

Elite business practitioners visit MEI students

The students of the Master in Entrepreneurship and Innovation received two prestigious guest speakers after their Easter holiday, in the framework of a course devoted to franchising; Mario C. Bauer, CEO of the Vapiano, and Carol Muller, delegated administrator of Fischer, came in class to discuss about their respective business.



On Monday 4th of April 2016, Mr Brauer first told the students the story of the company, a concept of Italian self service/ one to one cooking Italian restaurants, and its franchise success worldwide. Compared to their direct and sectorial competitors, Vapiano distingues itself first because it started to open franchises only 18 months after their creation, but also since it works on a territory based franchise strategy. It means that one franchisee will “own” one territory (depending on the countries, a territory can be either a big city, a state or a country itself, as Luxembourg for instance). They chose to work with franchisees as they believe that they “do a better job than corporate on a local market, and as it’s their own money involved they act as entrepreneurs”.

But finding the right partners is not an easy thing. The 10 steps process can run over two years (from the first contact to the opening of the restaurant) first because the franchisor is looking for “people who have the right balance between the entrepreneurial orientation of the candidate, his prior experience in restaurant business and personal fit.”

Students were also interested in discussing the quality management, how the franchisor can guarantee a resilient quality in his restaurants all around the world. And again, Mario C Bauer evokes the importance of the franchisee, saying that “the best quality control is to pick the best partner” as the latter will operate as his own boss and make sure to offer the best quality.

Mr Bauer also responded with humility to the questions about the strategic mistakes done by the company over the year, quoting notably the crucial importance of evaluating the cultural environment of the country you want to

operate, and gave the example of their tentative to work in the USA, where they thought they could duplicate European models, which ended up failing. Inside a country, the difference of nationalities between the franchisee, its management and the staff (in the emirates notably) can be extremely challenging as three cultural shall work together on a single model.



On Tuesday 5th of April, Carol Muller gave a presentation of the Fischer Bakery, a Luxemburgish born company now active in Luxembourg, France and Germany with circa 65 stores. The particularity of the company is that it is a family owned business that only franchised after more than a hundred years of activity. They opened their first stores in 1913, expanded the activities in the late 80's with selling in supermarkets and later, in the 90's, they started to develop the frozen products and snacking. From 2000 until now they went through 4 expansions and are now in the process of the 5th one. Today, they also offer door-to-door service and sell in the hospitals and to external caterers, with a split of 50% of the products for purely Fischer stores and 50% for external retailers.

When the decision was taken internally to develop franchise business model, the family hired an external company that acted as a consultant to first analyze the company and define if the model was franchisable. The process was divided into several steps, from analyzing the product and project, to the establishment of the franchise manual; structuring the business plan and adapt to the legal framework of the targeted countries (France and Germany). Only then, they started to look for franchisees.

Their recruitment process consists in a first application form. If all the criteria are met, the candidate comes for visiting and working in the shops for a while. If both parties are still satisfied, Fischer sends a contract that the potential franchisee has 21 days to sign, and 6 months to open the first store. 6 months during which Fischer assists him on all aspects.

They got their first franchisee in 2014 in France after having being active on the market for 10 years, with a strong will to be patient and experiment the market first.

Due to the product specificities (constraints of freshness and delivery) they have strong logistics challenges that impact the franchise opportunities in terms of geographical implantation notably, as the stores have to be less than circa 100km away from the production plant.

They are opened to work with a master franchise model but haven't got any opportunities or candidacies at the moment, and prefer to develop slowly and step by step anyway. Their motto: " we make it slowly but we know that it works."

One of the questions was about the development of organic/healthy/gluten free products, and the answer was quite surprising for the students, as "people want to feel healthy, and to see healthy on the shelves, but they want to eat tasty" which explain why Fischer proposes such healthy products, but their best seller remains the kebab.

