

Snap-on Tools

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Taking out a top franchise award

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Smartline mortgage broker Brian Hocking is among many high-performing franchisees without a tertiary education.

Mortgage brokers, a shoe repair and key copying business, a printer and an equipment rental business have topped a list of Australia's best franchises, as voted by their peers.

Smartline Personal Mortgage Advisers was voted the best franchise for 2011 in the topfranchise awards, making it the winner for the fourth consecutive year.

It was followed by **Mister Minit**, **Mortgage Choice**, **Kwik Kopy** and **Mr Rental**. **Snap-on Tools**, **Anytime Fitness**, **Snooze**, **Gutter-Vac** and **Signwave** rounded out the top 10.



Ajit Ponnambalam, managing director of Snap-on Tools, says the business spends \$50 million on research and development each year.

The awards were handed out by topfranchise.com.au, an information portal run by research firm 10 Thousand Feet.

About 1000 members of the franchise community voted in the awards. Respondents were asked to consider their intention to renew their franchise agreement, their willingness to recommend their franchise and return on investment, among other factors.

Smartline broker Brian Hocking says the franchise network's culture of helping fellow franchisees sets it apart from other franchises. "We make sure franchisees really feel part of our team," Hocking says.

"We openly share ideas and help each other out, which I think is unique among franchises. New people also get the sense there's help there and that other franchisees have blazed the trail for them," he adds.

Hocking says Smartline's Franchise Advisory Council, which is a group of the network's top franchisees who meet quarterly to workshop ideas for business, is also a key differentiator.



Snooze managing director Simon Beaty.

"It was originally set up to field problems, but now it's about bringing ideas to the table to build a better franchise, rather than being a bitch session," he explains.

Hocking, who left school in Year 11, was on common ground with many of the other high-performing franchisees who have no university qualifications.

Ian Krawitz, head of intelligence for research organisers 10 Thousand Feet, said there were many aspects that contributed to making one franchise more popular than the next.

"But we did find that franchisees without a university education are more likely to be highly profitable than those with a university education," he says.

"Which is not to say that franchisees with a university education are not profitable, but they are just more likely to be highly profitable if they don't have a tertiary education."

Mortgage broking business **Mortgage Choice** also made the lists of the top franchises. Franchisee Kim Narayan says the support that head office gives Mortgage Choice franchisees makes it an attractive network to join.

Narayan says the dedicated 'rookie' program new franchisees take part in helps to ensure the success of new members of the network. She's also part of a group of franchisees that receive special development support, because they are deemed to have high potential.

"A drawback is that you don't necessarily earn as much commission as other networks, but this is balanced by the high level of support we get," says Narayan.

For instance, in her area, Parramatta in Sydney's west, franchisees receive an average of eight leads per month from head office.

Ajit Ponnambalam, **Snap-on Tools** Australia's managing director, says the fact the business spends \$50 million annually on research and development is one reason why it is attractive to franchisees.

"We recognise vehicles are becoming more complex and we put considerable resources into supporting our customers," Ponnambalam says.

"But right now, we have more customers calling on us that we can service, which is a nice problem to have, but one I do need to tackle," he adds.

Recently, Snap-on Tools has launched its own franchisee finance package, in response to new franchisee feedback that it's becoming tougher to access credit. Ponnambalam says the business' 'no quibble warranty' also sets it apart from competitor businesses.

Snooze managing director, Simon Beaty, says the solid relationship between the franchise and its franchisees, which they prefer to call franchise partners, is Snooze's point of difference.

"If you're transparent and open with your partners and make it clear that our success is reliant on their success, you'll build trust across the network," Beaty says.

He says the fact that so many franchise partners now operate multiple outlets is testament to the strong system and good relationship the business has built up with its franchise partners.

"We now have owners securing whole territories for future sites. They might be successfully running one franchise and can see in a couple of years they will be ready to move into an adjacent neighbourhood. Right now, three territories have been purchased by existing franchise partners as part of their future growth".

Beaty says the high level of support franchise partners receive is also appreciated across the network. For instance, Snooze is now rolling out a new sales process and its national training manager is travelling the country training all franchise partners.

"Ultimately, the reason someone gets into a franchise is the value the franchise gives to its partners. So we focus on making sure that level of support is there and we don't rest on our laurels".