



Interview with Franchise Brands' Chairman - Stephen Hemsley

Background

As one of the largest Franchise Groups of its kind in Europe, privately funded Franchise Brands Worldwide was established by a small number of professional investors with specialist knowledge of the franchise sector.

Chairman, Stephen Hemsley, together with Nigel Wray, are the principal backers of Franchise Brands, both of whom have a long, successful and well documented history in franchising. Stephen has built a strong reputation for growing and developing franchise operations most notably through his 18 year association with Domino's Pizza, which over this period of time has grown exponentially from 150 stores to 900, and a share price of around £7, compared to its 1999 price of 15.6p! Nigel is one of the UK's most successful entrepreneurial investors and along with many other businesses and ventures, is Chairman and Co-Owner of Saracens Rugby Club.

Both Stephen and Nigel are committed to establishing a group of franchise businesses with long-term potential for sustainable growth. In 2008, they saw the perfect opportunity and founded 'Franchise Brands', which is currently home to internationally recognised and market leading brands including ChipsAway International and Ovensclean, who together have a collective trading history of over 40 years and a combined worldwide network of more than 400 franchisees in 12 countries.



Just as you might expect from brands who hold the top spots within their respective industries, 2015 promises to be a very busy and exciting year for both ChipsAway and Ovensclean! The last few years have seen extremely strong growth, which Franchise Brands is now looking to rapidly accelerate, and will be increasing their investment levels substantially to achieve this.

Here, Stephen explains more about the investment opportunities and exactly what's in store for the brands going forward...

Q: What in your opinion is the biggest benefit to joining ChipsAway or Ovensclean as a franchisee?

A: The group's key strengths lie in the support levels we are able to devote to both new and existing franchisees. As soon as an individual decides to come on board, the centralised support function kicks into action. Every franchisee completes a comprehensive training course and will be assigned a dedicated member of our experienced franchise support team, who is on hand from day one as their first port of call for whatever the new franchisee may need. They will also be there in the background busily working away organising the launch promotion and marketing activity.

The support doesn't stop there though. Our central marketing department, who between them have a vast level of experience running multi-million pound campaigns, manage an ongoing integrated marketing strategy to not only generate leads for the network, but also grow brand awareness through the high-impact promotion of the services we provide to consumers.

We also keep ahead of the game in terms of research and development and are constantly investigating new ideas and products to help our franchisees complete the best and most effective oven clean or repair possible.

Essentially, we understand the importance of having successful franchisees within our networks, and this is why we invest so heavily in having world-class expertise across all business functions, from Finance, Marketing, and Human Resources, to Administration, Sales and Customer Services.

Unless a new franchisee wants to buy a "commission only sales job", it's imperative they join a group capable of delivering those all important customer leads from day one - and that's where we believe we excel above all others in our industry!

Q: You mentioned R&D above - can you expand any further on possible upcoming developments within the networks?

A: Obviously we don't want to give it all away, but I can say we are always investigating new technological advancements to help the networks achieve the best possible results and keep us one step ahead of our competitors. One exciting new area we are currently testing is an ultra-sonic cleaning system, but we must be thorough and this will take time, so watch this space!

We have also recently completed a substantial project, creating a blueprint for our ChipsAway CarCare Centre operations. This was a significant undertaking and involved working closely with many of our franchisees, but we are confident that we have the optimal plans for the successful development of a fixed-base operation, which is great news for the existing network and newcomers alike. We're now very much looking forward to supporting many more of our franchisees in expanding their businesses.

Essentially, the key benefit to joining one of our networks is that we at Head Office have already invested significant time and resources in testing new innovations on behalf of our franchisees and will continue to do so going forward. Only when we are 100% sure will we launch a new innovation to the networks.

Q: Can you tell us more about what the central marketing department do on behalf of the franchise networks?

A: Excitingly, we have just launched Ovensclean's inaugural TV campaign, which is only possible due to the economies of scale we are able to achieve as a franchise operation. With over 100 franchisees within the Ovensclean network, Franchise Brands has invested a substantial amount of its own money in order to produce the creative, then pooled relatively small sums of money from each franchisee in order to secure the airtime on national TV channels for an eight month campaign. The result is that we are the only oven cleaning franchise currently on TV!

We also run TV campaigns for ChipsAway and have done for the past 6 years which have grown in effectiveness year-on-year. In fact, we have experienced an increase in demand of some 260% since the implementation of the national advertising fund!

This TV activity is organised in conjunction with a centrally coordinated, integrated marketing strategy, which includes continual Search Engine Optimisation (SEO), Google Pay Per Click activity and print advertising, not to mention supporting the franchise network with the regular creation of new template artwork for local use.

One of the greatest benefits and key to the success of our franchise operations is that we are able to leverage the strengths of both head office marketing with that of our franchisees. For example, our hugely impactful national TV, online and PR activity delivered almost 200,000 leads to the ChipsAway network last year. When this is teamed with a strong local marketing strategy implemented by the franchisee it creates an unbeatable combination. The whole really is greater than the sum of its parts!

Q: What do you see as the next big challenge for Franchise Brands?

A: Obviously, with technology developing at a rate of knots, it is imperative that we stay ahead of the game. We have recently invested a considerable amount of time, money and resource into developing a bespoke content management system, as well as mobile-optimised websites for each brand, which have enabled us to totally streamline the lead-quote-booking process. This not only means that the franchisees benefit from a simple to use, effective customer database management system, but customers receive a professional, courteous service - giving them peace of mind that they are dealing with the industry brand leaders. With website lead volumes up 28% over the past year alone, it's obviously working well.

But we mustn't rest on our laurels. We are constantly striving to keep up with new developments and technology, making sure our franchisees have the support necessary to stay ahead of competitors and grow thriving businesses!

Our plans for the future also include growing Franchise Brands through the acquisition of a number of other franchise networks and helping them develop into market leading brands as a result of the experience, knowledge and world-class support system we already have in place.

Q: Could you elaborate further on your acquisition strategy?

A: Yes, this is a priority for us in 2015 and we have funds earmarked to acquire franchise networks which would fit well with us strategically. Of particular interest are businesses in the B2C service sector, but the key criterion for an acquisition prospect is a compelling proposition from which franchisees can be successful. It is also fundamental for us to have people who are honest and who operate with the highest levels of integrity and respectability as that is the way we partner with our franchisees and run our business.

To conclude, I believe Franchise Brands has a great deal to offer franchisors. If they are passionate about their business and are fully engaged with our vision and values, mutual profitability can be enhanced as a result. It really couldn't be a better time to get on board!.

