



Big Dad's Pies - The Business

Big Dad's Pies is a family-owned and operated business founded by Stephen Donnelly in Ipswich, Queensland in 2002. The business is named after Stephen's father Noel, who started his pastry cooking career in Toowoomba more than 65 years ago. Over the years Noel perfected his secret traditional recipes, the most famous being the "Big Dad's Pie" - which has formed the basis of the business.

Big Dad's Pies retail stores sell a range of baked products. The main product line is a wide range of pie varieties, complemented by other baked products such as sausage rolls, pastries, cakes and slices. The company's products are manufactured at the Big Dad's Pies production facility and are baked fresh on the store's premises.

The success of the first store prompted the opening of a second. Once this quickly proved to be equally successful, Stephen began to consider developing a national brand. It was decided that franchising would be the optimal strategy to achieve this objective. Following the grant of the first franchise, the network grew rapidly with a combination of both company-owned and franchised stores, and currently exceeds 30 stores.



Infrastructure

A core challenge for any network is to ensure the appropriate infrastructure is in place to support each stage of growth

The Challenge

As a result of the rapid growth of the network, the management team found themselves under pressure to achieve the next level of growth and to expand outside Queensland. They had reached a position where further growth of the business was not scalable with its current structure.

The challenge for Big Dad's Pies was to develop a strategic growth plan to enable the growth of a national network. This growth plan needed to address the following challenges:

- Developing the optimum infrastructure to drive and manage growth
- Ensuring best practice systems, procedures and documentation were in place
- Identifying the cash flow and capital growth requirements
- Increasing the focus on advertising, branding and production efficiency
- Enhancing the core owner operator model to facilitate stronger growth

The Solution

To address the challenges facing the business, Big Dad's Pies engaged DC Strategy to provide expert advice on growing a national network.

The project focused on several key areas including:

- An economic review of the existing network to clarify the scalability of the business and capital requirements for expansion
- The strategy for growth including the rollout plan and the management structure required to manage such growth
- The development of an Operations Manual to assist franchisees and to ensure uniformity throughout the network
- The redevelopment of the governance structure and the production of the appropriate legal documentation to support the structure

The project not only helped put the appropriate measures in place for expansion, but also enabled the management team to identify the key issues to achieve the desired growth.

The Outcomes

The project produced a number of outcomes for Big Dad's Pies:

- There is a defined growth plan in place and management are now confident of the steps required to achieve their objectives
- The optimum organisational structure has been identified to support further expansion and will evolve over time
- The operational procedures have been documented, which not only assist franchisees, but ensure the network is more scalable and robust
- The owner operator model is better structured to reflect the future growth and ensure owner operators have a more valuable asset structure
- The group has started on the corporatisation path, which has enabled their ability to leverage the benefits of entrepreneurialism and structure
- The governance structure has evolved to include a Board that ensures the Big Dad's Pies management team can continue to focus appropriately on the key decisions of working 'on' and 'in' the business.

The critical decision of moving a business to support a higher level of performance is difficult but necessary and the founders and management team have proactively recognised and addressed this, which augurs well for the future growth of Big Dad's Pies.

The key outcome of the project is that Big Dad's Pies is now in a position to leverage its strong foundation in Queensland and drive growth in other states in Australia in a controlled and structured manner.

Profitable Growth

Scaling a business is as much about profit enhancement as it is revenue and store growth

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