



### Shingle Inn - The Business

Shingle Inn is a family owned and operated bakery and café business based in Brisbane, with origins stretching back as far as the 1930's. The Bellchambers family acquired the original Shingle Inn business in 1975 and focussed on maintaining staff and food standards in accordance with Shingle Inn's distinguished history.

Since then, Shingle Inn has expanded to a network of seven cafés in and around Brisbane. All the Shingle Inn cafés maintain the tradition of the original store, with opulent décor and high quality food, cakes, tea and coffee. Many of the Shingle Inn products are produced at a centralised production facility, which ensures the highest quality and standards are maintained consistently throughout all Shingle Inn cafés.



### The Challenge

Shingle Inn has a well recognised brand within the Queensland market and sought to leverage this in growing a significant retail network. The key challenges facing Shingle Inn in achieving their objectives were to:

- Determine the appropriate business model to achieve further retail growth in the Queensland market
- Determine how to scale the centralised production facility to handle the increased product needs of a growing network
- Develop the organisational structure, systems and processes to manage and support the growth of the network

**Infrastructure**

A core challenge for any network is to ensure the appropriate infrastructure is in place to support each stage of growth

**The Solution**

Franchising was identified early as a strategy to enable Shingle Inn to achieve its growth objectives, and provided an opportunity to address the key challenges of growing a significant network throughout Queensland and Australia. The ensuing project involved assessing the economic feasibility of a franchise model, and addressed the organisational issues associated with successfully growing and managing both a retail network and production facility.

Central to the solution was the consideration of the retail network and centralised production facility as two separate profit centres. The optimum structure of the retail network and the product lines with a focus on transfer pricing between the two profit centres enabled Shingle Inn management to understand the impact of product manufacturing on profitability.


**Profitable Growth**

Scaling a network is as much about profit enhancement as it is about revenue and store growth

**The Outcomes**

DCS worked closely with the management team at Shingle Inn to overcome the identified challenges, which resulted in the following outcomes:

- A full franchising program was developed to facilitate growth of the retail network.
- An increased understanding of the capacity, profitability and scalability of the production facility resulted in a more structured and profitable business.
- A framework was developed to assist Shingle Inn management in understanding the capacity of current and future production with a focus on profitability. This enabled Shingle Inn to maximise returns on already invested capital and establish a new production facility with minimal additional capital requirements.
- Through a structured approach to growth and a focus on maximising profit at both a retail and production level, Shingle Inn is now in a position to execute a self-funded growth strategy throughout Queensland.

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