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LEADING FRANCHISE CONSIDERS BENCHMARKS A FOUNDATION FOR SUCCESS

John Post, Senior Training and Development Manager with Kwik Kopy Australia, refers to financial performance benchmarks as “a foundation” of the business.

He considers the financial benchmarking process as the perfect way to gain insight into the franchise. “It is imperative to know the profitability of each individual franchise as well as to monitor the trends in our network. Profit and performance benchmarks give us a comprehensive understanding of our business that allows us to be proactive in building franchisee profit and developing our franchise system.”

Commitment to franchisee profitability

Kwik Kopy Australia has always had a strong commitment to franchisee profitability; they dedicate internal and external resources to building profit as well as sales. The company began benchmarking more than 15 years ago when the top 20 centres agreed to share their results with each other. By 2001 all centres were participating in a comprehensive annual survey that incorporated benchmarks for profit, productivity and cash flow. Kwik Kopy’s benchmark study, including a report describing system-wide results, individual franchise performance profiles and detailed management supplements for the corporate staff, are provided by the US based consulting group Profit Soup.

“It is very easy to entrust our information to Profit Soup and, since the franchisees have a vested interest in knowing how the company is doing, we have no trouble getting 100% participation,” said John Post.

Enormous value for franchisees

Kwik Kopy finds that all franchisees are willing to provide their financial information to the corporate office. “Our franchisees provide their accounts to us because they receive something valuable in return,” states David Bell, Managing Director of Kwik Kopy Australia. “The benchmarks help them identify the strengths and weaknesses of their own business. As well as this, franchisees get a straightforward snapshot of profitability trends across the network and they appreciate this transparency and our genuine commitment to profitability.”

The annual benchmark study shows the average results for the Kwik Kopy network and also highlights the best performances in key operating areas. Because it shows the results of the top 25%, franchise owners have a perfect tool to help set goals in their own business.

“I refer to the benchmarking study and my centre’s report to see how I compare to the rest of the network to determine how I can improve and to help plan for the future,” says Andrew Bannerman of Kwik Kopy Chatswood.

The benchmarks are a terrific resource for Kwik Kopy Australia’s team of Business Development Consultants (BDCs). “Our BDCs have a jump start on the areas in which to focus as they work with an

owner,” explains John Post. “In turn, franchisees are asking for more assistance from our field support team because they are focused on goals and enhancing their performance.”

The company also uses the benchmark study to identify outstanding performance within the network. “The benchmark program enables Kwik Kopy to present awards that acknowledge top performers for important operational areas such as production efficiency, as well as the more traditional sales awards,” notes John Post. “Also, when we select the Kwik Kopy Franchise of the Year we consider profitability by reference to the benchmarks which makes the award more valuable,” he stated.

Financial disclosure assists franchise development

Prospective Kwik Kopy franchisees receive the performance results of the network as part of the Disclosure Document as they complete their due diligence. “The integrity of our process means we are confident to present the performance of the network to potential owners. Indeed, we think this is essential in today’s market where prospective franchisees are well informed and looking for strong returns,” says Graham England, Franchise Development Manager with Kwik Kopy.

“We have the numbers at our fingertips. Many systems talk about profitability being important; we can really demonstrate our long term commitment in this area. In Kwik Kopy, our focus on profitability is part of our franchise processes and systems, not an occasional project. Our ability to present the detailed results of our network to potential owners and to their bankers is very powerful,” says England.

Effective for board members

Kwik Kopy’s management team and board members rely on the benchmarking results to easily distinguish the network’s trends. “The board studies these figures at great length since it’s a clear picture of the whole business,” emphasized Stephen Penfold, Kwik Kopy’s chairman. “We then use the benchmarks to help us set strategic direction and are able to gauge the success of our preceding strategies.”

“Our commitment to benchmarking sets us apart as a leader in the franchise world and it’s a hugely advantageous service to our owners,” John Post affirms.

Profit Soup provides business analysis, consulting, training and support services that help franchise networks increase the profit and satisfaction of their franchisees. Their processes measure the things that matter most, then help people understand and interpret the results and take action to get things done.

Profit Soup’s founder, Barbara Carper has worked with Kwik Kopy Australia since 1999. She has authored many benchmark studies for leading franchise networks in the USA and Canada.

Kwik Kopy Australia Pty. Ltd. is the franchisor for 108 Kwik Kopy Design and Print Centres in Australia. Kwik Kopy Australia was established in 1982 as a master license holder from Kwik Kopy Corporation, USA.