



Paraffine - The Business

Paraffine is a family owned and operated business featuring a unique European retail concept, specialising in candles, giftwares and home decoration. Paraffine offers a new experience to customers – providing a unique, distinctively European ambience. The mood, aroma, colour and music in the store contribute to an environment of celebration akin to the feeling of a European festive season with imported products of the highest quality from Denmark. Combine this with meticulous personal standards of service and Paraffine has created a new benchmark in the candles and giftware market.

Peter and Karen Seiter, co-founders, introduced Paraffine into Australia by securing the Master Franchise from its principals in Denmark and started the first store in Shepparton, Victoria. The market immediately embraced the concept and with a proven formula, Paraffine is now looking to expand their business.



Market Awareness

Successful retail formulas must continuously align with market changes and customer expectations

The Challenge

With the success of the concept store in Shepparton, Paraffine now seeks to replicate the retail offering throughout Australia. Shepparton is a large country town with a population of about 80,000 people. The Paraffine concept needed to be proven in a metropolitan area before implementing the expansion strategy.

The challenges facing Paraffine were:

- Fine-tuning the business offering to a new metropolitan market
- Accessing capital to expand the network
- Establishing an organisational structure within the metropolitan area
- Managing the expectations of the principal from Denmark

Getting it Right

A carefully planned expansion strategy may initially be slow in the up take. When the formula is fine-tuned the accelerated growth is worth the wait

The Solution

Paraffine understood the challenges and DC Strategy (DCS), a specialist in retail and network development, was engaged to work with the founders of Paraffine to address these challenges.

The project immediately addressed the need to fine-tune the concept in a new market in a metropolitan area. A suitable location was identified within a large shopping centre to set up Paraffine's flagship store. This will form the foundation for the expansion of the network.

Once the foundation of the project is set, dual strategies of franchised and company-owned store business formats were identified. This format provides like-minded entrepreneurs opportunities to participate in the business created by Paraffine for Australia. The combination of committed owner-operators, a European business and product range, and a performance oriented company culture provide an attractive foundation for growth.



Localisation

The development of an overseas concept into a business in Australia is about understanding local knowledge and creative implementation

The Outcomes

DCS worked closely with the founders of Paraffine to overcome the challenges resulting in the following outcomes:

- Identified and set up the flagship store at Highpoint Shopping centre in Melbourne
- Developed an owner-operator business model creating the platform for growth
- Established clear operational guidelines for the network
- Developed a franchise recruitment and selection procedure
- Identified a head office structure to support the network
- Establish a centralised importing and distribution/warehousing business in Melbourne
- Renewed and re-negotiated a Master Franchise Agreement with the principals in Denmark
- Developed network growth capability skills in the business owners

Paraffine is now poised to implement its expansion strategy armed with the appropriate tools and procedures to manage and monitor the expansion of the network.

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