



Fantastic Furniture - The Business

Fantastic Furniture is one of Australia’s biggest and best-known furniture stores with a reputation for value for money. The company started in 1989 as Fantastic Plastics, operating out of Parklea markets in Sydney selling predominantly plastic products. In 1990 the first Fantastic Furniture was opened and the Group expanded rapidly, with 14 new stores by 1995. The Group now has over 75 stores across Australia and is listed on the Australian Stock Exchange.

Fantastic Furniture distinguishes itself in the market by catering for the price conscious and providing simple furniture solutions which appeal to the mass market. Having conquered this market, the Fantastic Group more recently has moved into more upmarket furniture, operating under the name ‘Plush’. Plush specialises in sofas, particularly leather, and pride themselves on the best sofa designs at the best price. There are now 15 Plush stores across Australia giving the Fantastic Group a greater presence across the furniture market.



The Challenge

Given the widespread success of their franchise network Fantastic Furniture, as a publicly listed company, made an executive and commercial decision to re-acquire most or all of its franchised businesses. This was no simple task given the vast amount of franchisees operating all over Australia. It would require Fantastic Furniture to be patient and fairly flexible with franchisees, in order for all stores to be willingly acquired. However, at the same time the Fantastic Furniture was cost conscious and mindful of their own interests in the acquisition of individual franchises.

The Solution

Fantastic Furniture was able to resolve most arrangements through commercial negotiations with the franchisee, framing each agreement in commercial terms and removing the emotion from the transaction. Fantastic Furniture set out their desired outcome of the negotiation as well as the possible concessions that could be made, which allowed us to negotiate terms to the best advantage of Fantastic Furniture. The role of DC Strategy was to ensure that the commercial terms reflected the intent of the parties, ensuring that both parties would comply with their obligations under the agreement. Further it was important that the franchisee enter into appropriate release documents for the protection of the franchisor in their future dealings.



The Outcomes

A smooth transition was achieved as Fantastic Furniture was able to reach an appropriate agreement with each franchisee without disruption to the daily running of the business. Thanks to the flexible negotiation strategy adopted the franchisor was able to maintain good relations with exiting franchisees and ensured an efficient and cost effective acquisition of the franchises. Fantastic Furniture has positioned the business for growth in the long term and utilised appropriate legal structures and processes to enhance the value of the business.

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