



Business you can call your own

If working for yourself is looking more secure than your current job, you might want to consider a franchise, reports NICK GARDNER

FRANCHISING is soaring in popularity as workers grow sick of wavering job security and decide to take control of their own destiny.

Franchising is the easy way to become your own boss and is often referred to as “business by numbers” because the brand, training and infrastructure are already in place. All you need to do is pay your fee, get your training and off you go.

But is it really that simple?

Patrick McMichael, of Domino's, one of Australia's largest franchisors, says not.

“No. You are not buying yourself a job – you are setting up a business to compete with other businesses,” said Mr McMichael, Domino's franchise development manager.

“It requires a lot of work and organisation. And you could be putting tens or even hundreds of thousands of dollars at risk if you do not take it seriously.”

The franchising sector grew by 14 per cent between 2006 and 2008, according to the Asia-Pacific Centre for Franchising Excellence.

But owners of franchising businesses say business is booming and the number of applicants has never been higher.

Your Money spoke to three franchisors:

DOMINO'S

■ **Cost:** New store: \$250,000-\$400,000; existing store: \$250,000-\$1 million
 Plus weekly royalty of 7 per cent

and marketing levy of 6 per cent of turnover.

Average store turn over \$17,000 a week with average net profit 12-16 per cent (\$1800-\$2000 a week).

So confident of its intensive eight-week training program, the company is happy to let the right applicants loose and monitor their performance in-house for the first few weeks to see if they need further training.

But Domino's stresses that this is no easy ride.

“If you buy a new store, it can take a year of hard work and long hours before you are properly established,” Mr McMichael said.

Essentially, it's a simple business – take orders, make pizzas and deliver them within 30 minutes. But with the rush of orders that flood in from 5pm every day and continue often until midnight or 1am, it can be exhausting work.

“To be successful, you have to work hard and work smart – it's highly competitive and you always have to be innovating. So we are constantly training franchisees with new menus and products.”

Domino's actively encourages franchisees to take on numerous stores, but only when they are ready and the first is sufficiently profitable.

And while most are successful, Domino's has its fair share of franchisees who fail either because they operate the business badly or discover it just isn't for them.

ECOWASH

■ **Cost:** \$55,000

■ **Royalty:** Fixed fee of \$800 a month for the first car, including the marketing levy.

■ **Training:** Two week induction: first week in the classroom, the second week out on the road putting theory into practice.

■ **Typical earnings:** \$1200-\$4000 a week based on one operating vehicle.

■ **Peak hours:** Monday to Friday office hours.

Ecowash is a mobile, water-less car-washing business using state-of-the-art materials to clean inside and outside of the car.

Each car service takes between 30 minutes and two hours and franchisees charge between \$35 and \$120.

Ecowash says it has a big problem: it can't meet demand with its existing network of franchisees and is looking for more willing operators in all of Australia's major metropolitan areas.

“Some of our operators are booked out for months in advance,” said Jim Cornish, founder of Ecowash.

The fee includes exclusive territory, fully prepared vehicle, initial inventories of marketing material and products and uniforms.

Ecowash helps generate business through advertising and connections with big companies and government bodies, such as the ATO.

Typical earnings from a one-car business can be as high as \$4000 a week but, as franchisees add cars to territory, the earnings increase.

One franchisee has two cars and

To be successful, you have to work hard and work smart

– Patrick McMichael, of Domino's



regularly clears \$20,000 a month. Mr Cornish expects new franchisees to be washing cars for six months only before progressing to expansion and managing other franchisees.

CAFE2U

■ **Cost:** \$125,000 for van, equipment and training.

Plus flat fee of \$130-\$160 a week.

Company guarantees that within two weeks the franchisee will be selling \$500 of coffee a day.

■ **Typical earnings:** \$700 a day.

Cafe2u boss Andy Simpkin claims the business to be recession proof

as franchisees visit non-traditional locations such as office parks and industrial estates.

“Most work from 6am or 7am until lunchtime, plus they go to occasional events such as concerts and festivals.

“Our average franchisee is earning about \$700 a day, which is a good living.

“All you need is the ability to speak to people and make coffee – and we teach you the second part.”

BEWARE

It can all sound so easy, but don't be fooled, things can and do go wrong.

The APCFE says 17 per cent of

franchisors reported being in a dispute with a franchisee that had to be referred to an independent arbitrator. There have been times when franchisees have been disgruntled by sales or collapses, such as the sale of Wizard to Aussie and the collapse of Kleenmaid.

Even with the support of what you think is an established brand, the future is unpredictable.

But the overwhelming experience of Australia's growing band of franchisees is positive and appears to show a greater success rate than going it alone with an independent small business.





Time Out Sydney
Wednesday 8/7/2009
Page: 17
Section: Supplements
Region: National Circulation: 17,000
Type: Magazines Lifestyle
Size: 19.07 sq.cms.
Frequency: Weekly

Brief: CAFE2U

Belaroma Coffee Centre Manly Vale

Weatherman Tim Bailey, radio tyro Tim Rosso and footy legend Ryan Girdler all spruik Belaroma's blends, and their 40-year legend is set for a new era with Australia's 2007 Barista Champion Scottie Callaghan as head trainer. At their deluxe new Coffee Centre you can roast your own blend, compare eight house varietals and enjoy a cup of Belaroma-minted bliss.
► *75 Kenneth Rd, Manly Vale 2093.*
(02 8976 9999 www.belaroma.com.au). Mon-Fri 6.30am-4.30pm; Sat 7.30am-4pm; Sun 7.30am-4pm.



HELEN GREENWOOD
OFF THE SHELF

A robust apostle

Paolo Dicembre is a coffee heretic who may just shake your preconceptions.

THE coffee world is divided into good and bad, heaven and hell, where the arabica bean is god sent and the robusta bean is the devil's spawn.

Robusta got its bad rap by being the hardy, high-yielding bean whose earthy bitterness supported the instant coffee market for decades. A couple of years ago, instant coffee manufacturers started touting 100 per cent arabica products in television ads, sticking the boot even more firmly into the poor old robusta bean.

But robusta's most outspoken advocate, Paolo Dicembre, rejects the conventional wisdom of arabica-good, robusta-bad. The 43-year-old coffee heretic – only a recent robusta convert – preaches the controversial doctrine that the maligned bean is not a mongrel but a pedigree that can be used in a 100 per cent blend.

His views run counter to every major and minor player in the coffee business.

A long-time owner of cafes, he became a coffee educator and ran the training program at Belaroma before setting up his own barista training, Sydney Coffee Centre, in Lilyfield in 2006 (see story, right).

Shortly after, he began searching for a way to create a medium, archetypal Italian-style roast. He rediscovered wood-fire roasting, one of the oldest methods of cracking green beans to release their oils and aroma, inspired by his memory as a seven-year-old of his grandmother in Calabria rolling the beans in her frypan.

He wanted to replicate the smoky, earthy notes released by hot coals without having to "roast dark" or put the beans

under high heat for a longer time. So he lined a converted Probat machine with bricks and thought, "why not use robusta?" After all, the French, German and Italians traditionally include robusta in their blends. There are also different robusta grades, from the superior southern Indian Monsoon to pleasant African varieties.

Gradually, he began to increase the percentage of robusta in his roast, from 50 to 90 and, eventually, he went the whole 100 per cent. He is reluctant to reveal his recipe but admits to using Indian Monsoon, Ugandan and Central American beans.

Dicembre sells his DiVi wood-fire 100 per cent robusta blend at the cafe in Lilyfield and through Quattro Formaggi deli in Chatswood, which is part-owned by his brother, Michael. They have all been startled that, without a word, about 10kg is moving off the shop's shelves every week.

Dicembre also wholesales several other blends to 12 cafe accounts around Sydney. They include the popular Crema, a mix of 30 per cent robusta and 70 per cent arabica, Angelica, a 100 per cent arabica, and a Fair Trade.

But it's the unorthodox 100 per cent robusta I have to try. As a macchiato, this controversial coffee delivers the dark spicy flavours Dicembre is after but, ironically, lacks robustness. Married with milk, however, Dicembre's robusta blooms into a full-bodied, smooth, sensational drink that will shake your coffee preconceptions.

Sydney Coffee Centre

Shop 19, 331 Balmain Road, Lilyfield,
 9818 1255.
 Mon-Sat 6am-4pm.

Best buys

DiVi 100 per cent robusta blend
 \$11.50/250g
 DiVi Angelica blend (100 per cent arabica) \$10.50/250g
 DiVi Fair Trade blend \$11.50/250g



Sydney Morning Herald
Tuesday 7/7/2009
Page: 8
Section: Good Living
Region: Sydney Circulation: 212,700
Type: Capital City Daily
Size: 403.89 sq.cms.
Frequency: MTWTFS-

Brief: CAFE2U
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Just like grandma's... controversial barista Paolo Dicembre. Photo: Sahlan Hayes