's Franchising department are eager to see this number grow. They are currently in discussions with three additional groups of Boosties, who may be interested in the brand's travel centre and train station opportunities, having seen 12 Caltex and 5 BP stores already in operation.

With the release of its new store designs and continuous exciting projects, Boost remains the food retail brand to watch in 2018.



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Five things franchises need to know about social media marketing

By Steven Donald
Chief Strategist, Pure Social

Social media is unprecedented in its ability to provide franchisors and franchisees with an all-encompassing platform for brand promotion, customer engagement and collaboration for business success. With the ability to measure the success of social media efforts in real-time, franchisors and franchisees have never been better placed to target their marketing endeavours.

While there are many social media channels, Facebook and Instagram offer the most sophisticated in terms of targeted advertising, publishing tools and overall effectiveness for multiple location, collaborative social media marketing. Whatever social media platforms you choose, there are some common considerations to help maximise your social media marketing success.

1 Multiple locations, one message

In today's social world, the effective franchisor is faced with the mammoth task of co-ordinating a consistent brand, both through traditional media channels and in the fast-paced, two-way, digital environment. Bespoke content needs to be created for each social channel, and franchisors need to monitor how that content is disseminated for each franchise location to ensure brand consistency is maintained. If individual franchisees are permitted under the franchise agreement to manage their own social media, they face the challenge of trying to grow a following for their location while adhering to their franchisor's guidelines

Either way, the franchisor should

establish clear social media guidelines, both for their own efforts and for those of franchisees. It can be a challenge for franchisees to create content that is in line with the brand's overall messaging and at the same time relevant for their individual location. Most franchisees are not experienced marketers and social media proficiency will vary wildly from franchisee to franchisee.

Franchisors should decide if they will be in total control of social media or if their franchisees can participate and to what extent. By establishing clear guidelines, robust and consistent brand material and documented procedures on where responsibility lies and for what, a level of consistency and effectiveness can be established for the benefit of the entire franchise group.

2

Engage, don't sell

Social media posts in general should not be “salesy”. Typically, content (posts) should fall into four distinct categories: brand posts; engagement posts; informational posts; and finally, sales posts.

The ratio of these post types creates the “tone” or “voice” of the social strategy. Establishing a library and schedule of content that fits these categories is extremely important. Typically, the franchisor domain is solidly within the brand and sales post categories, however it can extend to the other post types; this is typically a measure of the franchisor’s control over content. For local engagement and follower growth it is advisable for the franchisee to have a hand in the engagement, informational and to some degree sales posts, depending on the franchise agreement.

It is important to create a “story” with a natural ebb and flow to the information. Too many sales posts will put off prospective followers, too many engagement posts and the effectiveness of the marketing channel will diminish. The most important thing is striking the balance that is comfortable for franchisor, franchisee and their target audience.

Social media posts create the “invisible salesperson” and establish a trust network when prospective customers are researching a brand to make a purchase decision or retaining existing customers’ loyalty. This digital footprint and social proof is the foundation to a successful social media strategy.



3

Pay to play (reach and advertising)

The most important thing to understand is that Facebook (and Instagram) are “pay to play” environments. Organic reach, the amount of people that see a brands message, has been declining steadily, and rapidly, for the past five years. Real world organic reach for businesses on Facebook is between 10 per cent and 20 per cent of a page’s follower base. It is quite frankly not worth the effort for most small to medium businesses.

A strategy to combat this is that every piece of content published should have a paid “boost” applied to some degree. This provides the additional advantage of targeting exactly the desired audience for that business geographically and demographically. It is virtually impossible to do this manually and API (programmatic) automation is required.

The Facebook (and Instagram) platforms are massive “Big Data” machines, with the ability to find lookalike audiences of current customers, remarket to existing customers and scale from a local level to a national level with everything in between. By using multiple ad formats, objectives and to interface with search advertising and websites, the possibilities are limited only by the franchisor’s vision.

4

Is it working?

ROI on social media has received a fairly bad rap over the past few years, but steadily that is changing.

Vanity metrics such as likes and followers, contrary to popular belief, are relevant to the overall social media strategy, but they must be genuinely acquired. Paid third party services promising to grow your follower base should be avoided as they offer very little valuable return on investment and can damage your social media page irreparably. Gaining followers through reputable paid page building, paid brand awareness campaigns, social media competitions and loyalty programs are valid and recommended methods of growing a page’s presence.

The ROI of social media depends on the goals and objectives of the franchisor and franchisee. Most importantly everything should be tracked, measured and reviewed regularly; this allows for adjustments to the overall strategy. Reporting tools allow for the investigation at a macro franchisor level and a micro franchisee level for complete transparency to examine where and what is working, ultimately allowing for effective overall and long-term marketing decisions.

5

Most importantly, create a unified, positive customer experience

Whether you have two locations or 200, social media can be challenging on either side of a franchise agreement. The public should see one uniform brand. By employing good planning, good practices and good people all players can ultimately sing the same tune in harmony. It is then that franchisors and franchisees can deliver their customers a seamless experience. ■

While there are many social media channels, Facebook and Instagram offer the most sophisticated in terms of targeted advertising, publishing tools and overall effectiveness for multiple location, collaborative social media marketing.



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How do you keep your franchise social media marketing consistent and relevant, at both a brand level and a local level while building tangible business results that benefit both the franchisor and franchisee?

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Partnerships are at the core of Muffin Break's business. Whether it's generating increased brand exposure, providing franchisees with access to competitively priced products through their suppliers, or offering training and development across the network, this home-grown brand is leading the way in delivering value to franchisees and customers alike through mutually beneficial collaborations. *The Franchise Review* spoke to Muffin Break's General Manager, Natalie Brennan, to find out more.

Partnerships the icing on the muffin for iconic Australian brand



Natalie strongly believes that in the franchise space in which they compete, partnerships can be represented as a perfect triangle. It encompasses the relationships between the franchisor, franchise partners and their suppliers. Each of the businesses thrive when they are committed to supporting each other.

"Ultimately, we are all in business to influence our respective markets, and at the core, to make a profit to support each other's business objectives," Natalie says.

Partnerships with suppliers

Natalie cites one example of a partnership which grew from Muffin Break's relationship with their long-term milk supplier.

Lion Dairy had been watching the movement to plant-based milks in coffee and approached Muffin Break with the opportunity to offer an alternative milk to Muffin Break customers in each franchise business across the network. Vitasoy, encompassed under the Lion Dairy umbrella, were trialling soy milk specifically for baristas.

When Vitasoy presented this opportunity to Muffin Break, Natalie recalled "a number of our team members in the meeting, who were plant-based milk consumers, were outraged at consistently paying one dollar extra for their daily coffee".

A marketing campaign was brainstormed, and the result was the "No Charge for Soy" campaign.

During the initial promotional period, Lion engaged franchisees by reducing the price of soy milk. In 2015, Muffin Break launched the new initiative across their 220 stores and have maintained the 'No Charge for Soy' policy every since. Coffee sales grew substantially for the franchise partners. This was the result of the significant point of difference, in combination with an ever-expanding base of the consumers of plant-based milks.

The initiative has also grown sales of the Vitasoy Barista offer for Lion Dairy and Muffin Break experienced increased customer satisfaction from both existing customers and new customers that strayed from competitors.

The Lion/Vitasoy partnership with Muffin Break and their franchisees is only one triangle of supplier partnerships. Muffin Break maintains many similar relationships with suppliers that assist their franchisees to operate successfully. Over the past few years these have included Nutella, Weight Watchers, Steggle's Chicken and Lawsons Bread, to name a few.



Partnerships as a marketing strategy

Muffin Break also has taken partnership relationships beyond food. They currently have a major partnership with Australia's leading breakfast program, Sunrise.

This collaboration is a highly effective way to speak directly to the brand's core demographic. The deal includes a range of weather broadcasts featuring Muffin Break products, on air placements and announcements, plus exclusive offers for Sunrise viewers. The camera also regularly crosses over to guests waiting in a Muffin Break-themed Green Room.

It's the perfect marriage, reflecting a collaboration benefitting these iconic Australian brands and, just as importantly, a partnership with Muffin Break's franchise partners. As Sunrise goes to air, Muffin Break stores all over the country have already commenced baking in preparation to serve their mutual audience.

Partnerships with other established brands

During her time with Muffin Break, Natalie has also opened a pilot store in the United States of America.

It was here where she saw how well brands partnered together to open up new markets and increase brand awareness. The example Natalie

remembers was when she visited her local Borders bookstore, there was a Starbucks within the store selling Cheesecake Factory cheesecake.

"All three brands were complementary to each other, and didn't cannibalise each other," Natalie said.

Muffin Break had an opportunity to test the idea of complementary brands when they were approached by one of the leaders in children's playcentres in Australia. This ultimately led to a ground-breaking opportunity to partner with Croc's Playcentres.

Croc's Playcentres were established in 2008 by Lawrence Cusdin and Brett Aldons. They both have young children and were dismayed at the quality of the children's playcentres they visited - aging equipment, dirty bathrooms and low-quality food and dismal coffee. They knew it could be better and built a business that delivers on what they wanted for their own children. The concept is achieving great success in its expansion and will soon be the largest operator of children's playcentres in Australia. The pair decided to team up with Muffin Break to bring a premium cafe bakery experience to each of their playcentres.

Each new Croc's Playcentre now includes a Muffin Break bakery café, delivering two great brands in one franchise package and reflects Natalie's

The partnership between Muffin Break and Croc's Playcentres has delivered benefits for both brands



Muffin Break's 'No Charge for Soy' policy helped franchisees grow coffee sales

experience all those years ago in the USA.

"Having a branded bakery cafe within a children's playcentre is a huge positive within an industry which has traditionally provided low quality food and service standards. We searched for a brand with both the personality and fit with our current customers' demographic and values. Muffin Break was the perfect cultural and quality fit for Crocs," Mr Aldons said.

"Having a branded bakery cafe within a children's playcentre is a huge positive within an industry which has traditionally provided low quality food and service standards."

The synergy is just as beneficial for Muffin Break.

"We're excited at the opportunity to work with a dynamic channel leader like Croc's Playcentres. It allows us to be part of the growth in leisure centres, creating a home away from home for the family and the perfect place for mum to entertain her kids whilst enjoying some quiet time," added Serge Infanti, Managing Director of Muffin Break's parent company, Foodco.

The Croc's Playcentres and Muffin Break partnership is a perfect representation of the hospitality and entertainment sectors collaborating to support and build greater awareness of each brand. The triangle here also encompasses an opportunity for Muffin Break's suppliers to expand their business to new sites, and for Muffin Break to be exposed and gain new customers in the Croc's Playcentres.

Muffin Break is focused on continuously building partnership triangles to further build their operations, promote their brand awareness and work collaboratively with businesses that share similar demographics and values. The brand recognises that partnerships are critical to building and growing relationships and profits in this challenging retail environment.

Even though the perfect triangle model is not yet as developed in Australia as in the USA, Muffin Break are hoping to lead the market in forming these relationships and further developing the business - thus reaching new customers that may have never experienced the Muffin Break brand previously. ■

Shift to Combining Loyalty and Online Ordering



It's no secret that loyalty programs are effective marketing tools. They increase sales, help retain customers, and improve your brand's reputation. Combine a loyalty system with online ordering and you really maximise your sales potential.

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Keep us out of the media

By Damien Gooden
CEO, HR Central

HR Central work with a diverse range of franchises on solutions to human resources within their network. And a good percentage of this work is listening. We hear about the business, the history, the successes, the challenges, the failures and the plans. Front and centre of each of these stories are people. Different stories and people lead to different challenges and from our point of view different solutions and conversations per story.

That is until now.

Since the first suggestion of changes to the Fair Work Act surfaced almost two years ago, the conversation has changed. Across the franchise sector, the discussion has continued with lawyers, advisors and HR firms all putting forward their thoughts on what might be required, what is best practice, and what the requirements might be.


However, talking with many franchisors, I find the stories have become very similar. Just keep us out of the media.

As all in franchising are aware, *The Fair Work Amendment (Protecting Vulnerable Workers) Act 2017* is now law and franchisors are confirming their

responsibilities, reassessing the advice they have received in the past and deciding what they need to do in the context of this revised legal landscape.

Franchisors we talk to want to make sure those in their network are receiving wages and entitlements in line with Fair Work legislation. They are more aware than ever that things may not be perfect in their network and in some cases, they are not close enough to know exactly what is going on.





The fact of the matter is that now franchisors need to know about any issues in their network and fix them. If the legislation and liability that comes with it are not enough to spur franchisors into action, then here are four reasons that might push them over the line to investigate their network and address any issues:

1 It is the right thing to do

The phrase “A fair day’s work deserves a fair day’s pay” or variations thereof represent the Australian way of life. Those who are willing to take a job and work hard at it should be paid what they are due.

We hear so many success stories of people starting as a casual retail assistant and working their way up to senior management, or of the loyalty and commitment of employees who have been with a business for years.

Not paying what people are due? Some might call it un-Australian.

2 Successful franchisees are the key to a successful brand

To overly simplify things, franchisors are providing some combination of products, systems and know-how to business owners (who become franchisees,) in return for fees or some other recompense. This has mutual benefits.

The more successful franchisees that a franchisor has in its network, the more successful the network will be.

The ongoing success of franchisees leads to ongoing success for the franchisor/brand, which then leads to more people wanting to purchase a franchise and increased value of each franchise in the network.

Recruiting potential franchisees, vetting them and putting them through the induction process takes a great investment of time and money. If your brand is in the media for all the wrong reasons, recruiting new franchisees will become even harder.

For existing franchisees looking to move on, the value of their franchise, their piece of the brand, may well decrease, if they are even able to find a buyer.

3 To be successful, franchisees need employees

There are many things that come in to consideration when running a successful franchise and the people in the team is certainly high up the list – or should be.

Much like franchisors recruiting franchisees, the process of recruiting, filtering, reference checking and training new staff is a major investment of time and resources for most franchisees.

A negative view of your brand, particularly around wage and entitlement issues, has the potential to greatly limit your pool of potential employees. Younger workers taking advice from their parents may well be directed to ‘known good’ employers to ensure they are not at risk.

Key to this issue is that it only takes one franchisee to make the media, but all franchisees can be affected.

4 To be successful, franchisees need customers

A common phrase from a great mentor of mine is “Nothing happens without a sale”.

The overall impact on sales is a consideration not only for the franchisee who has fallen foul of the law, but for the whole network.

Customer numbers and sales for your local franchise can be impacted by the actions of those in the network in other states or territories. Too often in today’s ‘snacking’ on news are the details known by few, but the sensational headlines known by the masses. ■

So, what does it all mean?

Make certain everyone in your network is taking the appropriate steps to confirm that everyone is receiving what they are due. Whilst debate about marketing funds and how they are managed is a topic unto itself, this will ensure the only time you are in the media, it is due to a spend from your marketing fund.



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

- Award and Enterprise Agreements (including wages, conditions and entitlements)
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- Record keeping and pay slip delivery
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Our approach is to work with any Franchise Head Office to develop relevant HR documentation and systems tailored to the network. We then help roll it out to all Franchisees to ensure consistency across sites and teams, compliancy with HR legislation, less staff turnover, increased performance and importantly minimisation of risk to brand, reputation and pocket.

FINDING A SAFE HARBOUR FROM FINANCIAL DISTRESS

By John Winter, Chief Executive Officer

*Australian Restructuring Insolvency
and Turnaround Association (ARITA)*

Financial distress in franchised businesses has been all too topical of late. And while franchises are no more likely than other types of businesses to suffer adverse trading environments, those recent headlines remind us that it's time to talk about a subject people would often rather not discuss.

While your business may be going fine now, having at least a rough plan for what to do if circumstances unexpectedly shift can make the difference between keeping your business and house or losing them.

KNOW THE SIGNS

Every accountant will tell you this and for a very good reason: knowing your true financial position is the first and best defence to saving your business and yourself from financial distress

It's only by having reasonable books and records and then being able to work out what money you've got, and are likely to get, that you will know if you can make it.

The Federal Government recently brought in what are called "safe harbour" reforms that are designed to give you some breathing space to save your business without fear of being personally pursued for potentially criminal action for trading while insolvent (i.e. being unable to pay your bills when they are due). Two of the key rules for gaining safe harbour protection are having adequate books and records and being up to date on your tax and employee obligations.

GET THE RIGHT ADVICE AND EARLY

When money's tight, probably the last thing you want to do is spend money on an adviser, right? Even if it's a stretch

financially, it could be the best money you ever spend. The right adviser will understand the situation you're in and be able to steer you towards a safe port or help you exit your business with as much intact as is possible.

Choosing the right adviser, though, is not so easy. Sadly, there are a lot of unqualified and unregulated advisers who will pop to the top of a Google search or who may even contact you directly. They will generally want a pretty big payment and will make promises about being able to stop liquidators chasing you for funds or guaranteeing they can protect or hide assets like your home. They are lying.

The best and most qualified advisers at this point are ARITA Professional Members. They are all highly qualified in business restructuring and in insolvency. Knowing about Australia's very complex insolvency regime is very important, not only because they can help you be compliant with those laws, but also because they can use those laws to chart the best outcome for you, your business and, importantly, your creditors.

You probably don't realise liquidators are also skilled at turning around businesses – it's what they do in a "voluntary administration" – but they can also give you an honest opinion if your company does need to stop operating. It's always in the best interest of the liquidator if they can save a business.

So how will you know if someone is the right adviser? Firstly, check to see that they are an ARITA Professional Member (you'll often see that in their individual profiles on their websites or just ask them). Then ask if they have worked specifically on businesses like yours. While they will all have general skills in business turnaround, finding an adviser who has worked with a similar business will help give you the best path.

Finally, almost all ARITA Professional Members will offer you an introductory meeting at no charge in which they will help assess where you are at. Our strong advice is don't pay an "adviser" who demands a payment before they even sit down with you.

WILL YOU LOSE EVERYTHING?

There's no one answer to this, but it's clear that the sooner you talk to an ARITA Professional Member the less your losses are likely to be. If you seek help early you may be able to negotiate outcomes with your creditors to give you breathing space. Having a good adviser who can help you in that process means that they can negotiate with experience and authority.

"The Federal Government recently brought in what are called 'safe harbour' reforms that are designed to give you some breathing space to save your business without fear of being personally pursued for potentially criminal action for trading while insolvent."

Resources: arita.com.au/SafeHarbour

ARITA is one of the world's leading professional associations for restructuring, insolvency and turnaround professionals.



Financial distress?

THE SAFEST HARBOUR

www.arita.com.au/SafeHarbour
Australian Restructuring Insolvency & Turnaround Association

New "Safe Harbour" laws give directors of financially distressed organisations better chances to turn around their business.

A key requirement of this new law is that you must get advice from an 'appropriately qualified adviser'. Don't fall for the false promises of dodgy pre-insolvency advisers. ARITA Professional Members are always going to be the most qualified, experienced and trustworthy experts to navigate a successful turnaround.

ARITA
AUSTRALIAN RESTRUCTURING
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ARITA PROFESSIONAL MEMBERS – THE SAFEST HARBOUR



What can franchising learn from Uber?

By **Maija Kerry**, Special Counsel, Norton Rose Fulbright Australia
and **Nick Rimington**, Senior Associate, Norton Rose Fulbright Australia

In pure economic theory the most efficient means of distributing goods and services will win. Evans and Wurster, in a book called *Blown to Bits* – How the new economics of information transforms strategy, argued that information is the key to competitive advantage, and therefore profitability. They consider that information – particularly who has access to certain information – is the glue that keeps supplier relationships, pricing points, distribution arrangements and customer behaviour in their current form.

Bricks and mortar networks have historically been the most effective means of distribution – they have facilitated “richness and reach”. According to economic theory, most businesses had to choose between communicating “richly” to a small group of people – person to person, detailed information, advice as well as product – or communicating more simple messages to “reach” a broad group. Advertisements, catalogues, newspaper advertisements and other promotional activities typically carry a fairly simple message, and are part of the “reach” aspect. Companies set up retail outlets across the country to help them communicate more richly to a broader group of people. Franchising not only helped facilitate this expansion, but motivated owner operators provide better customer service and richness of communications than a network of employees in corporate networks.

The rise of e-commerce challenged traditional franchising arrangements by threatening to offer more efficient distribution and a superior customer experience when compared to pure bricks and mortar. But franchise networks have responded, and it is now accepted wisdom

that an integration of an e-commerce offering with a bricks and mortar offer delivers the best outcome.

The likes of Uber, and platforms such as Airtasker, Foodora and other so-called disrupters, pose a slightly different challenge. They focus on distribution, and to some degree challenge the typical franchise model itself. At a time when most franchise systems cannot get enough franchisees, these disrupters are signing up thousands of independent business owners under their contractor models. And at a time when the franchise model is facing not only increasing legislation, but media criticism relating to so-called vulnerable workers and now franchisee profitability, the disrupters have until now largely been escaping similar criticism.

Uber, Foodora and Airtasker do not threaten typical franchise models in the same way e-commerce did. Rather they are a structural threat, in that some brand owners may think franchising has just become all too hard. Too hard to find the right franchisees, too hard to oversee a franchise model, too much risk. On the other hand contractors seem easier to find, take less management time and appear to involve less risk.



The franchise model and the contractor model have one core similarity – they involve the appointment of independent business owners to collaboratively deliver the brand and product promise to customers. But they have some key differences in most cases:

1 A franchisee is buying and building a business asset, whereas a contractor is not.

The franchisee can sell its business, whereas the contractor is essentially only able to terminate the contract. Although the contractor is still an independent business owner (at least under current law), that is because the contractor is able to undertake other activities and operates under a less controlled framework;

2 A franchisee typically pays an initial and ongoing fee, whereas most contractors do not.

Indeed, in most cases the contractor is paid by the organisation that appoints them. The contractors may have to pay a small amount for some basic equipment or uniforms, but that is usually it. Initial franchise fees are a lure

to the emerging franchise system, as they help the franchisor fund growth, training, support and services to franchisees. The contractor model on the other hand provides little support or services, so does not need to recover these costs;

3 The franchise arrangement is typically a long-term business marriage, requiring significant commitment from both parties.

Although it would be unfair to call the contractor arrangement a fleeting relationship, it is certainly able to be ended by either party on very short notice. And unlike most franchises the typical contractor arrangement is non-exclusive – the contractor that signs up as an Uber driver can also undertake contracting work for other brands.

In our view, the franchise sector can learn a lot from the new disruptive businesses. Indeed, some franchisors are already establishing contractor type models to operate alongside the franchise model. Not only do these models enable better market penetration, provide opportunities to introduce the

franchisor's products to new customers and ensure that customer demand is fully met, they are also likely to provide a pool of potential future franchisees. Some contractors will happily continue to prefer the flexibility offered by the contractor model, but some will also seek the additional financial return and security that a franchise model can offer.

The current media turmoil, the shortage of quality franchisees, the threat of over-regulation and challenges of obtaining bank finance provide reasons to reflect on franchising as a business model. And the disruptive contractor model can look attractive by comparison.

“Just as the franchise sector learnt from, and adapted to, the e-commerce challenge, the best franchise systems are likely to embrace aspects of the contractor model as part of, or alongside, their franchise model.”

But is this just a short-term advantage? The disrupters, who have until now largely only been viewed through a positive lens, are increasingly facing public criticism themselves, as the Fair Work Ombudsman and media scrutinise workplace law compliance across different industries. Natalie James, the Fair Work Ombudsman, recently acknowledged the opportunity for entrepreneurialism that the disrupters present, but also the risk that workers may be exploited within this system if they are not paid superannuation, are injured on the job or there is a downturn in demand for their services. Ms James described the disrupters as “mere toddlers trotting around in our centenarian industrial relations system” and flagged that the existing labour laws have not kept pace with the evolving nature of the digital economy. It is clear that the Fair Work Ombudsman intends to use whatever means are available (within the current toolbox of regulator powers) to ensure that workers involved in work in these disrupter businesses are not exploited.

Just as the franchise sector learnt from, and adapted to, the e-commerce challenge, the best franchise systems are likely to embrace aspects of the contractor model as part of, or alongside, their franchise model. Each has different advantages and disadvantages, but just as the omni-channel model anchored around bricks and mortar has seen off many pure e-commerce competitors, a multi-structured network featuring franchisees, contractors and employees could well prevail over the pure disrupter model. ■

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THE OLD WAY

Think back to your first casual job: how easy was it to find out your roster, record your hours and get paid properly? Now imagine being a manager back then, trying to get everyone on the same page just to fill each shift...

First you had to cross-check everyone's wage costs and predicted availability across several spreadsheets so you could draw up a roster. Then you had to share it with everyone. Sticking it on a noticeboard was often simplest: you could put it right next to the notices about new promotions and operational changes. Then you waited for the shift swap requests to come in... and often you had to call around or text or message to fill shifts.

Recording everyone's hours was slightly easier if each location had some kind of Bundy clock, but you still had to cross check everyone's hours worked against award rates, transfer all the data into a report for accounts, get it approved and sent to payroll.

THE MODERN WAY

Deputy makes managing workforces at one or several locations a whole lot easier. And it gives you many useful features to improve business performance.

Keeping everyone on the same page about rosters and jobs to be done is straight forward:

- Rosters can be created in Deputy using easy templates and rules that cover variables such as employees' roles, ages, wage costs and availability – then you can click a button to share with the entire team

- Shift-swap and leave requests can be handled via the Deputy app according to your rules – you can set shifts as open (first come, first claimed) or just for people with specific qualifications and/or pay rates
- Notices and other announcements can be published in a newsfeed (just like social media) or sent as direct messages to select people – you can also get confirmation they've been read
- Tasks can be assigned to select employees or groups – and you can track their progress
- Performance management features include recording jobs done and great results, giving managers a clear view of who is performing well, and who might need extra training
- Employees can clock-in and clock-out in seconds on a kiosk (tablet at the workplace) or the Deputy app on their internet-connected smartphone (the app also records geolocation so you know they're where they should be – especially handy when they're working offsite)

Deputy also integrates with other smart software that improves business performance, whether you have one store or an entire franchise network.

Sharing relevant data from timesheets, for example, cuts reporting and approval time for accounting and payroll, and built in Awards Interpretation ensures Fair Work compliance.

Matching point-of-sale records to rosters and Fair Work-compliant award rates can help improve costs-per-shift: each

manager can ensure they have the right staff allocated at each time to match the needs of the business, taking into account sales peaks and troughs throughout a week or season.

So, if you can improve staffing levels for each shift and get real-time reports on your budgeting and cash flow, what else can you achieve with your business?





CASE STUDY: SAN CHURRO CHOCOLATERIA

"We save two hours per store per week on sharing rosters and news feeds. With 50-plus stores it's saving a lot of money, about \$130,000 a year."

"We were out partying in Spain one night when we stumbled on this little place that just served the most amazing hot chocolate and churros," says Giro Maurici, CEO and founder, explaining the inspiration for the business.

"Now in each of the stores we're wrapping a mini holiday experience around good quality chocolate that takes people to a different place."

The key to delivering that experience at scale is having the right combination of roles in each store, and keeping everyone up to date with the latest promotions.

"In the old days, I had a dinky Excel spread sheet pulling together sales estimates with info on staff availability," recalls Giro. "When you had 30-50 rosters in the hands of different store managers, it was a bit of a dog's breakfast. So we went out to market for a solution we could implement across the group."

When San Churro introduced Deputy across its venues in May 2013, the management team was surprised, pleasantly, by how quickly and easily it was adopted. Deputy's integration with the group's accounting systems now

gives managers accurate costs of rosters across each store – and built-in awards interpretation ensures all employees are paid accurately for every hour they work (tracked via the Deputy app), including penalty rates.

"Each franchise (52 and counting) is managed as a small business and that's the power of how simple and intuitive Deputy is: you don't have to be a data scientist or an actuary to work it out," says Giro. "Deputy saves time in developing rosters, saves time in communication, and gives you clarity around the cost of your rosters tied to proper award rates."

Creating and sharing team updates is easy, observes Giro, as posting news feed items along with rosters is a familiar and fast way to make sure everyone gets the message.

"We save two admin hours (\$25/hr) per store per week on sharing rosters. With 50-plus stores it's saving a lot of money, about \$130,000 a year," says Giro. "Labour is the biggest investment you make week in and week out. So to make sure that is appropriately rostered and optimised is a massive payoff."

DEPUTY FEATURES

- 1 Easy rostering: create and share fully costed rosters in minutes direct to each employee's smart phone
- 2 Control and clarity on payroll costs – from the individual to the whole franchise
- 3 Built-in compliance with Fair Work rules, including accurate records of hours and automatic calculation of award rates
- 4 Integration with vital business systems such as accounting and payroll
- 5 Great user experience for employees via instore kiosks and smart phone app

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Mandatory data breach notification. Are you prepared?

By **Cameron Abbott**, Partner, K&L Gates
and **Keely O'Dowd**, Senior Associate, K&L Gates

The long-awaited Notifiable Data Breach Scheme (NDB Scheme) has now commenced.

Prior to the introduction of the NDB Scheme in Australia, notification of a data breach to the Australian Information Commissioner was not mandatory under the *Privacy Act 1988 (Cth)* (Privacy Act).

From 22 February 2018, many franchisors and franchisees are required to comply with the NDB scheme and notify the Commissioner and affected individuals of a data breach that is likely to result in serious harm to those affected individuals. If you are currently bound to comply with the Australian Privacy Principles, you will be required to comply with the new scheme.

Why is it important to prepare for the scheme?

You may be asking yourself, so what does this mean and why should I care? Well for starters, failure to comply with the scheme may attract a civil penalty (currently up to AUD\$420,000 for individuals and AUD\$2.1 million for corporations). The Commissioner has also evidenced a willingness to pursue enforceable undertakings.

Within a franchising network, customer data is collected every day and flows between a franchisee and franchisor. Customer data (that may also be personal information) is an extremely valuable asset to a franchisor and is important to protect it from loss, misuse, unauthorised access or unauthorised disclosure.

The regular occurrence of data breaches over the past few years is a constant reminder that data breaches are costly to businesses and can have

A franchisee also has an important role to play to protect a franchise business from suffering a data breach.

significant wide reaching operational, financial, legal and reputational consequences. With the mandatory notification of serious breaches, the effect is more brand impacting on a franchise. In a franchise, a breach by a franchisee can damage the brand for everyone. It is important that systems and processes are reviewed to ensure they will reduce the risk of breaches. In addition, regular testing of systems and processes to catch human errors would have caught many breaches that we have been called in on to review.

What do I need to do to prepare for the scheme?

As a franchisor, at a minimum, you should make an upfront investment to:

- create a map of how data flows through your franchise network to assess where there may be weaknesses in your network that are vulnerable to attack or points where data may be compromised.
- understand the types of data you store and have a clear understanding of whether you and/or your franchisees are responsible for storing personal information. Note, even if you only have access to de-identified aggregated customer data it may still be considered personal information if you can link it with other data to re-identify it.
- educate your franchisees on their obligations under the Privacy Act and how your franchisees should collect and handle personal information of your customers.
- review your franchise agreements or operations manual to assess whether you have properly documented and communicated to your franchisees how data security and in the worst-case data breaches should be handled by you and your franchisees. For instance, do you have a process a franchisee must follow to notify you of a data breach they discover?
- assess whether your policy and procedures set out a holistic network-wide plan you can follow in the event you or your franchisees suffer a data breach. Many of our clients have been working with us on a clear breach response plan. The Commissioner expects it and our clients have all found it so much more effective to have pre-thought out a crisis response. If you do not have a data breach response plan, we recommend you prepare one now.



A franchisee also has an important role to play to protect a franchise business from suffering a data breach. A franchisee should also take the time to understand their privacy obligations under the new NDB Scheme and what they need to do in the event they identify a data breach. A franchisee is not excused by their franchisor's lack of guidance in this area. A few questions a franchisee should ask themselves include:

- do I know what my responsibilities are under the Privacy Act when collecting, using, disclosing and storing personal information?
- do I have systems and processes in place to detect and respond to a data breach?
- if I discover a data breach, do I know:
 - o who will guide me on the technical evaluation of a data breach?
 - o who will guide me on my legal obligations and do I understand what a notifiable breach is?
 - o who will write the communications to customers and the Commissioner?

If you can answer these questions with certainty as a franchisee, you are well on your way to being prepared for the NDB Scheme. If you are having difficulty answering these questions, now is the time to get across your privacy obligations and how your franchisor manages data breaches within the franchise network.

Briefly, what is the scheme all about?

The NDB Scheme requires APP Entities to notify affected individuals and the Commissioner of "eligible data breaches". Under the NDB Scheme, an APP Entity will be required to comply with the notification requirements set out in the scheme, if it suffers a data breach and there are reasonable grounds to believe the breach would reasonably be likely to result in "serious harm" to an individual. In these instances, a data breach will be considered an "eligible data breach" that should be disclosed to affected individuals and the Commissioner in most cases.

Assessing whether you need to notify affected individuals and the Commissioner of a data breach can be a difficult exercise. It is important to remember you are not required to notify affected individuals and the Commissioner of every data breach you suffer. The Privacy Act sets out a detailed regime and tests an APP Entity must satisfy before it is required to comply with its notification obligations under the NDB Scheme.

Data breaches are a fact of life, much can be done to reduce the risk of a breach but not eliminate it. It seems when an organisation might be impacted by a breach, preparation has a significant positive impact on organisations who find themselves with a serious data breach. ■



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Ray Esquieres, Co-Founder & CFO, Rolld Australia

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Fastway Couriers (an Aramex company) is an established franchise system that continues to innovate and embrace technology to help franchisees to build their businesses and boost their bottom line. *The Franchise Review* spoke with Richard Thame, Managing Director for Aramex Australia and New Zealand, to find out more.

Innovation future-proofs Fastway Couriers franchisees and business

“With four out of five Australians now shopping online, there’s a growing avalanche of demand on our franchisees’ business. Our job is simple. To support them by investing in and developing solutions which make our franchisees more productive and more profitable, which ultimately increases the value of their business.”

The Franchise Review (TFR): Fastway Couriers was named the International Franchisor of the Year at the 2017 MYOB FCA Excellence in Franchising Awards under your guidance as Managing Director for Aramex Australia and New Zealand. What were the key achievements that saw you take home this award and how were you as Managing Director able to impact your company to be recognised as a leader in your field?

Richard Thame (RT): Fastway being named International Franchisor of the Year was fabulous validation of the work of all the Fastway team. It was particularly gratifying to win the award as the Fastway business is now part of the Aramex global network. As Managing Director, Australia and New Zealand for Aramex, I work extremely closely with the local teams. We are focused on continually investing in new ways and technology to provide the best support for the Fastway franchise network.

The biggest challenge facing our franchisees and our traditional business model business is also our greatest opportunity – e-commerce.

With four out of five Australians now shopping online, there’s a growing avalanche of demand on our franchisees’ business. Our job is simple. To support them by investing in and developing solutions which make our franchisees more productive and more profitable, which ultimately increases the value of their business.

The challenge for us as a business is scaling up at busier times of the year and supporting our franchisees so they can meet growing demand and continue delighting every customer at the door. From re-inventing the way parcels are collected and delivered for both customers and couriers, to developing our own crowdsourcing platform, we are excited to be doing this.

We’ve upended the delivery model here in Australia by becoming part of the sharing economy with the highly successful launch of Blu Couriers, our on-demand courier service which provides our franchisees with a turn-on, turn-off,



trained workforce at the push of a button.

Having access to extra resources allows us to scale up and gives our franchisees more time to spend managing their local customer base and growing their business. More than 1000 Blu Couriers are now registered and trained in Australia and they have helped us deliver more than half a million parcels in the last Christmas peak season.

Blu Couriers is just one example of what happens when, as a leader, you accept that collective problem solving is effective and that the shared expertise of a team delivers the best possible outcome.

In addition to Blu Couriers we have introduced several other innovations in Australia to help support franchisees and customers including our revolutionary Parcel Connect initiative.

In today’s ‘always on, always available’ world people also expect to be able to shop when it suits them and to be able to drop off and collect parcels 24/7.

Parcel Connect taps into the diverse business hours of local stores and petrol stations to provide a close and convenient drop off and collection point for both customers and Fastway franchisees. Customers can now drop off and collect their parcels at a time that suits them using one of our 800-plus local Parcel Connect locations and for Fastway Couriers franchisees this removes one of the biggest frustrations – not being able to finalise a delivery because of the customer not being home.

For me, leadership is having the confidence and courage to try new things and stand back and let your team do what they do best. Leadership is supported by shared understanding of what our goals are, what our measures of success are and the fact that we are all responsible as a team for making them happen. Leadership is about having the confidence to shake up the status quo on a regular basis to find the better way of doing what we’re doing.

It’s also about understanding what happens at the coal face and identifying those products and services that customers truly value.



TFR: Fastway has a strong focus on innovation and implementing new technologies. Can you tell us more about this and what as a leadership team you have done to develop and foster a culture of innovation at Fastway Couriers?

RT: Just as the way consumers are shopping is transforming, so too is the space we're in. The rise of e-commerce in Australia has completely transformed the delivery sector.

Innovation that matters is innovation that solves problems for your customers – in our case, for our franchisees and their customers.

As part of an international organisation, Fastway benefits from Aramex's significant and ongoing investment in technology and research. Our executive team meets regularly to identify market trends and then we're able to translate those trends into innovations tailored to our market. I'm proud to say that our innovations often end up showcased across Aramex. In fact, Blu is being rolled out internationally, which we're very proud of.

Innovation flourishes when you have a culture that acknowledges that there's no such thing as a dumb question and where everyone in your team feels encouraged and empowered to identify potential problems and solutions.

TFR: What have been the keys to ensuring the innovations and technologies that you have implemented have been embraced across the network from head office through to your courier franchisees? How was Blu Couriers communicated and rolled out to franchisees?

RT: Fastway Couriers is always on the lookout for new ways of improving processes and new technology that can help support our franchisees and customers. As an innovative company in the transport and logistics sector we are committed to trying new things and we make sure that every innovation and technology we implement delivers real

benefit for our franchisees, our courier franchisees and our network.

We involve our regional franchisees from the start in identifying and prioritising the challenges they face and the possible solutions. The biggest problem facing our franchisees and their business is the rapidly growing e-commerce volumes and the massive spikes caused by click-frenzy events.

Given the critical importance of support from our regional and courier franchisees to the implementation of any initiative, continual communication and engagement is key. Incremental testing of concepts to minimize and avoid disruption to business as usual is essential.

Central to the success of our innovation is continually refining what we are doing.

With Blu Couriers, we set out to deliver a workforce solution that would allow us and our regional franchisees to future-proof the business. We road-tested the concept in three pilots and continually refined it to get it right before we launched. We planned for failure and in doing so we planned for success. We road-tested scenarios, monitored, benchmarked and tracked progress and adjusted our approach based on feedback, analysis and market conditions.

We also obviously needed to ensure that there was no dilution of our franchise model or brand.

Our franchisees are saving money and time through Blu, enjoying significant cost savings on support labour, growing their business, and have reduced their stress



levels through access to trained drivers without the complications of taking on more employees.

We don't impose innovation on our franchisees – we evolve innovation hand in hand with them so that the impact of their implementation is negligible and the contribution to franchisees' bottom line is amplified.

TFR: How have the new technologies and innovations such as Blu Couriers affected the franchisees' income/bottom line/future revenue?

RT: Blu Couriers is a great example of innovation delivering in spades for our franchisees. In addition to saving their sanity over periods of peak deliveries, Blu has delivered significant cost savings on support labour while boosting productivity.

Our new technologies can be deployed quickly through cost effective smart phones rather than expensive industry specific equipment.

Our rule of thumb is simple – will this make life easier/better/more profitable for our franchisees? Does this allow us to deliver on our commitment to delight the customer at the door?

These are the filters we use as the leadership team. By remaining focused on what needs to happen to future-proof our regional franchisees' businesses, we make sure that everything we do has a positive impact.



“We don’t impose innovation on our franchisees – we evolve innovation hand in hand with them so that the impact of their implementation is negligible and the contribution to franchisees’ bottom line is amplified.”



TFR: As Managing Director, what are the skills that you have that have helped to position Fastway as a progressive brand and market innovator?

RT: The most important leadership skill is empathy, closely followed by the ability to hear what is being said and the ability to think outside the square. I’m also a firm believer in allowing my team to bring their expertise and experience to the table – shared outcomes are much stronger as a result. But above all else, it’s so important for us to always put ourselves in the shoes of the courier franchisee.

Innovation is exciting. It can be distracting. The challenge is to strike the right balance in pursuing those innovations that are game-changers without putting unnecessary strain or stress on your franchisees, their businesses or their customers.

A great way of achieving this is through partnerships with other companies and utilising existing technology when available. Not everything has to be built in house and if there are support companies that compliment your business or existing technology off the shelf that can help with an innovation or new technology

it’s worth exploring and leveraging these partnerships.

I’m also a great believer in the importance of not standing still. It can be very easy, particularly when things are going well, to sit back and enjoy your success. But resting on your laurels comes at a cost, especially in today’s world. You’ve got to be continually searching out and evaluating what’s coming over the horizon. Look to what’s happening in other markets and sectors. Keep asking questions, especially the “what if...?” questions as that’s when you’ll be leading the way and not following. ■

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Understanding the challenges that energy costs present to franchisees in the current market

Article provided by
The Energy Alliance

The cost of energy is one of many external marketplace cost pressures facing franchisees as they seek to run profitable businesses. While there is no panacea to solve the problem of rising energy prices, as a franchisor you can provide franchisees with simple strategies to help reduce electricity consumption and lower their energy bills.

The energy market in 2018 presents a variety of challenges across Australia, and these differ from state to state. The National Electricity Market services clients in Victoria, New South Wales, Queensland, South Australia and Tasmania. Northern Territory is a non-contestable market, which is under review in an ongoing capacity. Western Australia's energy is sourced through an independent grid and does not form part of the National Electricity Market.

Energy pricing in each state varies quite dramatically and provides constant challenges to the franchise sector. Understanding where you sit within the market has never been a more relevant priority for all small business owners around Australia.

All energy charges in Australia are reviewed annually and rates are adjusted on 1 January in Victoria and 1 July in all other eastern states when required. A bricks and mortar franchise business will typically be billed in the small to medium market (bundled) and will receive variable

electricity pricing. Variable pricing can be adjusted during the term of their agreement at the discretion of the retailer. It is important for every franchisee to proactively review their billing rates and charges each month and question anything that is out of the ordinary or looks different from their standard bill.

Understanding your tariff and using it to your advantage

Each site is allocated a tariff based on their usage profile by the electricity distributor. Understanding your tariff type and what that means for your business can lead to different outcomes in relation to how your power is measured and billed. For example, recently The Energy Alliance's energy management team assisted a baker to reduce his energy costs by analysing his data and recommending he commenced baking slightly earlier each day, which meant he took advantage of off peak times and rates. The outcome of this was a noticeable saving on his monthly bill.



Energy costs have become one of the top 10 expenses for franchisees in last 18 months. As a franchisor, providing options to franchisees to help reduce energy costs is quickly becoming a significant topic of conversation.

Energy management strategies that franchisors can provide to help franchisees understand the energy profile of their business

Energy costs have become one of the top 10 expenses for franchisees in last 18 months. As a franchisor, providing options to franchisees to help reduce energy costs is quickly becoming a significant topic of conversation. Franchisors can work alongside their franchisees to align with an energy manager that can provide tailored options for its members. It is important for the franchisor to understand, engage and explore new technologies in the energy space. Gaining an understanding of these technologies, and sharing this knowledge within your franchise network, will allow franchisees long-term protection from their rising energy costs.

Whilst the energy market can fluctuate, and pricing is dictated by external market forces, every franchisee can have an impact on how much energy they use.

Energy management initiatives such as LED lighting are a low-cost, instant solution, providing an easy entry level into energy reduction practices, with a quick return on investment. LED lighting provides environmental benefits, and significantly reduced energy consumption compared with older, inefficient lighting.

The most substantial reduction in energy usage can be achieved by installing a solar system. Over the last few years the cost of installing solar has decreased significantly, and therefore offers a quicker return on investment. Solar power also attracts substantial Federal and State Government rebates, lowering the initial

up-front costs. Many sites are actually experiencing cash positive outcomes by installing solar under finance. Effectively, the savings the solar delivers are greater than the repayments. And the system is completely paid off within five years, making this option well worth considering.

Simple changes to everyday habits within the workplace can also have an impact on a business's usage profile. Simple strategies to reduce energy usage include:

- **Setting your air conditioner (cooling) at a slightly higher temperature;**
- **Setting your heating at a slightly cooler temperature;**
- **Turning off computers and equipment at the power point; and**
- **Installing lighting control via sensors to turn unnecessary lighting off.**

As a franchisor, there are many ways to support reduced energy consumption for franchisees. For instance, selecting new equipment for the group with a high energy efficiency rating will help make franchisees' businesses more profitable by lowering energy costs. As an example, recently a group of fast casual dining franchisees installed new five-star energy rated refrigeration equipment across their stores – this lowered the business's usage profile which in turn made the site eligible for a more optimal and lower priced tariff.

On a final note: franchisees and franchisors alike, can help significantly by sharing stories with each other as to how they reduced their energy bills. The dissemination of information throughout the franchise group can create fantastic outcomes. And most importantly – cheaper energy bills. ■



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Creating a mentally healthy small business

Article provided by the
Victorian Small Business Commission

Creating a mentally healthy workplace is just as important for small businesses as marketing or finance and being proactive about mental health is a great investment for everyone who is involved in the business, both in looking after their own mental health and creating a mentally health workplace.

It may, however, not be obvious how the pressure of running a business will affect a person's mental health. Understanding this can help a business owner identify early on when additional assistance is needed to keep functioning at an optimum level.

To assist small businesses in the planning process the Victorian Small Business Commission (VSBC) has developed a Mental Health Strategic Plan to help small business owners incorporate mental health strategies into their business development plans. The development of the Plan follows the launch of the VSBC's Creating a Mentally Healthy Small Business initiative to help small business operators – which includes most franchisors and almost all franchisees – preserve their mental health while riding the ups and downs that come with establishing and growing a business.

VSBC's Mental Health Strategic Plan

The VSBC's Plan has been developed with business owners in mind but recognises that if a business owner employs staff it is equally important for the owner to create a mentally healthy workplace for their employees. Normalising discussions about mental health in the workplace helps to reduce stigma and creates a space where it's safe to talk about, and address, mental health challenges. People often work closely together in small business so it's important to create a workplace that respects the individual experiences. The contents of the plan can therefore be used by the business owner to address their own mental health needs but also form the basis of a conversation with employees.

The plan includes a two-page template to identify and implement appropriate workplace practices and an example template containing some suggestions of what can be included is also provided.

The plan identifies the following areas:

...small businesses are encouraged to take some time to identify aspects of the business that may be particularly challenging and to consider that some of those challenges may be of a more personal nature such as not having enough time for family or friends.



Likely business stressors

Using the information developed in a business strategic plan, and considering current business experience, small businesses are encouraged to take some time to identify aspects of the business that may be particularly challenging and to consider that some of those challenges may be of a more personal nature such as not having enough time for family or friends. Other challenges for some business owners during the start-up phase might be:

- Having enough funds available to start the business.
- Knowing what paperwork and compliance details are needed to set-up the business.
- Establishing your brand, products and prices.
- External pressures, for example, online reviews and competitor activities.
- Meeting the financial expectations of a partner or spouse.

Identify mental health 'red flags'

People experience stress in different ways but some examples of 'red flags' may include:

- Physical signs. For example, tense neck and shoulders, feeling nauseous, heart palpitations or chest pains.
- Changes in behaviour. For example, being unable to sleep, crying regularly, feeling moody or irritable often, increase or loss of appetite.
- Unclear thinking. For example, not being able to make decisions, not understanding directions, not being able to focus, being inattentive.
- Feeling sad or anxious regularly.
- Changes in behaviour around others.

Action steps to reduce stress

Once the likely business stressors and red flags have been identified it is important to have a plan in place to address these mental health needs. Possible actions might include:

- Talking to someone, such as doctor, local counsellor, partner or even a trusted friend. Stay connected. Participating in local business network groups, joining online small business forums and maintaining social activities can all help fostering a sense of connection with others.
- Get physical with a daily walk, learning to meditate, dietary changes or drinking habits.
- Join a team, which means making a weekly commitment to take a break from work!

People and resources to call on

Small business owners are encouraged to include in the plan a list of local contacts and online resources, including:

- Accountant or business advisor.
- Industry association.
- A friend or family member.
- A business mentor.
- Local community groups.
- Online resources like Heads Up, Beyond Blue or the Victorian Small Business Commission.
- Online small business forums like Flying Solo.

A plan if a small business owner is unable to return to work

Small business owners may need to take time out from work to recover and regain their mental strength and should consider the steps they need to take if they were unable to run their business. Some examples may include:

- Training a family member or friend to run the business in their absence.
- Training a staff member to manage the business in their absence.
- Consider the possibility of putting work on hold for a period of time.
- Consider taking out income-protection.
- Talking to a financial advisor and establishing a safety net via your superannuation or insurance covers.

Return to work plan

If business owners have taken some time away from work, it's important to plan a return to work that supports their mental health. For some people, a gradual return to work is ideal rather than taking on a full-time role but other considerations may include:

- Where will you work? At your office or at home?
- What information do you need to resume your role when ready?
- How will you share information with your employees?
- Who can support you with your return to work plans?
- How can you plan for your continued health treatment plus schedule your return to work?
- What do you plan to do differently when you return to work? ■

Copies of the VSBC's Mental Health Strategic Plan are available on the website – vsbc.vic.gov.au

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The five pillars of digital business growth

By Tim Levy
CEO,

Tim Levy and Associates



When it comes to growing a business through digital marketing, there are five pillars to find new traffic that should form the backbone of every business growth strategy.

While there are more places you can go, these are the beginning. These areas are:

- 1 Search traffic
- 2 Social media traffic
- 3 Video traffic
- 4 Purchase traffic
- 5 Aggregate traffic

Before we investigate further, let's do a quick self-assessment.

The 3-Axis Model

You need three strong axes for any business to flourish. Take a moment to give yourself a score out of 10 for each axis.

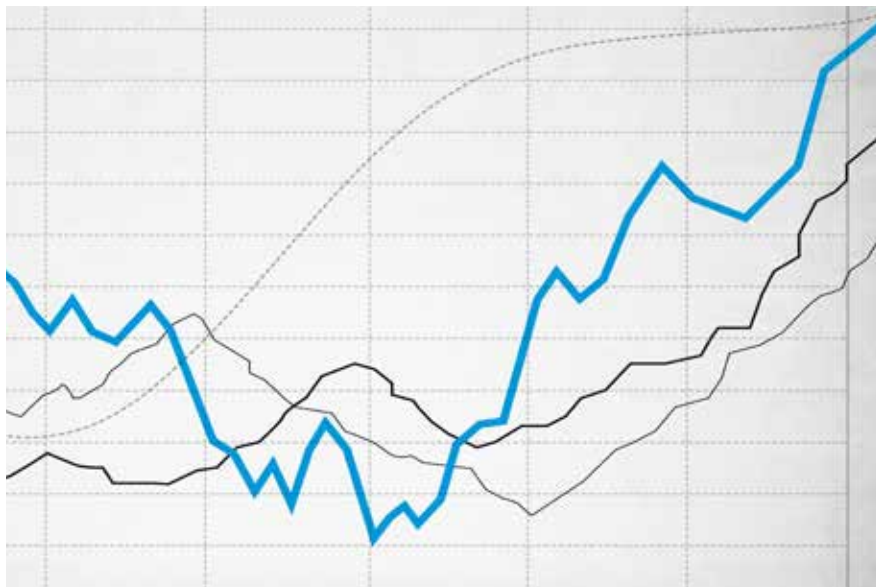
Traffic - people showing up online or offline and finding out about you. Every business needs traffic, but without conversion, that traffic is useless.

Conversion - the process of moving your traffic from 'I'm interested' to 'I'm in!' This takes place wherever people show up; online, offline, websites, social media, YouTube, events, conferences etc. Without a slate, however, that conversion is useless.

Slate - a list of products and services that vary in terms of price point and delivery over time.

- o Varying price point means having something free and something expensive and several options in between.
- o Varying over time means selling some things as a one-off and other things repeatedly.

How did you go? Most businesses have low scores for traffic, moderate scores for conversion and high scores for slate. Let's dive into traffic to see what we can improve.



Without doubt, there's a lot of opportunity to grow every business online. Very few businesses have all these pillars covered effectively. The trick is coming up with the right combination to take advantage of them in your particular business.

The Five Pillars

#1 - Search traffic

Search traffic, also known as SEO or search engine traffic, is the kind of traffic that arises from search engine results. It's worth noting that Google is not the only SEO environment out there. Others include Bing, Yahoo, Amazon, Facebook and YouTube.

The challenge of SEO is that there are no guarantees. You can do everything right and still have poor results. The search engines hide their algorithms, which are constantly changing. Getting your SEO foundations right helps, but it's better to focus on more solid forms of traffic.

#2 - Social media campaigns

There are huge opportunities to generate solid traffic through social media campaigns, and there are two approaches: active and passive.

- o A passive approach is when you post content online, like on a blog or Facebook post and hope to be found. We don't consider passive traffic strategies to be effective because they are without guaranteed returns.
- o Active traffic means using the campaign systems around which the major websites are built; like Facebook Pinterest, YouTube and even Google.

Once you drive active traffic through active campaigns, the tables are turned. It's now in Facebook, Pinterest or YouTube's best interests to deliver your traffic, and campaigns allow you to be location, demographic and keyword specific, which is critical to an effective strategy.

#3 - Video traffic

Video is the greatest traffic opportunity available today. The US Bureau of Statistics shows that on average, people spend eighteen minutes a day reading (including blogs and emails). For the millennial it's

only eight minutes a day. Those same people spend three to six hours watching video of some kind. As a result, YouTube is booming.

YouTube is now the second biggest search engine in the world with more traffic than the next twelve search engines combined. And it's growing 40 per cent per year and 60 per cent on mobile.

Google loves YouTube videos, commonly ranking them more highly than any other kind of content (including your blog). YouTube videos rank in minutes, Google can take weeks or months.

It makes sense to base your marketing strategies around video.

#4 - Purchase traffic

Purchase traffic is where people are ready to press that buy now button. They are shopping rather than browsing. Typically, the easiest place to find this traffic is on Amazon.

In the US, Amazon is the most common online shopping destination by far. Some estimates say as much as two thirds of all purchases happen through Amazon. While Amazon is only newly in Australia, they're going to bring all their expertise to bear here with every intention of owning the online market.

With the right strategy, you can make Amazon work for you.

#5 - Aggregate traffic

Aggregate traffic is about identifying and leveraging existing traffic that matches your business.

For example, you might find someone who already has a blog, Twitter following, Facebook page, website, or YouTube channel that focuses on your key business areas. You can collaborate with them, advertise through them, work or partner with them, and get access to the traffic they may have spent several years building.

Taking action

Now that you understand what these pillars are, what action can you take?

The next step is to gather your team and discuss each area, matching it to your individual business. You'll also need to work through the franchisor/franchisee aspects by asking: 'Is this something head office should do?' or 'Is this something each franchisee can do?'.

At the end of this brainstorming/strategic planning process, write up your conclusions in a plan or blueprint. This blueprint should include the results of your investigation as well as details of the specific implementation projects that emerged. Does that sound simple?

Without doubt, there's a lot of opportunity to grow every business online. Very few businesses have all these pillars covered effectively. The trick is coming up with the right combination to take advantage of them in your particular business. ■

Tim Levy is the CEO of Tim Levy and Associates, a strategic digital marketing agency based in Newcastle, NSW and Austin, Texas. He's available at tim@timlevy.net and online at www.timlevyandassociates.com

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2018 International Franchise Association Convention wrap-up

In February, a 50-strong Franchise Council of Australia (FCA) delegation headed to Phoenix, Arizona for the 2018 International Franchise Association Convention (IFA2018).

The FCA's delegation included a large percentage of franchisors and suppliers who were attending the convention for the first time, as well as several CFE graduates including: Shaun Birley, Franchise Business Coach, InXpress; Mark Cheney, Sales and Development Manager, Ford; David Strong, General Manager, Octomedia; Tracey Leak, Franchise Development Manager, GutterVac; and Soula Van Kooy, Head of Marketing and Sales, FCA.

Three of Australia's four finalists in the NextGen in Franchising competition presented at the NextGen in Franchising Summit at IFA2018, gaining invaluable opportunities to network and receive constructive feedback on their businesses. Australia's NextGen representatives at IFA2018 were: Aaron Smith of KX Pilates (Australia's winner); Matej Verhalik from SpeedFit; and Jeremy Dyer from Total Fitouts.

The IFA convention numbers were the best yet, with approximately 3800 delegates attending from different



franchise associations around the world, including the 211 CFE graduates who received their certification at a ceremony attended by hundreds of people.

IFA2018 program highlights

The FCA's delegation to IFA2018 had an unparalleled opportunity to hear from American business and franchising heavyweights, and leading speakers, who generously shared their learnings and insights with attendees. Highlights included the following presentations:

Rohan Oza, American businessman, investor and guest panellist on Shark Tank. Disruption, innovation and building your brand were the focus of the keynote from this multi-millionaire venture capitalist. Truly encapsulating both the spirit and scale of entrepreneurship in the United States of America, this was an incredibly insightful presentation about thinking outside the square and looking at different ways to engage potential customers. The key takeaways? Being brave and not being afraid to take a



risk are key elements of adopting the disruption model.

Roger Nierenberg – The Music Paradigm. Dubbed a ‘super session’ in the program, this eye-opening and immersive presentation on the importance of great leadership in a team, delivered on its promise. Using the orchestra to illustrate how approaching your team differently can have a significant effect on their performance, in an enlightening and thought-provoking session, Roger Nierenberg used The Music Paradigm to provoke discussion and debate on organisational dynamics and the role the CEO and leaders have to play in developing and implementing strategy.

Dustin Hansen, CEO, InXpress Americas. InXpress as a brand was very well represented as part of the Australian delegation with Lindsay Birley, Marcel Lal, Sam Orders, Shaun Birley and John O’Riordan among the Australian contingent. Dustin Hansen kindly offered to present his brand of leadership specifically to the Australian delegation at Monday evening’s debrief prior to his session for all the IFA delegates. As the first InXpress franchisee in North America, at the ripe old age of 23 in 2006, Dustin was destined for greater things. After



several key promotions, he now serves on the InXpress Board of Directors and is CEO of InXpress Americas. The company has seen significant growth under Dustin’s leadership in the last five years, with 90 per cent growth in the first two years.

Australian delegation events program

Welcome drinks – Saturday

10 February. Attended by approximately 35 delegates plus some of the IFA team, this was a great opportunity for Australian delegates to meet and network and enjoy each other’s company. The event was hosted by the FCA’s Executive Chairman, Bruce Billson, who, in his inimitable style, ensured that there was a great deal of laughter and relationship building. The Americans who attended got a glimpse of Aussie style and loved it! Poolwerx CEO, John O’Brien, also provided everyone with a few tips on expanding into the U.S. and how to navigate some of the challenges of bringing an Australian brand to the American market.



Traditions dinner hosted by Rupert Barkoff, Kilpatrick Townsend – Sunday

11 February. Rupert has long been a staunch advocate of the FCA and hosts an annual dinner primarily for his team at Kilpatrick Townsend and the Australian delegation. Bruce Billson presented an update on the new franchise laws in Australia. Prior to attending the dinner, Bruce was also asked to address the International Franchise Committee regarding the current state of play in Australia regarding the Vulnerable Workers Act and the public perception of the franchising sector.

FCA Monday Debrief – Monday

12 February. Hosted by FCA Director, Jason Gehrke, this event was an opportunity for the FCA delegation to discuss what they had learnt, what they were taking back to Australia and exchange notes on the IFA sessions. The IFA Chief of Staff and International Operations, Josh Merin, also addressed the delegation and answered questions.

Roger Nierenberg delivers *The Music Paradigm* at IFA2018



Dustin Hansen also presented some of the innovative strategies implemented by InXpress to change the culture of the network and franchisees' perceptions of the network, including committing to teaching franchisees about franchising and how to increase brand value – and ultimately lead to improved return for investment including as part of an eventual

exit strategy. It was a fantastic way to bring the group together and end the formal proceedings.

And so, the FCA's delegation left buoyed by motivation and inspiration, and overflowing with the ideas and knowledge provided by so many speakers and connections made across the four-day program. ■

We would like to thank all who joined us at IFA2018, and everyone who kindly provided their time and expertise to the Aussie contingent to make this a truly memorable and valuable event.

International recognition for FCA Hall of Fame member

Australian Franchise Hall of Fame member, Greg Nathan, was presented with the Crystal Compass Award during the International Franchise Association's (IFA's) 2018 Convention.



The Award is presented annually at the IFA Convention by the International Franchise Association's Women's Franchise Committee to an individual within the franchise community who epitomizes the ideals of leadership. Those chosen for this honour have made significant contributions within their respective franchise organisations, the franchise community in general and in their local communities.

Greg says it is exciting to be recognised in this way by the USA franchising community.

"The thing that most pleases me, is the award is based on votes by USA franchisors and suppliers," said Greg. "A lot of people said they wanted me to receive the award because of how our books, research and training programs have helped them and their clients."

As the founder and majority shareholder of The Franchise Relationships Institute (FRI), Greg has been providing tools and education to franchisors for almost 30 years, with his highlights including organising IFA Chairman Aziz Hashim, to visit Australia

for a series of franchise education events in 2016.

In the past two years alone, Greg's achievements included: providing training to over 700 franchisor executives; delivering 80 keynote addresses to around 12,000 franchisees and franchisor executives, equipping them with tools and insights to improve their franchise relations; and organising a highly rated new format for the Franchise Relations Summit at the IFA Convention. ■

Upcoming FCA Events

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

New South Wales

March

16 March NSW-ACT Regional Excellence in Franchising Awards

17-18 March Franchising & Business Opportunities Expo

April

10 April Coffee Catch Up

May

11 May WIF High Tea

June

5 June Coffee Catch Up

Queensland

March

22 March Breakfast - Navigating through Choppy Waters

April

3 April Coffee Catch Up

19 April QLD-NT Regional Excellence in Franchising Awards

May

1 May Coffee Catch Up

17 May Afternoon Tea

June

5 June Coffee Catch Up

27 June WIF Event

South Australia

March

6 March Wine Talks Awards Submissions

April

3 April Wine Talks

May

1 May Wine Talks

15 May Breakfast - Post Budget Wrap Up

June

5 June Wine Talks

Victoria

March

6 March Coffee Catch Up - Franchisee Recruitment

April

3 April Coffee Catch Up

May

1 May Coffee Catch Up

8 May New Member Event

June

5 June Coffee Catch Up

15 June VIC-TAS Regional Excellence in Franchising Awards

Western Australia

March

6 March Coffee Catch Up - Business Planning

27 March CEO Dinner

April

3 April Coffee Catch Up - How to be Prepared to Exhibit at Expos

May

1 May Coffee Catch Up - Marketing Tips

6 May Franchising & Business Opportunities Expo

7 May WA Regional Excellence in Franchising Awards

June

5 June Coffee Catch Up - Site Selection

19 June Breakfast - The seven Ps of Planning

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

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

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What the CFE means to me: professional growth and opportunities



By Andrew McAllister

SilverChef Franchise Relationship Manager –
Southern, SilverChef Hospitality Equipment Funding

Franchising is in my blood. My father was a small business owner in a franchise system, so it was always going to be that I would follow his steps into small business.

After a few years in the Navy, the time was right for me to take the leap into small business. My father guided me into a franchise system for all the reasons he had chosen franchising in the past.

I was the first franchisee in a small burger business and soon learned how to run a successful Quick Service Restaurant. I opened a second site four years later. Operating two sites requires four times the work and, with a young family, I decided that it was time to sell my businesses and get a “real” job. It was a fun eight years of my life.

After finding my feet as a commercial banker at a big four bank, I soon discovered what it was like on the other side. I was trying to help other small business owners achieve their dreams of being self-employed, but at what cost? The bank required security over customers’ homes to facilitate lending to businesses. I saw the aftermath if things went bad and I felt I was letting down my customers due to company policy. As these policies didn’t sit well with me, I found a company that provides less risk for people trying to open up a small business.





My current role at SilverChef provides me with great satisfaction, responsibly opening up franchise businesses without the risk of ruining lives if things don't work out. Cash flow lending is, for me, the safest way for franchisees to achieve their dreams, and for franchisors to find the right person for the job. I help lower the barriers for entry into a system and provide support for both the franchisee and franchisor as we all have an interest in the success of the business.

Obtaining my Certified Franchise Executive (CFE) last year was the highlight of my professional career. Starting my franchise journey in 2006, it's been a 12-year process so far and I'm still learning every day.

The CFE provided recognition of my prior learning with my business ownership and the FCA events I'd already attended, while I was also required to attend accredited CFE courses to achieve my CFE. I found these courses insightful and I gained a greater depth of knowledge by talking to the franchisors I work with. I've become a trusted advisor to their businesses and mentor to smaller franchise systems just starting their own journeys to success.

“My CFE accreditation has helped to open a network that normally would be closed. People contact me to ask my opinion as they feel my franchising knowledge will provide some insights to help solve a problem. “

Professionally, I've since been promoted to manage the Southern Region of SilverChef Franchising, and internally I'm now viewed as a subject matter expert when it comes to franchising. My CFE accreditation has helped to open a network that normally would be closed. People contact me to ask my opinion as they feel my franchising knowledge will provide some insights to help solve a problem. I'm privileged to work with a large cross section of franchisors. This gives me a deep understanding of how they operate, and the ability to share best practice with other franchisors in the industry.

My CFE puts me in an elite group of people who have franchising in their blood. I go to work every day knowing I'm truly helping franchisors and franchisees achieve their dreams of owning a small business. I would encourage anyone considering CFE qualification to immerse yourself in the program and watch the opportunities open up for you. ■

The Certified Franchise Executive program is the only internationally recognised professional accreditation program for franchise executives. Andrew McAllister was among 25 franchise professionals who received their Certified Franchise Executive (CFE) accreditation at the MYOB FCA Excellence in Franchising Awards Gala Dinner on 10 October 2017.

The CFE Class of 2017 was (details current at time of presentation):

Aaron Smith KX Pilates
Alexandra Giudice FC Business Solutions
Amber Turnbull Just Cuts
Amy Renae* Shift8
Andrew McAllister SilverChef
Andy Reeves GraceLever.com
Ben Fletcher* Listen To Your Body
Ben Hemphill Chatime
Beth Pocklington* Back In Motion
Brendan Green Hire A Hubby
Chris Mavris Soul Origin
Damian Paull Franchise Council of Australia
David Lindsay Salts of the Earth
Evan Foster United Franchise Group
James Scurr Cashflow It
Jessie Caudry FC Business Solutions
Len Ferguson Finn Franchise Brokers
Mark Cheney Ford Motor Group
Meredith Ham InXpress
Peter Nikolakopoulos* Sports Star Academy
Ralph Edwards Bright Eyes
Richard Thame Fastway Couriers
Shaun Birley InXpress
Soula Van Kooy Franchise Council of Australia
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