



## United Convenience Buyers - The Business

United Convenience Buyers (UCB) is a retail buying and consulting group for the service station/convenience store market, offering membership to service stations and convenience stores across Australia. By becoming a member, stores get the benefit of UCB using the collective bargaining power of all their members to negotiate the best possible trading terms with suppliers. The UCB Program earns its money from organising, printing and distributing the monthly promotional point of sale and from the contributions of preferred suppliers. UCB's success can be attributed to keeping the program at as low a cost as possible, to deliver to stores the best possible monthly promotional program.

UCB now have over 1,000 member stores across Australia, strengthening their position as a powerful negotiator for individual stores. They also have many big brand suppliers, which helps drive sales for their members and long-term profit.



## The Challenge

When UCB came to DC Strategy it found itself in the midst of an identity crisis. The issue was whether UCB would legally be considered a franchise model or not. If it was a franchise model, UCB would have to comply with its obligations under the Franchising Code of Conduct. The program therefore required legal analysis and examination to establish if it was subject to any legal obligations and the cost implications of having to comply. Further to the analysis, UCB had no set documents in place for the conduct of the program including the terms of agreement with members. Without formal agreement UCB had very little ground to regulate their relations with members and to protect their brand and rights if a dispute arose.

### The Solution

Having spent some time reviewing the program and discussing the business plan of UCB, DC Strategy had to make a determination in respect to the Franchising Code compliance. The program was boarder line, however based on a legal and economic analysis UCB decided to implement changes to bring the business outside the scope of the Franchising Code of Conduct. Changes were undertaken to branding, the collection of fees and the control of membership, which were pertinent to the final outcome.

Following the changes DC Strategy documented the terms of membership and detailed the process of recruitment for membership. This helped assist current members become aware of their existing rights and obligations, as well as setting out for new members the exact benefits that membership with UCB has to offer.



### The Outcomes

As a result of DC Strategy's legal analysis UCB was able to avoid the complexities of complying with the Franchising Code of Conduct. This helped to streamline the business operation, leading to an increase in membership and the avoidance of unnecessary legal fees. UCB have expanded their network considerably and now focus on achieving a better bargaining position for its members and developing better group marketing initiatives.

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