

The Future of Convenience

Taking on some of the biggest names in Australian retail, NightOwl is dedicated to delivering convenience, quality, and choice to its customers.

Images by Fullframe Photographics

In 1975, a former Woolworths store manager decided to stake his own claim in the Australian retail landscape, setting up the first-ever NightOwl in the Brisbane suburb of Auchenflower. This lone store traded 24 hours a day, seven days a week, and set the prototype for what would become the country's largest stand-alone convenience brand, with more than 60 locations across Queensland, New South Wales, and Victoria.

NightOwl was franchised in 1987 and increased its profile within the industry, and played host to regular Australasian Association of Convenience Stores functions within Queensland.

Over the years, the brand has represented value through its products, convenience, marketing, and merchandising. It is these strengths, facilitated by an experienced team of office personnel and state-of-the-art systems, that ensure the highest level of quality throughout NightOwl's expansive footprint.

Adam Adams, Franchisor of NightOwl, bought the business in 2007. He and his wife also own six NightOwl stores in Cairns and North Queensland. The pair has been instrumental in the brand's expansion and growth, developing new regions and states for NightOwl.

The CEO Magazine spoke with Adam about his history with the company, the strength of the organisation, and the opportunities that lie ahead for NightOwl.

The CEO Magazine: Can you give our readers an overview of your journey leading up to the purchase of NightOwl?

Adam: My background is very sales orientated, very automotive orientated. The way we got into NightOwl itself is that I bought two stores with my wife, Katrina, in 2002 in Cairns. I then got exposure to the back-end of NightOwl, which is what created interest.

I had extensive experience in the automotive sector through family

businesses like new-car dealerships, so I previously had exposure to franchising that way. My strong interest in wanting to develop our business interest beyond the two stores gave me a foundation for being attracted to the franchisor side of NightOwl. Our two stores grew to three, then four, and in 2007 talks started with the then franchisor in February, and we had settled by July.

Since taking over the business, what have been the biggest challenges you've had to contend with?

Our challenges have been the things that all business-owners have to deal with—raising capital, getting return on investment, and recruiting good people. It's always a competitive environment attracting the retail dollar, maintaining strong margins, and getting a reasonable sales rate compared to rent rate per metre. One of the big things that is constantly changing is the competitive environment out there. It is getting tougher and tougher: the cost of running a business is >



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As franchisor, how often are you in communication with the various branches within NightOwl's network?

I'm based in Cairns, so I visit Brisbane every second week. My time is always split between suppliers, staff within our support centre, and franchisees. I'm in contact with franchisees weekly through emails, phone calls, and face-to-face store visits. It's a very hands-on business and I try to be as hands-on as I can. I want to be proactive in where we are moving forward.

Our executive team is comprised of CFO, head of marketing and operations who oversees marketing, supply, and our operations team; and our commercial manager who oversees compliance and legal issues, development of new sites, sale of existing sites, the implementation of our stores of the future, which we're rolling out across the network over the next two years, and renewals and incoming of new franchisees. They all have big responsibilities, so I'm in contact with them every day, but they very much have autonomy to run and drive their respective departments.

How does NightOwl differentiate itself from the major competitors in your industry?

Our point of difference from our major competitors is our range—having what our customers need when they need it. We also make sure that we're in very convenient locations. So it's about being in locations where we're going to win, making sure our customers understand what we have on offer, and, by doing that, we need to be consistent across the board.

What does the future hold for NightOwl?

The future is about growth. There are still plenty of opportunities out there for us. One of the things that will enable us to remain competitive is that we need to find more synergies. We are looking at other retail offers and seeing

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- Adam Adams

getting higher. You have to keep your finger on the pulse or you risk burning the candle at both ends. You need to be constantly looking for more ways to drive efficiency in your business. That would be the biggest thing that we're challenged with on a daily basis.

How do you find and utilise those efficiencies within the organisation?

The benefit of joining a franchise network is that you have access to systems and processes that as an individual storeowner you would not have access to. That's the major point that you drive as being part of a franchisor—create efficiencies, create buying power and strength in numbers. We're very much going through a transition at the moment where we're migrating the business into a single supply framework so we can get better efficiencies in the way we buy our goods. We're also investing heavily in our future markets, which is just as important.

The two things that drive our business are convenience and franchising. Convenience is all about having very convenient locations and having what's in the highest demand within those local areas. We have invested in stores of the future, which means new décor, very much recognising what the market is looking for, and there's more focus on food service. Part of franchising is consistency, so we're just making sure that our offer across our whole network is consistent and delivers great value, which is very much what today's customers are looking for more than ever.

What would you say are the key values or principles that drive the organisation?

Our biggest values are return on investment and value for our customers. We're always working to progress, move with the market, and do what we can to be ahead of the market, which is definitely a challenge out there.

where we can be more proactive, working with other retail offers to integrate into our sites and to ensure, from a convenience point of view, that our customers are given the best possible offering. There are plenty of opportunities out there, but we have to change with the times, which means creating more efficiencies and better convenience. And when I say 'better convenience', it's not just location but more substantial offerings within those locations.

Who or what has been your biggest influence in terms of management and leadership?

I always get inspired by rags-to-riches stories. I very much enjoy them. But as I get older, I get more from proven systems and people that stick to a formula that works. Having said that, they move with the times, embrace the changing environment, and very much implement that into their business. Any strong brands that have stood the test of time and remain strong have inspired me.

There is no particular one that stands out, but if you go through famous brands, McDonald's is a great example. That is a brand that has just gone from strength to strength over time, but they very much look at the changing times and embrace it where they can. I once read the book *McDonald's: Behind the Arches*, and that very much inspired me in terms of Ray Kroc.

What was inspirational about him was that he didn't start with McDonald's until he was in his fifties, and he was a travelling salesman before that, selling milkshake machines. The discipline and the culture that he was able to create in the 1950s in America have stood the test of time. McDonald's is still based on the same values, the same focus. Also, consistency, persistence, and staying disciplined are still part of the culture, and I think they've done that very well. That has been an inspiration for me. There have been others, but that's the one that stands out in my mind. •

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