



braaap - The Business

braaap manufactures, imports and retails mini motocross bikes and a range of street wear. Brad Smith, the driving force behind the brand and retail concept founded the business in 2004. Initially, the business operated out of Brad's garage but quickly outgrew that space. Since 2004, braaap has established two retail concept stores and is now turning its attention to growing a national, and then international, network of braaap stores.

Braaap is truly a family business. Brad now employs his mother, father and sister in key roles – not bad for a business started by a 17 year old! Brad's substantial success to date has attracted the attention of the broader retailing community. Winning 2008 Young Entrepreneur of the Year and Retail Business of the Year speaks volumes for the respect in which he is held.

Brad isn't content to sit still for too long – he wants to grow the braaap business and be recognised as one of Australia's leading brands.



Roost ya mates!

v. the action of applying dirt and mud to ones friends through excessive rotation of the rear wheel of a motor-cycle

The Challenge

Brad knew that his success in Tasmania could be replicated throughout Australia. His challenge lay in:

- Deciding what business model to use
- Developing a method of replicating the braaap in-store experience
- Managing cash-flow in a long lead-time manufacturing environment
- Developing enough corporate governance to successfully manage the growing network without losing the braaap culture and attitude
- Convincing bankers to back a relatively young and inexperienced entrepreneur
- Ensuring a business infrastructure which allowed Brad to indulge his passion Roosting ya mates!

Growth not process

Growing a business isn't simply a process, it requires a focus on fundamental business management

The Solution

Brad originally approached DC Strategy after establishing his first store in Launceston. At that time, DCS recommend Brad focused on replicating and proving the concept with another store. After establishing his Hobart store, Brad approached DC Strategy to assist in growing a now proven business.

DCS developed braaap's full format franchise model including the economic proposition, commercial policies and engagement model, franchise recruitment strategy and process and operations manuals.

Along the way, DC Strategy assisted Brad to:

- Negotiate favourable trading terms with his Chinese suppliers
- Establish robust cash-flow management practices
- Improve stock turns and significantly improve working capital requirements
- Negotiate additional funding for growth opportunities



Essence of the business

Corporatising a business doesn't mean the business has to lose its essence

The Outcomes

braaap has now secured growth financing and intends to establish another braaap store in Melbourne. The business is now more profitable and has considerably improved governance and management practices. Most importantly, the business is now structured so that Brad is not constrained by the need to be in-store on a daily basis and can now focus on growing the business on the mainland.

Brad's business has grown from a simple idea into a multi-million dollar retail network. The business has been completely restructured and can now easily scale and achieve the grow Brad clearly wants.

Most importantly, the business hasn't lost its essence and is still "braaap" at its core. Franchising and business growth has simply provided the mechanism to achieve even greater success.

DC Strategy Contact Details

International Head Office

Level 5, 530 Collins Street,
Melbourne VIC 3000 Australia

growth@dcstrategy.com

www.dcstrategy.com

Australia

Melbourne +61 (0)3 8102 9200

Sydney +61 (0)2 8220 8700

Brisbane +61 (0)7 3015 7600

Perth +61 (0)8 6222 1011

Canberra +61 (0)2 8220 8700