

The Right Brew

From a start-up in Sydney's Northern Beaches to a franchise with outlets in seven countries, Cafe2U plans to continue expanding and jolting the industry awake.

Images courtesy of Cafe2U

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Starting as a small business in Sydney in 2000, Cafe2U has now grown into a global franchise spanning seven countries. Leveraging on the growth of coffee culture in Australia and internationally, it has steadily increased its business over the past 15 years to become the world's largest mobile coffee van brand with more than 250 vans across the globe. Cafe2U offers customers café-quality beverages, and the convenience driven business model has proven to be popular anywhere from the workplace to school fêtes.

The CEO Magazine spoke to Cafe2U's General Manager John Stanton about growing a franchise business, leadership, and the brand's plans for the future.

***The CEO Magazine:* What was your professional background prior to becoming general manager of Cafe2U?**

John: I previously worked in the automotive industry, mainly in sales and sales management roles, until I moved to Cafe2U five years ago. I was originally a franchise sales consultant and then progressed to a franchise recruitment manager and on to general manager in early 2015.

During your past roles with Cafe2U, what were some key things that you learned?

Working on the recruitment model for Cafe2U has allowed me to get to know the franchise partners very well. I've met with the majority of franchisees. I've sat across from them at their kitchen tables, and now I know them on a personal level. This has allowed me to achieve a good understanding of what their expectations for their businesses are. Getting to know the franchise partners on a personal level lets me ensure that we are all on the same path and all heading in the one direction.

When you first came into the GM role, what was your initial strategy and what key areas did you focus on?

I intended to make the switch as seamless as possible for the staff and the franchise partners. When there's a change at the top, it amounts to a bit of uncertainty for everyone, so it was just about reassuring both the corporate team and the franchise partners that it was business as usual. As Cafe2U is an extremely successful company, our main focus was to continue doing what was working while identifying areas where we

could improve to get even better results for our franchise partners and customers.

How has the company grown and expanded over the years to become what it is today?

It started as a concept 15 years ago on the Northern Beaches of Sydney. In 2004, there was a change of ownership and Cafe2U transformed into a fully fledged franchise system. In 2006, we opened our third international market in the UK under a market franchise agreement. Since then, it's really been solid, steady growth over the years to the point now where we're 165 strong in Australia! In regard to international growth, we're launching our first franchisee in South Africa, we've expanded in New Zealand where we currently have 15 franchisees, and in the United Kingdom we currently have 72 franchisees.

Are there plans for further expansion?

Yes, definitely. We are constantly looking at new parts of the world to expand into. Coffee is a popular product globally, and the convenience we provide through delivery makes it an attractive brand. >



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Do you have to change the business model slightly when entering those international markets?

It's quite similar in the four markets. In the UK, we see a slightly higher food offering as opposed to coffee, because the espresso coffee culture is not quite as strong as what you have seen in New Zealand and Australia. A country like South Africa brings different challenges around safety and security. We remain mindful of this, and we have put systems in place to tailor the business model to suit this market.

What are some of the challenges that you have experienced since becoming GM, and how have you overcome them?

That's a good question. The emails never really stop, so it is pretty constant from the time you are up in the morning until you go to bed in the evening. It's a really full-on role, but I am very lucky in that I am surrounded by a great team. Our challenge is making sure we can keep developing that team and open up opportunities for them within our business. Since being acquired by Retail Food Group in September 2014, Cafe2U now sits alongside a stable of strong franchise and coffee brands. This has genuinely opened up some great opportunities for our team members in terms of career progression and growth. The acquisition has been a smooth process, and we're really excited to have the support of a global leading company backing our ambitious expansion plans and supporting our growing network of franchise partners.

What do you think sets Cafe2U apart from its competitors in the market?

In the mobile industry, we have a real focus on quality and consistency with a dedication to training our franchise partners as top level baristas. So while we're obviously mindful of where and how we spend our money, the focus on quality is most important. Everything from the vehicle and equipment we choose to our



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training, back-up support and product range is done with the intention of being seen as the premier mobile café brand. I think we certainly achieve that.

How does Cafe2U embrace technology to grow its business?

We are always looking to innovate. Over the last couple of years, we've introduced a point-of-sale system, which has been fantastic for the franchise partners. We've also gone down the line of having corporate Facebook pages, which allows each of our franchise partners to have their own individual localised Facebook page to engage with their customers. It is fantastic for their local marketing and a really great tool for when we're driving our promotions or new products. Whether it be coffee equipment technology, or things like our point of sale and social media, we are continually looking for ways to evolve and stay in the game.

How would you describe the key values of the company?

I think it's all about teamwork. The mantra of franchising is that our franchise partners are in business for themselves, but not by themselves, and I believe that teamwork is vital to the success of this relationship. At Cafe2U this extends beyond the corporate team, so not only have our franchise partners got the support of head office but also their fellow franchise partners. Our franchise partners really understand the benefits of working together, sharing event work, and making sure it's always a Cafe2U van getting the opportunity rather than a competitor's van.

What training and development do you offer new franchisees?

We have a four-week training and business launch program when new

franchise partners come into the business. No matter where they are from in Australia, they go through a one-week classroom-style course in Sydney, which covers everything from their barista training through to how the equipment works, as well as management, sales, and service. It really is an intensive course. They receive full supervision during their first two weeks on the road where they are implementing what they learned in training and learning how to grow their business. So our business develops managers that are very good at cold-calling and canvassing and knowing what to look for in a customer. By the end of that two-week period, we have a functioning business with a capable franchise partner, and they have a solid base of customers.

What do you think is the key to forming good relationships with franchisees, suppliers, and other partners?

Personally, I think communication is very big. We hear across the industry about franchisees that are great from the start of the relationship but are unable to maintain the level of contact. We're very conscious of having strong communication so that if there is an issue, we can work on it and flush it out straightaway. Our business development managers will contact their franchise partners every week over the phone, and we'll have at least one on-site visit every quarter. We also have regional and state meetings every quarter for the franchise partners in all areas across the country, along with an annual conference.

What's your vision for the future of the company?

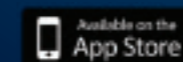
We want to grow locally and abroad. I'm quite confident we are the premier mobile café offering, but we never get complacent about that. We've always been about developing and innovating and making sure what we offer to potential franchisees and to our customers is superior to anyone else in the industry, and that philosophy will continue to drive our brand forward into the future. •

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