



## Bank West - The Business

BankWest was first opened in 1895 by the Government of Western Australia. Over the years, the Bank has developed significantly to become a publicly listed business with the Bank of Scotland as its majority stockholder.

BankWest is a full service bank based in Perth, Western Australia. It is active in all market segments, and its lending is diversified between the business, rural, housing and personal markets.

In Western Australia, BankWest is a market leader, with about one quarter of all bank advances and deposits. Nearly 660,000 customers are served through an extensive network of branches, agencies and electronic banking facilities, as well as 24-hour telephone and internet banking services.

In the interstate markets, BankWest has promoted a selected range of products using cost-effective third party distribution channels, including finance brokers and affinity partnerships. The interstate expansion is supported by offices in Adelaide, Brisbane, Melbourne and Sydney. The interstate markets account for approximately 45% per cent of BankWest's total lending.

Nationally, relationship managers look after the banking needs of business and corporate customers. The Bank offers specialist services in financial markets (i.e. foreign exchange, money market and bullion), international banking, equipment finance and project finance.



## The Challenge

BankWest recognised the franchise industry as providing a potential niche market. They were participating in this market but on an ad hoc basis. They needed to develop a structure to generate greater inroads into the industry.

BankWest engaged DC Strategy (DCS) to undertake three key tasks:

- 1 Document and recognise the different risk structures of the franchise industry to small business
- 2 Convey the message to senior management at BankWest, reflecting the different risk profile in the rates and packages offered through the franchise offer
- 3 Differentiate the financial product from those offered by other banks

## The Next Step

The key was to develop a common level of understanding within the bank that would drive the identified objectives

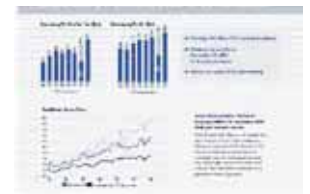
## The Solution

DCS focused on identifying the market within the franchise industry and specifically addressed the reasons for the differing risk profile of a franchised business vs. a small business.

The project focused on achieving a consistent level of understanding of franchising at all levels of the Bank, with the objective being to produce a franchise lending product.

DCS worked closely with BankWest staff to create a franchise lending product which reflected the BankWest lending philosophy and reflected the risk profile of franchising.

DCS classified franchise systems to allow BankWest to focus on particular segments of the market and to differentiate between the industry's risks.



## The Outcomes

BankWest can now approach the franchise industry, one of Australia's fastest growing sectors, with confidence in the product being offered.

- BankWest are now one of the few banks with a specific franchise banking product
- Strong levels of consumer interest are being generated
- BankWest are participating and servicing the franchise sector with improved focus and structure

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