

● There are many ways to describe the approach the Cohen family has taken to achieve continued business growth. Risk taking is not one of them.

Headquartered in Melbourne, the owners and operators of Matchbox, the kitchen and homeware supplies franchise, describe their strategy as “cautious, considered and selective”.

The story began in 1996 when Ross and Fran Cohen bought a 20-year-old business which was then under administration. The purchase gave them two stores in suburban Melbourne, the Matchbox brand name and stock. They set about building a family business and revitalising the Matchbox brand which had taken a battering through the administration process.

The company has now embraced a franchising model with 19 stores, 13 of which are franchised outlets and the remaining six company-owned. Management and control of the chain has been passed to the Cohens’ sons David and Charles in a seamless process of succession.

“When our parents bought Matchbox they had two stores, Chadstone [shopping centre] and High Street, Armadale, and they grew the chain to four or five

shops,” managing director David Cohen says. “The family – mum, dad, our sister Annabelle and Charles and I – then grew the business to seven shops, and in 2003 we were looking at our options. We had to expand, consolidate or even diversify a bit.”

It was at that stage that David says he decided to give franchising a go. With hindsight it was an inevitable decision. “The bigger we grew the less love we could give [the business] from a hands-on perspective,” Charles says. “If you had a franchise, you could take it to the next level.”

The decision paid off and Matchbox enters this year’s *BRW Fast Franchises* list in fourth

position with revenue of \$14.82 million for 2008-09 and an average annual growth rate over the past three years of 194.79 per cent.

David admits that they have had some help along the way. He brought in franchise consultants DC Strategy to help put together the modelling for the new structure of the company. “It really forced us to nail down our systems,” David says.

The brothers also outsourced the selection and leasing of sites, and they brought in a specialist to recruit the franchisees.

“We went slowly at the start. It was a very nervous experience but we wanted to be selective in franchisees and locations,” he says. “It has been a big cultural change. You go from owning your store where you can tell the people what you want and when you want it, to a situation where you have to be collaborative.”

The rigorous selection of people and property has paid off, and as David says, happy franchisees make for a healthy bottom line. “We have high performers with multiple stores but every one of our franchisees is an owner-operator. They are not purely looking to buy a job.”

The growth of Matchbox has meant expansion outside Victoria with two stores being opened recently in Queensland and two to three more planned before the end of the year. There are four stores in Western Australia and David says it is likely that three more stores will open in WA in the next 12 months. Expansion into New South Wales is also being planned, which will result overall in the introduction of 10 new stores by the end of the year.

“We are looking at a network of 50-plus stores over the next few years,” David says. “We are now reasonably confident with our model.”

Matchbox had originally focused on giftware, but over the past few years the emphasis has changed to a greater specialisation in quality cooking utensils. The company recently embarked on an extensive marketing campaign, which involved the revamp of its image with a new livery and website, plus the tag line “Matchbox – The Secret Recipe”. The image change which also included changing the look and feel of the stores, aimed to better reflect the company’s specialisation in the cooking, kitchen, dining and entertainment markets, David says.

The Cohen brothers agree that they are achieving a satisfying level of success but they sound a note of caution for new entrants into franchising. They firmly believe that any success they have achieved is due in large part to taking a considered approach and listening to their advisers.

“The key to success is to be cautious, selective and patient,” David says. “It would have been very easy to rush ahead and try to get a return on our investment fast but we held off to make sure that it all worked.” **BRW**



#### **MATCHBOX**

**Rank:** 4

**Chief executives:**

Charles Cohen (left),  
David Cohen

**Founded:** 1976

**Revenue 2008-09:**  
\$14.82 million

**Growth:**  
194.79 per cent

**Secret of success:**

Be cautious, selective  
and patient