

SEIZE THE MOMENT – EXPERTS VIEWS FOR 2023



Over the past three years we have seen some massive changes in the franchise sector. COVID of course has meant many franchise groups like other business have had to rethink what their customers and staff want and change, streamline and tighten business accordingly.

Mobile businesses, online service, food trucks, takeaway food, have emerged as being growth areas and business management practices have had to change to embrace digital business and remote work.

The thing is – it's been tough and every one of us has faced some remarkable challenges and had to change our business to make it successful through a very tricky time.

We are all hoping that 2023, the other side of COVID, will take us back to normal.

But apparently normal isn't that clear.

So, I asked some of the extraordinary business and franchise experts I work with to give me their comments on two questions.

- What are the biggest questions you are hearing from people in business and franchise circles right now, and
- What are people predicting for the year or two ahead?

Unsurprisingly, there is a common thread giving us some clarity. Here is what they told me.



Paul Dunn

I start with Singapore-based Paul Dunn, Business for Good Master, TEDx Speaker and co-founder of BIG1 and Results Corporation because he lays the foundation...

"We just don't know what to do right now."

That's the most common thing I'm hearing at this time.

And it comes from never-before-seen levels of uncertainty amongst business owners. And that's not surprising at all — I cannot remember a year in business like 2022. Here we were supposedly coming out of the most un-settling 2 years we've ever experienced in business. The problem is though, our 'systems' are still unsure.

Put that another way ... from a 'mindset' point of view we've been rocked — yes, we made it through but what the heck should we do now. In a sense, we haven't 'come out' of these past few years at all.

And we can make all sorts of predictions on external circumstances for the next 2 years. But the most powerful one for me is an INTERNAL one — those with Clarity and Focus will get Momentum. Those that don't, won't. And momentum rarely if ever comes from battenning down the hatches."



Jeremy & Deb Harris

Jeremy and Deb Harris from Grow CFO working with clever business financials tell me ...

"The general feeling in the business community is caution - uncertainty with inflation, interest rates, media talk of recession, and labour shortages."

"However, for those who study patterns of history, the prediction is that the next 2-3 years will be a massive bull run before a significant crash - now is the time to build on solid foundations and look for opportunities especially in mergers and acquisitions

Many of our communities and customers are working out the most effective way to scale.

For those who have spent the last 2 years



Brian Keen Brian Keen has been involved in the franchise industry for more than 30 years and, today, is the Founder of Franchise Simply, Systems2Grow and Microloan Foundation Australia. His on-the-ground business experience as a multi-unit franchisee, franchisor and consultant helping many of the big names create their own franchise systems and growth over the years has been fed into Franchise Simply, helping today's SMEs grow their business by franchising.

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ensuring they have tight systems and processes, the franchising space presents an opportunity to expand their brand in their market. They are looking for financiers who can see the opportunities and the ability to convince a financier that your business is worth the risk is best supported by solid financials showing good profitability and strong revenue streams as well as a growing presence in their market.

With the changes brought about in the pandemic years, ecommerce is still strong although it has slowed. For businesses considering franchising, an ecommerce presence provides additional revenue streams from location based and service businesses.

Artificial intelligence and machine learning has also been changing the landscape of business opportunities.

Employees have been seeking remote and hybrid work environments and many have considered opportunities for being their own boss. Businesses who are leading their niche through strong relationships with their community are growing in strength. Customers are choosing products and services that create impact and are sustainable and improving customer experience will also form a large part of this trend.

Businesses which can secure their supply chain are best poised to take advantage of the inability of their competitors to do the same."



Helen Kay

Helen Kay, Business Lawyer CEO of Rise Legal explains...

"Business owners are thinking more proactively (thank goodness!) about putting themselves in the best possible position to

ensure they protect their business and assets and get paid.

They are thinking very carefully about who they do work for (ditching some riskier clients) and making sure they have tighter payment practices implemented, such as getting binding contracts in place and requesting deposits and frequent payments. We are kept extremely busy preparing terms and conditions for our tradies for example."

"In the next year or two, your potential customers will become increasingly careful in how they spend their money" predicts Les Hannaway, business connection expert from Brilliant Branding.



Les & Liz Hannaway

"The more specifically relevant your franchise brand and messaging can speak to meeting real or perceived needs, the greater opportunities you will have to succeed in increasing your market growth. No brand is timeless for everyone.

Remember there are always opportunities to grow and adapt in any economic climate. Specifically defining your customer avatar (and who isn't!), to building a distinctive brand story, then clearly communicating how you are the best solution to their problem's will be more important than ever to win and hold customers."

Peter Buckingham, industry leader in geo-modelling and network planning from Spectrum Analysis has his eye on global business data and says...

"In my view we are heading for tighter times, and this seems to be reflected in a slowing of the economy, both the franchise economy and business in general. I felt 2022 was the



Peter Buckingham

sunny times after the Covid storm, and now as the interest rates are taking effect, business is becoming a bit cautious again.

We are happy to say there are still new franchisors coming into the market, but they want to take a slower, testing approach to rolling out their long-term plans.

I believe most business people see a bit of caution ahead as they wait and see the effects of higher interest rates on demand, and the willingness of potential franchisees to come into their operations.

Whilst we are not pessimistic, I believe the next year or two will be competitive in the franchise industry for gaining franchisees as they will have many opportunities to consider.

Long term, our views are that franchising is strong and healthy, and is still the best business model for small business, as it does reduce the risk of failure compared to going out on your own."

So, the consensus is...

The next couple of years will be tricky but associated with that will be significant opportunity provided:

- You have clarity and focus on what your business does, for whom and how it does it to give you the momentum to build your business through what is an uncertain time
- You have the flexibility to change as business conditions shift
- Your business house is tightly streamlined and in order

Certainly, this is what I have experienced through the last 3 recessions I have been through in Australia - difficult business conditions all bring immense opportunity.

If you follow me you'll know that coming out of my 7th major economic shakeup I see the pattern repeating and echo the comments above, especially Paul Dunn's ... "those with Clarity and Focus will get Momentum."

As Roman poet Horace wrote, "**Carpe diem**" – seize the moment! ❖