

Smart Money Enterprise

Enterprising women

Boxing clever all tied up



Anne Fulwood

Cast your mind back to when you received your very first gift hamper. Blurred by the mists of time, I vaguely recollect a celebration of cellophane and cane – delivered triumphantly to my shared office and positioned to employ full bragging rights over colleagues who enviously sidled by.

That was circa 1982, in Adelaide, and 30 years on it's a market that seemingly knows no bounds in content, quality or cost.

Among the big players is Louise Curtis of the Canberra-based Lollypotz franchise network, which turned over \$7 million in 2010-11, selling chocolate bouquets and gift baskets.

Lollypotz was ranked fourth in *BRW's* 2012 ranking of the fastest-growing franchises in the country, with average annual growth of 131 per cent over the past three years. Add to that \$1.5 million in revenue from her original business, Hamperesque.

"Cottage industry" is the chosen nomenclature for this business segment, as most operators of hamper companies work from home. That's how it began in 2002 for Curtis, when she was a mortgage broker frustrated at the lack of quality gift hampers to send to clients. She resolved to do it herself, launched Hamperesque and found herself on her lounge-room floor, eight months pregnant, in floods of tears, overwhelmed at the task of packing hampers for Christmas.

These days the 40-year-old married mother of two employs 18 people, with 29 franchisees operating 40 Lollypotz outlets across Australia and New Zealand.

"It's a bit of a blur now and I wondered what on earth I was doing and why," she laughs, with a hint of her characteristic, steely resolve. I took about \$30,000 that year.

These days the Christmas earn is around \$500,000.

It cost \$50,000 to set up Hamperesque – build the website,



Lollypotz founder Louise Curtis: 'Franchising seemed like the easiest way to do it.'

Photo Dominic Lorrimer

get stock, arrange advertising and deliver the goods – while continuing as a mortgage broker to put every cent she earned back into the business. She did this for six years.

Her husband Matthew, a director with Colliers International, was there in support, but Curtis always insisted the business had to stand on its own two feet.

She remembers fondly going to trade fairs to source her supplies and steal ideas. She worried about shifting the dozens of candles she had bought. Now she buys quantities in the tens of thousands.

Last year, Curtis spent about \$800,000 on chocolates, which equates to about 4 million pieces going into the gift "bouquets".

Curtis won \$25,000 in Telstra Business Awards prizemoney in 2008, which she invested immediately to establish Lollypotz the next year. By then she had bought out most of her competition in the ACT to become the largest gift hamper company in the region. Lollypotz sells "bouquets"

predominantly made up of chocolates, with additional gifts, while Hamperesque offers a range of gift baskets, including everything from gourmet food to beer or bath products.

Her dream was for Lollypotz to be a same-day delivery service in every state in Australia with an online, shopfront and corporate presence. She considered opening company stores, supported by financial backers, but decided the only way to keep her equity in the business intact was to franchise.

"By then I had a one-year-old baby [Nicholas] and a four-year-old [Ben] and at the time, franchising seemed like the easiest way to do it," she muses. "With the benefit of hindsight it was probably the hardest. It's hard to focus on a business when you have one baby, let alone two."

The first franchisees cost about \$18,000 three years ago and now they are up to between \$50,000 and \$70,000, depending on location.

Among those franchisees there

have been tremendous successes and plenty of failures, especially among the early starters. Curtis admits her own inexperience, her reliance on poor advice from franchising consultants and her rush to gain market share meant she made poor choices early on.

"Some people wrongly believe that buying a franchise is a meal ticket, whereas what they are actually doing is buying a system," Curtis advises. "They have to be committed to make it work as the system will not find their customers or carry out their local area marketing."

It took Curtis and her Lollypotz executives about 18 months to work out what made a good franchise owner and they now do the franchise recruitment themselves. It has slowed the growth of her business, but has made for better choices.

Applicants are subjected to a stringent screening process to establish their business acumen and attitude because, as Curtis says: "Some people are just not made to be in business for themselves."

My job is to have ideas, to innovate, to be counsellor and financial adviser and, at the same time, be the butt-kicker.

Louise Curtis, Lollypotz

She is clear about her obligation to her network. "My job is to have ideas, to innovate, to be counsellor and financial adviser and, at the same time, be the butt-kicker," she roars.

The day I spoke to her, she was in Sydney meeting a supplier who imports directly for her.

"When you get to the size I am, I have to come up with my own ideas to get them made and imported," she continues.

"I have just changed a packaging item to make it more cost effective and more environmentally friendly. I have to continue to develop products that will deliver a better bottom line to franchise owners."

As for her team at the Canberra headquarters, about a third of the staff are people with disabilities.

"If there are jobs within a company that can be filled by people with disabilities, you should do it," she advocates. "They show up every day, they love their jobs, they're happy to have a job, they are consistent and reliable and they are among my longest serving full-time or permanent part-time staff."

If you are a potential customer, Curtis has the tentacles to reel you in. A Lollypotz smartphone application is planned, she has had her websites rebuilt three times in the past three years and pop-up shops appear at major shopping centres like Westfield at peak gift-giving times.

Not bad for the girl who left school in Sydney at the age of 15 for secretarial college, with the words of her father ringing in her ears: "Good idea – if you learn to type, someone will marry you."

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