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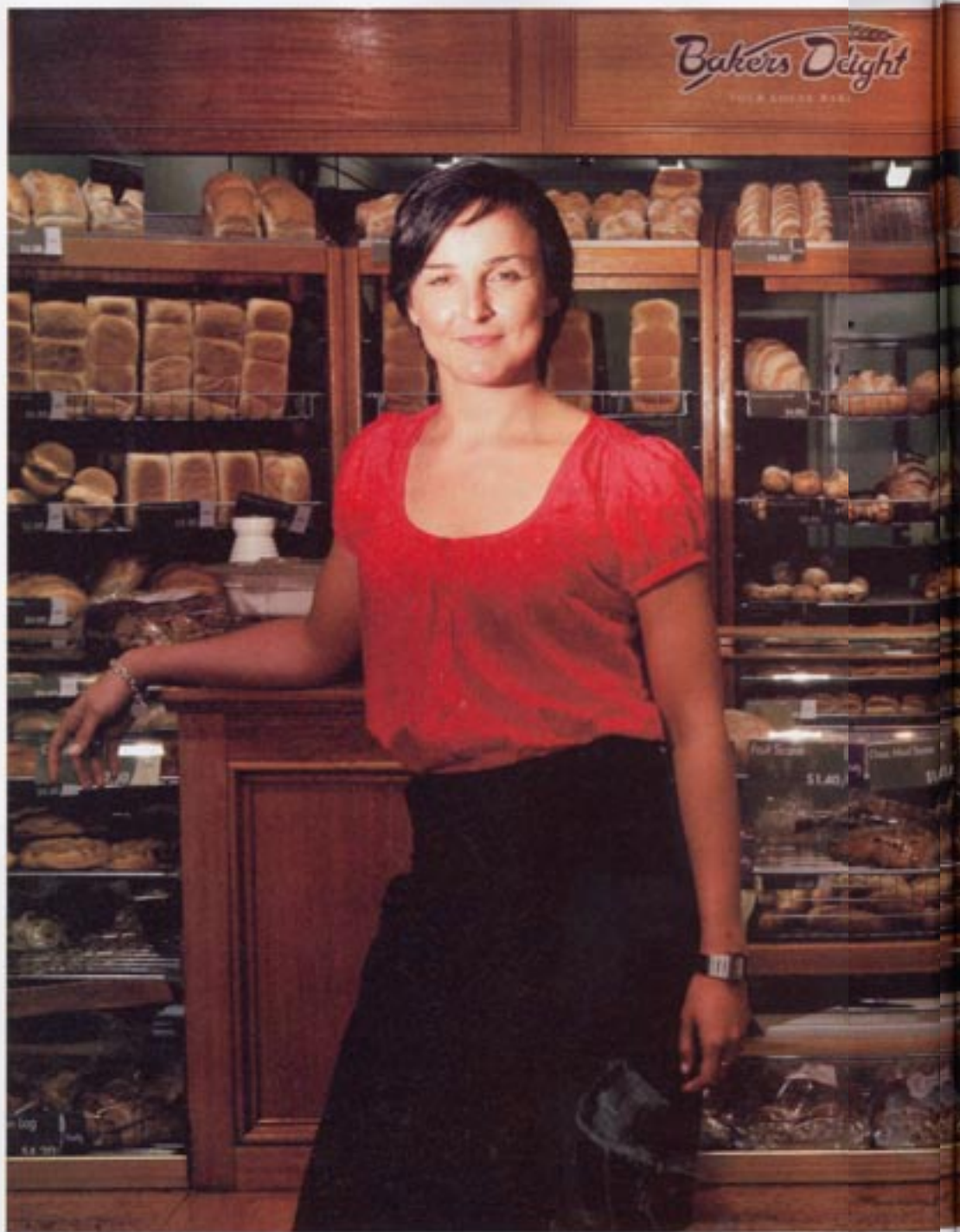
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A SHORTAGE OF RECRUITS IS FORCING FOOD FRANCHISES TO HELP THEIR FRANCHISEES ADOPT NEW STRATEGIES TO IDENTIFY, ATTRACT AND RETAIN GOOD STAFF.
REPORT: JANE LINDHE

Finders



● Australia's franchising industry is facing a skills shortage among its core employees – retail staff. In response, franchisors are developing new resources for franchisees to help them attract and retain staff. Twelve months ago, the skills shortage was an issue affecting trade and professional services companies. However, an extremely low unemployment rate is making retail jobs harder to fill. Australia's largest franchisors say that increasing wages is not the answer; the solution lies in training their franchisees to be better managers.

Market research and consulting company 10 Thousand Feet, which specialises in advice for the franchising industry, says the skills shortage is even forcing fast-food chains to reassess how they attract and retain staff. "It affects everyone from managers to retail staff," head of intelligence Ian Krawitz says.

Three of the company's fast-food clients – one in Western Australia and two in New South Wales – are testing a new recruitment system that involves in-store touch screens.

Clients use the touch screens to collate customer feedback, but the new system will allow potential job candidates to apply for positions in the store. "These are used instead of the old application forms or a bit of paper stuck on a wall, which doesn't look very attractive," he says. "The speed in which you can apply is immediate, you don't have to go away and look at the website and look at a competitor's advert. Employers know that so many things can happen in those five or six hours between seeing an advert and applying for a job."

Krawitz says 10 Thousand Feet research shows more than 50 per cent of franchisees prefer working with people to behind-the-scenes office work. In recruiting franchisees, more than 90 per cent of franchisors look for applicants who want to work closely with people. "While not all businesses are the same, what this trend can mean is that

**Ingrained: Bakers
Delight communications
manager Kendra
Teasdale backs retention**

while franchisees might be good with some aspects, they might not be so good with the management side of things."

As a result, franchisors are developing better tools for their franchisees to recruit and retain staff, he says.

National chain Bakers Delight believes in tackling the skills shortage issue head-on, developing several programs aimed at both recruiting and retaining staff. "As a result of the skills shortage, retention is particularly important and is something that is ingrained in our network," Bakers Delight communications manager Kendra Teasdale says. "Not only does it help to retain our existing staff, but it's a point of difference for recruiting new staff to demonstrate that we have programs to help them move through the ranks."

The company runs a pre-employment program in conjunction with state governments and TAFEs in NSW and Victoria as well as Bakers Delight-focused training facilities at accredited training providers.

Franchisees can also complete Certificate II in Small Business Franchising, a training program that focuses on management skills, including the recruitment and retention of staff.

In 2006, Bakers Delight established its Fresh Franchisee program to attract new franchisees from its network of employees.

The program aims to identify qualified staff members who would be suited to owning and operating a franchise, but may not have the financial means to buy a franchise outlet. It allows potential franchisees to have a bakery and effectively run the operation; and at the end of an agreed time, they have the option to take over the lease. "That way they can build up the business while still learning more about how to operate it," Teasdale says. "We have had situations where existing franchisees have had a fresh franchisee that sits under them, and they help them to understand the business."

Teasdale does not believe it is risky to employ a potential franchisee with little financial security. "By that stage they have gone through a three to 12-month training program, so we know if they have got to that point then they

& keepers



Better tools: 10 Thousand Feet
head of intelligence Ian Krawitz

will probably move the whole way through." Within six months, Bakers Delight will introduce its Future Delight program, which focuses on developing the management skills of employees who do not yet have the skills to manage their own business.

Teasdale describes the program, which will be run by an external education provider, as a step undertaken before the Fresh Franchise program. "It's about moving staff from their existing level to management, and then further on if they wish."

Franchisees may regard the upgrading of employees' skills to become managers or business owners as a conflict of interest, but Teasdale says they have no choice. "With the skills shortage, franchisees know that if they don't work at developing their staff, then their

staff will go elsewhere," he says. "They are coming to a better realisation of that and are calling for Bakers Delight's help to assist them in keeping their staff."

McDonald's Australia, as one of Australia's largest employers with 65,000 employees, continually needs to update its training programs and benefits to attract and retain staff. About 80 per cent of McDonald's managers started as retail staff.

Spokeswoman Kristy Chong says the company spends \$35 million each year on staff training, education and development to retain its employees. "As a registered training association, we are able to recognise talent and potential by offering nationally accredited traineeships or qualifications," she says.

Franchisees can also offer externally accredited management development programs and diplomas to valuable staff members, but the courses are not McDonald's-focused and

TIPS FOR RECRUITMENT AND RETENTION

- Reward staff with flexible working options and development opportunities. Increasing wages is only a short-term remedy.
- Poaching is no longer a dirty word. Encourage managers and franchisees to seek out talent actively when they experience outstanding service.
- Encourage franchisees to conduct regular internal surveys to determine the training needs of staff.
- Discuss training development options with local TAFE's and accredited training bodies.
- Seek government assistance. Federal and state governments have grants available for small businesses that invest in staff-training programs.
- Look beyond the usual recruitment methods. Secondary schools and universities often hold career days and other programs which businesses can use to talk to students about employment.

apply to other industries and future employers. "Managers who complete the management development program are also given advance standing towards undergraduate and postgraduate qualifications at a number of universities across Australia," Chong says.

The restaurant chain launched its maths online program, which encourages a balance between work and education for staff who are completing secondary school, last year.

The program reflects the curriculum in each state and territory and gives employees access to online tutorials for students in years seven to 11. It also has samples of examination papers for students completing their final year of secondary school.

"While we understand the life skills that can be gained through students undertaking part-time or casual work, we also believe we have a responsibility to help them perform well in school," Chong says. **HRK**

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