



**McDONALD'S AUSTRALIA**

# Franchising Overview

Information current at November 2023





# Thank you

Thank you for your interest in McDonald's Australia and the opportunity to pursue a partnership with one of the world's strongest brands.

McDonald's opened its first restaurant in Australia on Bidjigal Country in the Western Sydney suburb of Yagoona in 1971. In the fifty years since, McDonald's Australia has affectionately become 'Macca's' and grown into the largest quick-service restaurant company in the country, with more than 1,024 restaurants, more than 115,000 people employed in our restaurants, and serving more than two million Aussie customers every day.

McDonald's has always been a franchise business, and we firmly believe our franchisees are among the best in the industry.

This is in part due to the care we take in recruiting, training, developing, and retaining our Franchisees. Approximately 85% of our restaurants are owned and operated by local businessmen and women from a range of professional backgrounds, with a shared commitment to running high-performing businesses, delivering exceptional quality and service for our customers, creating workplaces where our people can thrive, and contributing to their local communities.

As McDonald's enters an ambitious new growth phase, we are looking for exceptional leaders to run great restaurants in communities across Australia. We are looking for people with a passion for high-quality food and outstanding customer service. We need great people leaders, able to recruit, train and mentor their employees, and experienced business leaders willing to put in the hard work to make their team and restaurant a success.

As Franchisor, McDonald's provides clear leadership, vision, systems, and processes to maintain the highest operating standards. As a franchisee, you have the unmatched resources of the McDonald's system. Our business model of the three-legged stool creates a genuine partnership between McDonald's Australia Limited, our franchisees, and our suppliers, where each of us is responsible for meeting the evolving needs and expectations of our customers and communities.

In this brochure, we have included some insights from current franchisees. Each has worked within the framework to build their business and generate success in their local community. Their stories are inspirational, and we are proud to have them as part of our System.

I hope you enjoy reading more about our brand and exploring what it takes to build your future with McDonald's. I wish you all the best as you pursue a franchise with McDonald's Australia.



**Antoni Martinez**

Managing Director / Chief Executive Officer





# What's involved?

Talk to any successful McDonald's Franchisee and it is clear there is a lot for you to gain by joining our system.

Here's a preview of some of what is involved. Have you got what it takes?

- You are looking to make a 20 year commitment
- You are open to the challenge of relocating to anywhere within Australia
- You understand the importance of an exceptional customer experience and serving great quality food
- You are committed to leading and motivating great teams, being customer focused and supporting your community
- You are energetic, resilient and take a hands-on approach
- You have had a successful business or career, demonstrated significant team leadership and know how to get the most out of people
- McDonald's will be your only business, and you're prepared to put in hard work and long hours to make it a success
- You are able to make a significant financial investment
- You are able to commit to our Registered Applicant Training Program for a minimum of 9 months full-time unpaid

Whilst most McDonald's restaurants are successful, the start of any new business is a risk and success is not guaranteed. The success of any McDonald's restaurant will depend on many factors not the least of which will be the Franchisee's commitment and ability in key areas.

One of the key reasons behind our success is that we maintain the highest standards of operational excellence while still creating individual opportunities. It is essential that our Franchisees agree to the philosophy of working within the framework of the McDonald's system.

You receive extensive training and ongoing support, not to mention the power of one of the world's best known brands to pull in customers. But in the end, success is up to you. That's why we're looking for a certain type of business partner: one prepared to follow a proven system – the product of over 50 years of food service experience.

You must personally devote your full time and best efforts to the day to day operation of the business. You must also divest yourself of all other competing business interests. Our restaurants generally operate 24 hours, 7 days a week. This means that you will be required to work a number of different day parts and days a week to ensure the highest standards are met across all of your trading hours.

Our restaurants are a busy place and require an extremely hands on approach. Managing a restaurant does include an extensive list of administration duties, however, it is most important to keep your customers happy. Some examples of what is required include cooking, serving customers, cleaning, talking to customers, accepting deliveries, coaching and training staff — just to name a few. Your ability to lead by example will help ensure your team are well trained and most effective. There is the opportunity in the application process to experience time in a restaurant to help you understand the scope of what is involved.

Only individuals can apply to become a Franchisee. However, the majority of McDonald's Franchisees have opted to incorporate a company (which may or may not act as trustee of a trust) to act as the Franchisee. If you are offered a franchise you should obtain specialist advice on the most appropriate entity with which to purchase and operate the franchise.

The franchise documentation we sign together allows you to operate a specific McDonald's restaurant according to McDonald's standards for a period of up to 20 years (depending on the tenure available). McDonald's purchases or leases the land, develops and constructs the restaurant and retains ownership of the building.

As a Franchisee, you equip the restaurant at your expense with kitchen equipment, lighting, signage, seating, landscaping, air-conditioning and décor. While none of this equipment is purchased from McDonald's, it must meet McDonald's specifications.

To maintain quality and uniformity, Franchisees must use McDonald's:

- Formulas and specifications for menu items;
- Methods of operation, inventory control, bookkeeping, accounting and marketing;
- Trademarks;
- Concepts for restaurant design, signage and equipment layout; and
- Information systems.

As a Franchisee, you will operate the franchise according to McDonald's Quality, Service, Cleanliness and Value standards.



# KYM Munro



## BEING A FRANCHISEE

A franchisee by definition is 'an individual or company that holds a franchise for the sale of goods or the operation of a service'. To be a McDonald's Franchisee is something quite different, it is a lot more and difficult to describe. It is not just about selling burgers; it is about forming and maintaining a culture of excellence at every level, teamwork, building the community, providing great opportunity to motivated individuals, being a mentor, problem solving, boosting local economy, adaption to changing environments while understanding you have the worlds best support structures around you and constant self-development due to being surrounded by incredibly inspiring people.

## COMMUNITY INVOLVEMENT

Being involved in a community and being a constant pillar of support to others provides purpose to your career. McDonald's has always been known as a reliable constant in people's lives and the community. I get immense satisfaction from this fact. Moreover, it is a mutually beneficial relationship. We are nothing without our community.

## THE SYSTEM BENEFITS

The system is THE benefit of being a Franchisee of McDonald's and you get what you pay for. There is an incredible team behind every aspect of the business such as; operations, supply chain, marketing, margin, traineeships, IT, equipment and human resources. No matter what questions you may have, there is an expert only a phone call away.

## YOUR HISTORY

I grew up in regional towns in Western Australia with parents who were farmers. I became an environmental scientist because I believe that since development was necessary, it needed to be sustainable. This attitude is relevant in any business. My husband Hamish and I wanted to be our own bosses so we investigated a number of options. During this process, we were given the market managers contact from an acquaintance who thought we would be perfect candidates for McDonald's. Once the ball was rolling, we never looked back!

## WHY McDONALD'S?

I can't think of one reason why not! Do you know of any other businesses where your biggest competitor (in our case other McDonald's Licensees) will go out of their way to not only ensure your success but will be your genuine ally's. The whole business is full of the most caring, inspirational and fun people I have ever met.



# The learning curve

**To become a successful Franchisee, you need to take on board everything we've learned in over 50 years of successfully running restaurants. That is why our Registered Applicant Training Program goes for a minimum of 9 months full-time and is unpaid.**

## WHAT DOES THE PROGRAM COVER? THE LOT.

You'll learn about all our systems and we'll train you to do every role in a McDonald's restaurant. And we mean every role. If the idea of cleaning turns you off, you might want to stop reading now. At the end of the Registered Applicant Training Program, you will have all of the skills you need to take over a restaurant and start to apply your own talents to making it a success.

The training period is unpaid and full time. This is one of the reasons we require potential Franchisees to have accumulated some capital. You will need financial reserves to call on during the time you are training.

McDonald's devotes significant time and resources to its highly regarded training and evaluation program. This comprehensive program is designed to train you in all aspects of operating a McDonald's restaurant and to assist McDonald's in evaluating your potential as a Franchisee.

Most of your training will take place in a McDonald's restaurant. In addition, there are six formal classroom sessions which are spread throughout the Registered Applicant Training Program. The first five are held in regional training centres. The sixth, Leading Great Restaurants, is a five day course which is held at the Charlie Bell School of Management in Sydney. Your complete training program will include seminars, conferences and one on one sessions with corporate staff.

After the satisfactory completion of your training and if McDonald's in its sole and absolute discretion continues to regard you as a suitable person in all respects to be granted a McDonald's franchise, you may be offered a McDonald's franchise. There may be a time delay between completion of training and the offer of a franchise depending on availability of a suitable restaurant, and you will not have a choice of location.

Even after successful completion of the Registered Applicant Training Program, there is no certainty that you will become a Franchisee.

Of course, the support we offer doesn't end with the training. You learn throughout your time as a Franchisee. A Consultant is always on hand to give you advice and support. If they can't help, there are the expert teams at Head Office. We also run regular communication sessions and meetings to keep you up to date with current trends, focuses, effects of legislations and future plans. You will even get your say in McDonald's plans through your representatives on both Regional and National committees. Management is accessible and they really do listen to Franchisees. So in a small way, you'll be able to influence the development of one of the world's great brands.



# EMMA BURGESS



## BEING A FRANCHISEE

Being a McDonald's Franchisee is not just a job, it's a lifestyle and a privilege. McDonald's, is a people business, which provides us with the unique opportunity to work with people from all over the world, various demographics and experiences.

We're in a position where we can influence, lead, develop and inspire others to achieve high standards.

## COMMUNITY INVOLVEMENT

McDonald's plays an active role in the community. As a Franchisee I'm proud to support a variety of initiatives, such as local events, sporting and not-for profit organisations, Primary and Secondary schools, we are also active participants on community Committees and Boards. Getting involved in our community is not just about giving, it's an exchange of skills, knowledge and experience that can be of great benefit to all involved.

Ronald McDonald House is also a big part of McDonald's, involving the community and educating others of RMHC is important to the growth of the charity.

## THE SYSTEM BENEFITS

McDonald's is a pioneer in food, technology and service. Those involved in the system often refer to the three-legged stool; McDonald's is one leg, the suppliers and franchisees are the others. By working together, providing support and sharing best practice, we develop growth opportunities that benefit all areas of the business. Having access to resources such as HR, Marketing, IT, Legal, etc. is a great support.

## YOUR HISTORY

My background is in Marketing and Human Resources. I have always had great passion for people and working in teams. Prior to McDonald's, I worked in a variety of roles and industries, this provided me with a range of skills that I utilise on a daily basis when leading and developing my team and business.

## WHY McDONALD'S?

McDonald's is a dynamic, forward thinking business. Its systems and business model are well thought out, and strategically planned. I have trust and belief in McDonald's as a Brand and as a positive influencer in the industry.

My journey with McDonald's is one that I have never experienced, the people and business drive keep everyday interesting. I'm forever grateful for what McDonald's offers me on a professional, and personal level.



# HAYDEN Smith

*for the family*

*Your*



## BEING A FRANCHISEE

I feel a constant sense of pride and honour to be a McDonald's Australia Franchisee. It is a challenging and highly rewarding business with high barriers to entry, ensuring that the business is filled with individuals of the highest calibre. As one of Australia's largest employers, we play an incredibly important role in many people's lives and this is a responsibility I take very seriously at all times.

## COMMUNITY INVOLVEMENT

As a Franchisee, we are important members of each community around Australia. I love that I have the opportunity to help local causes, sporting clubs and events each year. Some of the greatest success I have had is helping others succeed and grow. I take pride in representing the McDonald's Brand in the community and actively look for opportunities to assist on an ongoing basis.

## THE SYSTEM BENEFITS

I am very fortunate to have the ability to own and operate my Business in partnership with one of the biggest brands in the world. As a young father, this has allowed me flexibility to never miss events with my children and family. Likewise, the periods of incredibly hard work is also strongly aligned with excellent returns in my Business. Additionally, the ability to continuously improve myself as a person, and as a business owner is ever constant with the high calibre of corporate employees and Franchisees.

## YOUR HISTORY

I live on the Central Coast New South Wales with my Wife India, my Son Duke and Daughter Hennessey. Following the completion of my Business Degree I have lived and worked in Queensland and Dubai for a number of years across different streams in Sport (Surf Lifesaving and the International Cricket Council), and Tourism with a hotel brand, before commencing with the McDonald's Brand in 2013.

I have a sporting background which has continued along as I have developed my professional career. I am the current Surf Lifesaving Ironman World Champion in the 30+ years division, I actively run marathons, have competed in the Hawaiian Ironman Triathlon and last year finished 4th overall in the World Paddleboard Championships in Hawaii. I enjoy keeping fit and love that my Son has also taken up the same trait at an early age – however clearly I haven't managed to kick the competition habit yet!

## WHY McDONALD'S?

I've loved the McDonald's Brand for 30 years and vividly remember going to Gosford McDonald's before Carols each Christmas Eve, or Coolangatta McDonald's each holidays. I had wanted to become a Franchisee for many years and worked hard to attain it.

I love the Brand, I love the training and opportunities it provides for our employees, and I really love working at Macca's each and every day.



# Playing an active role in your community

At McDonald's we believe we have a responsibility to add value to the communities in which we operate and we are proud to play an active role in communities all over Australia. One of the ways we do this is by supporting community groups and charities that are important to our customers or that make a difference to the lives of Australians.

For our Franchisees and Restaurant Managers, selling burgers is only part of their job as they are all committed to giving back to their local communities. The flexibility of the McDonald's system means that each Franchisee can contribute locally in a way that is most relevant and appropriate for themselves and their community.

Giving back to the community is a fundamental part of our business philosophy dating back to McDonald's founder, Ray Kroc and is carried on today by the company and our Franchisees. At the heart of McDonald's commitment to giving back is Ronald McDonald House Charities® (RMHC®). RMHC is one of Australia's major children's charities and helps thousands of seriously ill children and their families across Australia every year. McDonald's is absolutely committed to the ongoing growth of RMHC and provides significant financial support every year. More importantly, however, it is the sustained interest and involvement of McDonald's company employees and Franchisees that makes the relationship a success.

Beyond RMHC, our current focus on encouraging active lifestyles means that we have an added interest in supporting programs that encourage physical activity. In addition to the thousands of contributions made by McDonald's restaurants to their local community, the company and Franchisees join together to support more than 50 larger state and national sponsorships.





# JONATHAN PITT

## WHAT MAKES McDONALD'S DIFFERENT?

I am very proud to be associated with the McDonald's brand. Over the years McDonald's has proved itself to be dynamic and innovative — able to adapt well to changing markets and capitalise on opportunities.

Although there are many different restaurants with different owners there is a strong common bond that exists. The sharing of ideas and constant drive on improvement and innovation is a positive and rewarding environment to work in.

## COMMUNITY RELATIONSHIPS

To be a successful local business you need to be involved at "grass roots" level and demonstrate your commitment to the whole community. One of the best things about this process is that it gives you the opportunity to meet many locals and form bonds and friendships with people you may not of otherwise met.

## HOW DO YOU CREATE A HIGH PERFORMANCE ENVIRONMENT?

Consistency in expectation and rewarding good work creates a high performance work environment. A restaurant's success is directly related to the quality of the people within so this needs to be your number one focus. Treat your people well, ensure they understand what is expected of them and have fun in the process.

## WHAT IS YOUR WORK HISTORY, HOW DID YOU JOIN THE McDONALD'S FAMILY?

After completing a Business degree in Sydney I worked in advertising and marketing roles for six years. At one of the agencies I worked at I met my future wife who's father was a McDonald's Franchisee. I am a second generation Franchisee and grateful for the opportunity given to me. In order to purchase a restaurant there were a series of approvals that needed to be met as well as a full year of unpaid training to learn the ropes. The year's training was a huge test of commitment and coming out the other side was very satisfying. I am very happy with the decision I made those years ago and continue to learn and grow every day.



# Money matters — Financial investment & rewards

The following indicative costs and estimates are subject to change without notice. Actual costs will only be determined when a specific restaurant is offered to a Registered Applicant. Size of the restaurant facility, location and style of decor and landscaping will affect costs.

## ONGOING FINANCIAL CRITERIA

Generally, new franchisees enter the McDonald's system through the purchase of an existing restaurant from an existing franchisee or McDonald's.

The purchase price will be negotiated between the **outgoing franchisee and incoming franchisee**. McDonald's must approve the transaction.

The purchaser is not permitted to borrow more than 70% of the McDonald's agreed valuation for their first restaurant. The remaining 30% equity contribution must come from **entirely unencumbered funds**.

McDonald's valuation may be less than the agreed purchase price

It is strongly recommended that a franchisee obtain their own independent legal, tax, accounting and financial advice on any transaction.

<b>Term of Franchise:</b>	20 years (except where restricted by the term of a head lease).	
<b>Ongoing Fees:</b>	A monthly service/royalty fee based on a percentage of the restaurant's gross sales (currently 5%).	
	A monthly rental being a fixed base rent and a percentage of the restaurant's gross sales	
	A monthly advertising contribution of not less than 4% of gross sales.	
	All Outgoings including rates and utilities.	
<b>Initial Costs:</b> Initial Costs are listed in more detail in the McDonald's Disclosure Document.	Licence Fee paid to McDonald's on or prior to the commencement of the franchise.	\$60,000 plus GST
	Stamp Duty may be payable on the documentation (stamp duty laws vary from State to State so Franchisees must obtain their own legal advice).	To be determined.
	McDonald's legal fee.	\$5,000
	Approximate cost of staff training, salaries, purchase of trading stock, living expenses whilst training and other normal start-up expenses.	\$160,000 – \$200,000 (indicative costs).
	<b>Purchase price:</b>	\$4-12 million (indicative costs only, depending on sales volume of restaurant).





# NICOLE Carmichael

## YOUR HISTORY

My history is very different to a lot of licensees in that I became a licensee with no McDonald's' experience, however vast business and corporate experience. In my early 20's I had a successful career in cosmetics/fragrances and was the youngest woman to run all the Duty Free accounts in Australia, NZ, Fiji and Noumea. To gain franchise experience, and with a passion for coffee, I changed direction and became the franchisee of 6 Gloria Jean's Coffee shops in Sydney.

My dream was always to own my own McDonald's franchise, so I used my past experience to make that a reality in 2015, starting at the Cooma restaurant in NSW. I have since relocated to Dubbo in regional NSW with my blended family, where I am currently expanding my organization to four restaurants. I am striving to run an excellent operation with happy staff and customers, while maximizing the growth and love of the brand in Dubbo. My ultimate goal is to return to Sydney to operate a huge number of restaurants.

I believe and tell my managers "Never let anyone tell you you're too young or too old to achieve something. Put your mind to it, don't take no for an answer and you will be successful".

## BEING A FRANCHISEE

I am always proud to tell people that I am a licensee and look at my role as one of importance to a lot of people. Whether it's guiding careers, being an ear to listen to or developing skills and talents in my people. I love that my son sees and learns our family's hard work ethics so he can apply to himself in his career.

I am proud to stand up and show women can, and do, run the show as well, and as successfully as men. Beyond being a licensee, I am the lead and a mentor for NSW/ACT AWLN (Australian Woman's Leadership Network) where as a group we to strive to make everyone feel included whether you are a licensee, licensee partner, supplier or corporate.

## COMMUNITY INVOLVEMENT

I partner with many groups such as the council, radio, sporting clubs, schools and I'm a dedicated board member to the RMHC in Orange which services a huge area of the Central West. The time and effort I put into the community repays itself in my business growth which is well above the market. I contribute that success not only to my excellent team of staff and managers, but also the community recognising we play an important role in their lives.

## SYSTEM BENEFITS?

Our role as a licensee is full of challenges, hard work and long hours while ensuring our people are happy and healthy, but my role is also very rewarding financially and brought amazing friendships. The finances don't come to you straight away, but if you continue to put all your efforts into your business both emotionally and financially you will never look back. The benefit of being part of a strong franchise community is that the model works, so if you're in, be all in and grow and flourish with the brand.





# DAVID UPHAM

## BEING A FRANCHISEE

I can easily sum up what it means to me to be a Franchisee at Macca's in one word - family. Being a franchisee allows me to support my family. I also have a great team at the restaurant who I consider to be my work family, and a family in my peers, the other licensees in the system.

## COMMUNITY INVOLVEMENT

Being a Franchisee in a small community allows me to give back in many different ways. I currently support 3 local sporting clubs by way of sponsorships. It's also an honour to be part of a global company and brand that values community and invests significantly in sponsorships and families.

## THE SYSTEM BENEFITS

One of the biggest benefits of being a Franchisee with Macca's is becoming part of a system that embraces you. It provides the opportunity to meet regularly with other Licensees and share best practise which is invaluable. We are supported by our suppliers and have regular opportunities to come together at local and overseas conventions.

## YOUR HISTORY

I was a hotelier and owned the local hotel in Lorn. One year I was approached by Chris Carrol, a Macca's Franchisee, and invited to join the Ride for Sick Kids to raise money for RMHC. After three years riding for sick kids I formed some great relationships with Franchisees and decided that is what I wanted to do. I now own a restaurant in Lara and I am the Chairman with Ride for Sick Kids.

## WHY McDONALD'S?

I enjoy the flexibility of owning a Macca's. Having a 24/7 business allows me to choose my hours and spend time with my family. The training and structure are world class, and if you are prepared to put in the time and effort you are rewarded with a successful business.





## McDonald's Australia — Franchising Overview



# The select few

You may be the right person if you have a proven track record and can demonstrate your ability in the following areas:

- Recruiting, developing and leading diverse teams in a high pressure, dynamic workplace
- Commercial acumen — particularly the ability to make good financial decisions that grow the business both profitably and in sales
- Having a passion for a customer focussed environment
- Resilient and able to lead and embrace change
- Strong work ethic
- Creating and implementing business plans with short and long term objectives
- Working in a highly standardised operational/production oriented environment
- Having personal accountability for the success of a business

Our selection process is thorough and covers activities including interviews, both with Corporate Leadership and Franchisees, On-the-job evaluation, financial and 'fit person' assessments and formal commercial and behavioural testing. All of these components are then evaluated and you will participate in a face to face interview session with Senior Leadership of McDonald's where a decision is made on your suitability to become a Registered Applicant and move into our training program.

At any time during the course of our selection process, including the Registered Applicant Training Program, McDonald's has the right to terminate your participation in the process in its sole discretion and without being required to provide you with any reasons.

Of course, you are also able to terminate your participation at any time.

If you participate in the above selection process you will incur any costs associated with the process. These include but may not be limited to travel, preparation of documents for assessment, cost of testing and your time.

You may be reading this thinking that there is a significant commitment demanded of a potential applicant but there is a very simple reason why our selection process is extensive and our training program is robust — we want the best possible candidates to become Franchisees in our system.

If after reading this document you feel that you have what it takes and are interested in applying then go to:

<https://McDonald's.com.au/franchise-opportunities>



