



Commonwealth Bank - The Business

The Commonwealth Bank is one of Australia's leading providers of integrated financial services, including retail, business and institutional banking, funds management, superannuation, insurance, investment and broking services. The Bank is one of the largest listed companies on the Australian Stock Exchange and is included in the Morgan Stanley Capital Global Index.

The Premium Business Services division of the Bank serves corporations, businesses, government entities and other major institutions operating in Australasia.

The Commonwealth Bank has one of the most recognised brands in the Australian financial services industry. Award-winning operations within the Bank include wealth management business Colonial First State Investments and retail broker Commonwealth Securities. The Group has a strong domestic presence, with the largest customer base and the most comprehensive financial services distribution network of any Australian bank.



Franchise Sector

The franchise sector is forecast to become 50% of GDP by 2050. Source: IBIS World

The Challenge

The Commonwealth Bank has been a recognised supporter of the franchise industry for a number of years. Despite this participation and presence within the franchise community the enormous opportunities in the industry remained untapped. There needed to be a more focused approach and strategy for providing products and services to the increasingly large and complex franchise sector.

The Commonwealth Bank engaged DC Strategy to provide expert advice and undertake three key tasks, to:

- 1 Provide a detailed overview of the Australian franchise sector
- 2 Evaluate the existing franchise products and risk framework
- 3 Develop a 'Credit Assessment Framework' to evaluate franchise systems from an operational and financial perspective

The Solution

DC Strategy (DCS) worked closely with many key stakeholders within the Commonwealth Bank to evaluate the existing franchise products. The objective was to understand the existing frameworks and systems before suggesting and implementing a 'Credit Assessment Framework' that would address both the current and future needs of the franchise sector, as well as the needs of the Bank.

The project focused on ensuring the 'Credit Assessment Framework' was multi-dimensional in its assessment of any particular franchise system or franchisee, including financial and operational key performance indicators (KPI's). The practical implications of an Australia-wide implementation also had to be taken into account to ensure any new approach would be successful and consistent.



Brand Presence

To maximise the leverage of a strong brand the products and services need to be continually assessed to address the real needs of the target market

The Outcomes

The Commonwealth Bank has an enhanced and detailed understanding of the Australian franchise sector, its key attributes and growth trends. The new 'Credit Assessment Framework' that forms the backbone of the Bank's franchise product offering has been approved and will provide the Bank with an opportunity to leverage its existing brand presence to achieve their commercial objectives.

- The Commonwealth Bank franchise product and service offering more accurately reflects the needs of the franchise sector
- A 'Credit Assessment Framework' has been developed which addresses the critical needs of the Bank and the franchise sector
- The Commonwealth Bank is well positioned to leverage core banking expertise and reinforce the commitment to the Australian franchise sector

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