



Trophy time

Celebrating success in franchising with the 2009 MYOB Excellence in Franchising Awards.

Dedication, hard work, vision, commitment, dynamism, innovation – these are just some of the requirements in building a successful business and they have been paramount in the winners of this year's franchising awards organised by the Franchise Council of Australia.

The awards have a new look, with a greater number of, and revamped, categories which the FCA hopes better reflects the calibre of the franchise sector.

Established Franchisor of the Year

7-Eleven Stores

This award is for excellence in franchising practice by a franchise system established for more than five years.

The judges' comment: This is back-to-back success for the team at 7-Eleven who took out the Franchisor of the Year Award in 2008 and has demonstrated a superior application of franchising and, subsequently, how its system operated more effectively in a mature and highly competitive market. There was particular emphasis on continued development of the system and the business model.

7-Eleven CEO, Warren Wilmot says. "The award is testament to the strength of our franchise system, the quality of the people working for us and 7-Eleven's commitment to its franchisees."

So what accounts for being able to pull off a back-to-back win?

"In one sense to be able to win it one year probably suggests we should be able to win it multiple times unless another system suddenly has a dramatic improvement in what they do and what they offer. But on the other hand we would like to think we have a good robust system that continues to improve and innovate both in what we offer to customers and how we go about managing and interacting with our franchisees.

"We really have an extremely solid full service model that takes most of the tension out of the majority of other franchise arrangements. I also think we embrace franchising as adding significant value to our business, and we also enjoy and embrace the cultural diversity of our franchisee group.

"Our model ensures a true partnership in generating profits for both parties, while removing much of the angst from franchisees that often go with running small businesses."

Good retailing also accounts for its success, he says.

"We strive to be a really good (great) retailer. I think we have taken significant strides to being a better retailer, who happens to operate via a franchise model. I think we enhance our franchise system significantly by concentrating on customers and retail first, and then overlay excellent franchise



Geraldine Dzielakowski, national franchise manager, accepted the award for 7-Eleven



Warren Wilmot on the shop floor

systems. This approach ultimately benefits the franchisees the most."

Merchandise sales growth (like for like) for financial year 2008 to 2009 was 5.43 per cent up on the prior year while overall merchandise growth was 8.6 percent up, Wilmot reveals.

So what can an incoming franchisee expect to see in the network next year?

"We continue to innovate in food service categories and have some new concept stores in the market. We also are developing a suite of e-services which include lottery and money transfer, and as public transport tickets become store value cards we will be one of the first systems to market to deliver these.

"The product range is broad enough to keep expanding and innovating to grow sales either as new products and services or to generate footfall to continue to sell our core range."

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Emerging Franchisor of the Year

Grill'd

This award is for excellence in franchising practice by an emerging system that has been franchising for between two and five years.

Judges' comment: A strong emphasis on culture and investing heavily in development and continued support of its franchisees has seen Grill'd become a stand out performer in the franchise sector. The whole franchise network, including corporate team, is aligned with the company's mission and values which translates to a franchise system that is going places.

Simon Crowe at Grill'd, explains that his business is 50/50 franchised and company owned.

"I think we're doing it a bit differently. We have fantastic franchise partners in the business but the reality is this is not a franchise system but a product and brand focused organisation. We have a shared perspective."

Revenue from the company stores provides ongoing support for the franchises and early on was a reliable source of cash flow.

"A lot of people are interested in franchise partnership, there is an increasing awareness of the brand but the reality is the challenge is not quality people but quality sites. We haven't compromised on A grade sites and have been somewhat successful for a small business."

In the franchise world quick success, reaching say 50 or 100 stores fast, can result in lack of resources to manage the people or the product as well as you would like, believes Crowe.

"Growth doesn't have to be stupidly fast to be successful. We're looking to be a business across Australia and one day I'd like to take Grill'd overseas, but that can become a distraction."

Sticking to the game plan is important, he says. "It's not just about dollars and cents."

Providing a premium product has been part of the development of the business, which is dependent on several aspects for success.

"Scale up, don't dumb down," says Crowe. "The brand is made up of people, product and store ambience."

The judging process

The categories, criteria and judging process for the 2009 MYOB Excellence in Franchising Awards have been developed by Greg Nathan, Ree-Anna Chatman and the team at the Franchise Relationships Institute.

Each submission was assessed by a selection of judges against a comprehensive list of criteria; depending on the category being judged, a variety of methods were used to assess the submissions and identify the winners. These included checklists, panel interviews, phone interviews and mystery shops.



Simon Crowe, founder of Grill'd

Participating judges

- Phil Blain**, director, Franchise Alliance
- Julia Camm**, principal, Corven
- David Campbell**, AVATAR Business Navigators
- Peter Darnell**, marketing director, Market Minds
- Ralph Edwards**, partner, Lease 1
- Lorelle Frazer**, director, Asia-Pacific Centre for Franchising Excellence, Griffith University
- Kate Gorman** and the team at The Realise Group
- Tami Harriott**, manager women's markets Qld, Westpac
- Kate Johnson**, director, Ordium
- Chris Malcolm**, managing director, Clark Rubber
- Greg Nathan**, managing director, Franchise Relationships Institute
- Dean Salomone**, managing director, Franchise Careers
- Professor Andrew Terry**, School of Business Law and Taxation, Australian School of Business University of New South Wales
- Corina Vucic**, director, Franchise Careers
- Diana Williams**, founder and executive chair, Fernwood Women's Health Clubs
- Roger Wilson**, R.B.W. Executive Corporate Services
- Owen Wright**, lecturer, Griffith Business School
- Rod Young**, executive director, DC Strategy



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Multi-Unit Franchisee of the Year

Mark Maumill and Jason Love, Banjo's Bakehouse

This award recognises excellence in business management and franchise citizenship for franchisees with a majority shareholding in multiple franchise units.

Judges' comment: In 2008 this dynamic pair won Franchise of the Year award; now they have nine Banjo's franchises, develop employees and finance them into their own store, which then has a business plan with goals and key performance indicators.

Mark Maumill counts the partnership with Jason Love as a key factor in the business's success. The pair has spent time reviewing personal goals, and been assisted in this by the franchisor.

"The award is an excellent recognition of achievement, and the level we've got to. We recently presented at a one day conference and this emphasised the difference between us and other franchisees: we are tackling franchising as a way to grow, we don't want to develop

our own structure or product, we want to capitalise on the brand, the franchisor's experience."

With the first award in 2008 the pair did little to promote themselves at bakery level but have used it to boost their public speaking profiles. "And it always seems to find its way onto loan applications," admits Maumill.

His advice for potential franchisees? "Multi-unit franchising is a must if you want more than a job; unless it is an exceptional business, you are in a well-paid job. We wanted to break free and it was essential to become multi franchisees. It's very hard to get out of day to day business, multi-unit franchising allows us to do that."

Take time and advice to get the structure of the business right on the legal front too, he suggests. "I really believe how you set up the structure as a company, trust etc is essential for growth – it makes business sense to choose the best possible structure."



Photo: Franchise Council of Australia

Jason Love and Mark Maumill collect their award from Steve Wright

Stick to what you know and capitalise on the knowledge, he also advises. "It's easy for us now to acquire bakeries and franchising was always the way for us to do this."

This year they are looking to consolidate more, incorporate a couple of bakeries early in the year and remove themselves further from the day to day structure. To achieve this they are reviewing how they do business and how to get more profitability out of their franchises.

"Then we'll get serious," says Maumill.



Field Manager of the Year

Dan Gallo, The Coffee Club



Dan Gallo, The Coffee Club

This award is for excellence in delivery of franchisee support. Areas assessed included business acumen, influence and negotiation, training and facilitation.

Judges' comment: Dan demonstrates high level business and people skills and clearly brings a sophisticated and systematic approach to his work. His contribution to his franchise system is significant and he is an example of a new generation of field consultants performing the role of a true business coach to their franchisees.

Dan Gallo has been in franchising for 17 years, starting as a Hungry Jacks' crew member and notching up time with Gloria Jean's Coffees, Boost Juice and the FoodCo group. For The Coffee Club Gallo has been hard at work for three years.

"I have a very diverse group, 11 franchised stores and the equity stores, and I look after special projects. My persistence and drive is to assist franchisees reach a higher level. I consult on operations, financial management, property management. I've made it my business to deliver for over 17 years."

Right now a concern for franchisees is the Fair Work Act which Gallo describes as a minefield. "I found it very confusing so I immersed myself in it and achieved an understanding."

With a sound knowledge of finance Gallo is on hand to provide just what he thinks franchisees need: a generalist approach from someone who can provide business information but who is also able to offer diverse skills.

Franchisee of the Year - less than two staff

Darren Andonovski, Mister Minit

This award recognises excellence in business management and franchise citizenship for franchisee owner operators – including partners – with less than two staff.

Judges' comment: As well as a dedication to best practice business methods and performance, Darren mentors other franchisees in the Mister Minit system and was awarded the Mister Minit Franchisee of the Year Award in 2009. It is a tribute to Darren's hard work and dedication that he has achieved double digit sales growth this year building on previous trends.

Winning this award has

been a huge honour and very humbling, given the quality of the other finalists, says Darren Andonovski.

"We base our business on being customer focused, always striving for customer satisfaction. My wife Rebecca and our team member Kelvin play a huge part in helping to run a successful business and I can not thank them enough," says Andonovski.

"It's being recognised for all the hard work. I put the award up in the shop straight away and people have commented on it, regular customers are rapt.

"I chose the business because I'm a toolmaker

by trade and had got sick of being stuck in a factory, I wanted a change. I joined Minit as an employee and then two years later opened a franchise.

"It fitted well, the retail aspect, talking to people, and the service side which is very important to me.

The best part of being a Minit franchisee, he says, is the support and training and the opportunity that a franchise provides.

"We pay a fixed franchise fee and the rent, they do all the negotiating, and that helps, it allows us to focus on the business."

Andonovski is two years into his second term and



Photo: Franchise Council of Australia

Darren and Rebecca Andonovski, Mister Minit

plans not just to renew the agreement again but within 12 months wants to open a second franchise outlet. Great news for the family, including five year old daughter Alix, thrilled that Dad has been named 'fried cheese' of the year.

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Franchisee of the Year – two or more staff

Lou and Sylvana Pannunzio, Kwik Kopy

This award recognises excellence in business management and franchise citizenship for franchisee owner operators – including partners – with two or more staff.

Judges' comment: Since 2001 Lou and his wife Sylvana have built up their business and in 2008 took out the Kwik Kopy Franchisee of the Year Award. As well as their dedication to their business, Lou and Sylvana are focused on their staff and offer a variety of means for them to improve their skill sets and keep motivated.

"I'll be honest. I'm so humbled to be honoured by franchisors and peers,"

says Lou Pannunzio.

"Everyone in business is in business to be successful and build some strong relationships. I've never aspired to win awards. It's just testament to good old fashioned values, being passionate and believing in people."

Treating people with respect is his byword for business.

"I treat people how I like to be treated, genuine, to be looked after. We guide the client, offer a solution to the problem. We provide a high level of customer service, the discerning customer is more and more looking for suppliers who can follow up on promises."

The store runs with one

printer, one designer, one customer service, Lou, and Sylvana works part time.

"I try and lead by example, on the phone, customer service, gaining trust; its simple, staff pick up on this."

Nine years in this business followed supermarket management which was good grounding for customer service, he says.

"My aim over the next three years is a stronger focus on a sales oriented program for staff, how to improve working with clients, things such as body language and looking people in the eye.

"Its not hard work, it's about talking to people and



Lou and Sylvana Pannunzio, Kwik Kopy

providing solutions. Some people find it hard to communicate, I love meeting people.

"Most franchisees fall into working in and not on the business. I handle the top 50 accounts, I talk to people. My role is clearly defined. I've always driven sales and got out there to be in their face.

"My staff are so proud. It wouldn't have happened if not for my staff. I will be in this for the next 10 to 15 years at least."



Franchise Executive of the Year

Maria Walton, Mister Minit

This award recognises excellence in leadership of a franchise system.

Judges' comment: what impressed judges about Maria was her all-round dedication and commitment which found fruition through a clearly enunciated vision for the future of the business; truly a consummate franchising professional.



Maria Walton, Mister Minit

Says Maria Walton: "Our highly motivated individuals serving our customers are the critical success factor for our business. Franchising is unique for us in that it's about developing and retaining the best and the brightest in the industry rather than to raise capital.

"I have seen the difference that

franchising has made to our people. It is not only about business ownership and creating wealth which provides choices for their family and lifestyle, it's about the development of these successful men and women in their own personal development. I have seen franchisees grow in confidence and in self esteem and that to me is inspiring and rewarding.

"I feel pretty lucky to get recognised by the industry doing something that I love doing."

Since joining MINIT her leadership has driven quantum rebuilding of the brand through the introduction of a new business model of franchising, recognising the critical importance of true ownership in a people based service industry.

"It's a team award. We've been toil-

ing for the last seven years to increase our franchises, and we got two awards on the night, our first awards. As a functional leader, the hard work and best practice has been recognised externally.

"It's raised awareness and is benchmarking us internally."

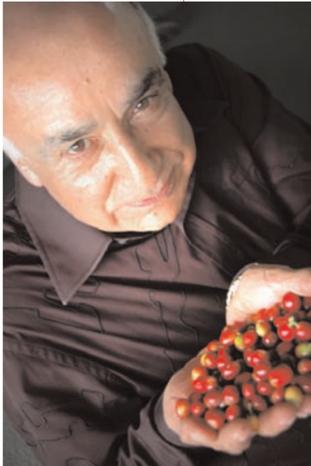
The hardest part of the business is transparency around communication and relationship building, but Walton says the financial results indicate this is working and will be built on. Coaching rather than compliance is the key.

"There's momentum now and the pressure is on, for me, to keep growing in the role, and by 2014 to have mostly franchised outlets. We're now 50/50 and want 90 per cent franchised."

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International Franchising Award

Gloria Jean's Coffees



Nabi Saleh, executive chairman of Gloria Jean's Coffees International



This award is for excellence in implementation of international expansion strategy.

Judges' comment: This detailed submission reflected both the geographic spread and depth of international activities, and management's investment in time, personnel and money being invested to create a global brand. The acquisition of the US parent was a standout strategy to consolidate the global brand.

The business has grown to 917 coffee houses worldwide with 37 master franchise agreements signed across 36 countries. This includes 489 coffee houses in Australia.

"This award recognises the contribution of our whole family of team members, franchise partners and supply partners who have made our international aspirations a reality," says Nabi Saleh, executive chairman, Gloria Jean's Coffees.

In the last 12 months the company has opened 10 new international markets, global sales have increased by more than 25 per cent and coffee house openings have grown 35 per cent encompassing 93 new openings.

Earlier this year affiliate company, Praise International

North America Inc completed negotiations to buy Gloria Jean's Coffees US retail and franchise operations from the US owner, comprising 102 coffee houses in 24 states.

"We expect continued growth into the future and our goal is to have 1450 coffee houses opened by 2011," says Saleh.

"The whole journey of Gloria Jeans has been the fulfilment of a dream and it takes every member of the family to embrace the vision. This vision is not hung on a wall, it's a living document. Whatever decision we make around the boardroom table comes back to 'is it in line with what we stand for'?"

"It's a partnership overseas too. Money is not the thing we want, we want to know 'are you aligned'? Do you have the same values and purpose? It's much like a marriage, there is give and take. What is best for the vision? We have several people wanting to take the brand to their country but if they are not right, we say so upfront.

"This is a service business so we've opened offices globally to run workshops, to keep our partners abreast of our initiatives."

This year marked the launch of the Gloria Jean's Coffees International Foundation which is working closely with international charities including Opportunity International and Compassion as well as local causes.

Franchisee Community Service Award

Greg Campbell, Mortgage Choice

This award is for excellence in community service by a franchisee and looked at engagement in, and contribution to community groups.

Judges' comment: what impressed was the seamless integration of community service – right from the outset – into the day to day running of Greg's business.

Camp Quality is all about children and families affected by cancer having fun. A volunteer for more than 11 years, Campbell says: "With the support of my customers and passionate team I'm able to make a small difference to a very worthwhile cause. It's fantastic to have our contribution acknowledged at a national level by the franchising industry and my peers; I can only imagine what we could

achieve if more small business operators got involved in a similar manner."

For every home loan settled by Campbell's team, a monetary donation is made to Camp Quality. But the support doesn't stop there; Greg is also heavily involved with fundraising events and activities and hopes to encourage many more small business operators to give a little where they can.

When Campbell went on his first camp with a little boy called Antony, it was an opportunity to get involved, something he had wanted to do since his sister's death from cancer aged 26.

"Then we were approached by the camp when they needed money for a Christmas party, and that's how our



Greg Campbell at Camp Quality

donations became integrated. We gave \$8000 and divided the number of loans in the year by the \$8000. So now we donate from each loan.

"Camp Quality is for kids up to 18 years old. It's about fun and laughter, a chance to get away, no parents. As a volunteer you get to be five years old again.

"If I can use the award to make people aware, that's great. I'll do anything to raise money."

And he has – walking the Kokoda Trail and raising \$110,000.

Franchisor Social Responsibility Award – joint winners

Bakers Delight and Back In Motion

This award recognises a franchisor's outstanding commitment and contribution to regional, national and global communities and the natural environment.

Judges' comment: Both organisations are great examples of franchise systems meeting the needs of corporate social responsibility in a big way.

Chris Caldwell, general manager of marketing and operational support at Bakers Delight, says "Our commitment to local communities is pivotal to our connection with the Australian market. Having strong community links also reinforces that we aren't a faceless brand – bakeries are run by real people from real communities."

In addition to the national campaigns raising almost \$3.7 million for Breast Cancer Network Australia (BCNA) and the \$140 million plus bread donations to charities each year, other community engagement programs include the Top Sports grants program which saw Bakers Delight invest over \$250,000 in 60 grassroots sporting clubs and 20 schools across Australia, and the Bundraiser campaign where bakeries donated \$1 from every six

pack of Hot Cross Buns sold to purchase valuable equipment for children's hospitals around Australia.

Bakers Delight also actively supports environmentally conscious practices through a range of initiatives such as new 'green' artisan ovens, which will result in a 25 per cent reduction in energy resources, and environmentally friendly calico bags

Sharing this award is Back in Motion Health Group. Co founder Jason Smith explains that unusually for a franchise company the structure from the start involved charitable contributions and a not-for-profit foundation was considered the most relevant method.

"The vision was for our success in the community to be significant," explained Smith. The SOS Foundation is designed to have a long lasting impact on disadvantaged people; a lot of work is done with Southern Cross kids camp which has 11 camps around Australia for abused kids."

Other recipients of help are the Crisis Support program, the Salvos – physios and support staff helped after the bush fires, a men's homeless shelter and an outreach mission in the Northern Territory. Support is often



Bakers Delight has a variety of fundraising activities



Jason Smith, Back In Motion

volunteering not just funds.

"It's diverse, purposely, because there is so much need. The Foundation is a conduit to be significant in areas we feel we can be effective," said Smith.

Franchisees each month comply with a voluntary option to make a monthly pledge, direct debiting from \$2000 to \$15,000 each year.



Contribution to Franchising

Leon Pike, City Farmers Dog Wash



Judges' comment: With more than 15 years in franchising, and having experienced all sides of the franchising equation as a franchisee, field services roles and as a franchisor – Leon's contribution to his own businesses and that of the franchise community is highly valued.

"This award means a great deal to me. It's not just an award that pays lip service for length of service, it's a real honour and is recognition for lots of hard work over a lot of years," admits Leon Pike who started out with Eagle Boys before moving to Franchise Alliance and now City Farmers.

"Franchising is all about helping other people succeed. It's about everyone having that common shared vision, it's very challenging but very rewarding."

And on top of all that he's busy preparing to launch the City Farmers Dog Wash franchise in the New Year.

Franchise Woman of the year

Carol Jarred —
Price Attack Franchising

This award is for excellence in personal and professional achievements by a woman in the franchising sector.

Kate Johnson of Women in Franchising (WIF), an initiative of the FCA, says "Carol won the award based on her outstanding business achievements, leadership philosophies and initiatives, positive influence on other women, contribution to the franchising industry, contribution to the community and professional development."

Jarred co-owns the 128-store strong national company, which specialises in professional hair care, with her husband Barry Jarred who is the managing director, while still owning and operating the Indoorpilly franchise.

Jarred began her career in the franchise beauty industry as a Price Attack franchisee in Bendigo.

"In 1990 we sold the Bendigo-based business and moved to South Australia to take up the first Price Attack master franchise for South Australia and the Northern Territory.

"This part of our career was quite fast and exciting and we opened our first store in Adelaide, followed by a further 10 stores within 22 months.

Relocating to Queensland they bought two underperforming stores and turned them into profitable businesses, and found their true passion.

By November 2007 the couple were the franchisors of the system and their first achievement a re-brand.



Carol Jarred, Price Attack

"The roll-out of the new brand image began in August and it has been very well received incorporating a new logo, business cards, advertisements, store fit-outs, uniforms and computer system.

Jarred said she hoped her award win would help encourage other women to strive for success in all aspects of their life.

"I'm often asked if a work/life balance is achievable and my answer is yes. I raised two children while I transitioned from franchisee to master franchisee to franchisor and I can truly say I had a good lifestyle balance which came down to organisation, time management and delegation.

"In my experience women are very committed hands on operators – they simply need a system that is easy to follow and that offers them support and flexibility.

"At Price Attack we attract a lot of females because they feel comfortable working in the beauty industry and find our franchising model suits someone that wants to run their own business but still have the support of an experienced franchisor and time for their family."

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Excellence in Marketing Award

Mr Rental

This award is for excellence in strategy and execution of a marketing program within a franchise system. Mr Rental launched its re-branded business in mid 2007 involving a national campaign combining television, radio and catalogues as well as closely monitored brand awareness and lead generation.

Judges' comment: Mr Rental's submission was a clear winner as the processes for communication and consultation with all stakeholders, the detailed planning and implementation, the quality of advertising and outstanding results achieved make them a worthy winner.

The Mr Rental network, consists of more than 60 stores across Australia and New Zealand. According to general manager, Alan Payne, the award is a credit to the national support team, as well as the franchisees who support the network's marketing campaigns so enthusiastically.

"Overhauling an entire brand, which we did in 2007, is not an easy decision, and it requires a lot of time and commitment by the entire group. We are hugely motivated by the response by our franchisees across Australia and New Zealand who got behind it and continue to support our marketing strategies moving forward."

Payne believes that keeping ahead of a changing market requires the provision of leading edge systems and support to franchisees, and



Photo: Franchise Council of Australia

this includes regular review of marketing strategies to ensure they are achieving the best possible results.

The FCA submission was based around the recent improvements to the marketing campaign that was designed around the re-branded business. Since launching the re-branded business in mid 2007 with a national campaign combining television, radio and catalogues, Mr Rental has closely monitored brand awareness and lead generation to ensure significant return on investment for the network.

With annual research undertaken by third-party firm, Mr Rental's marketing team has been able to identify significant areas of opportunity on which to focus, while being able to accurately measure year-on-year improvements in the campaign.

Ultimately this marketing campaign was pursued to increase brand awareness and drive sales and market share.



Mr Rental founders Glen and Kerrianne Hickman with general manager Alan Payne

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