

Council Members Newsletter

Your Franchise Owners Council has been busy bedding in its new administrative arrangements and President Richie Thornton pleasingly notes that the new Secretariat arrangements are working well and already showing benefits to Council.

Richie advised the recent Council Committee meeting that all of the transitional issues had been completed and Carolyn Hughan now had a firm understanding of the role and was well settled in.

However the real emphasis of Council's recent activities has been around the recent public liquidity process run by LJ Hooker Corporate.

Council understands that the external process has now lapsed and that the Board has resolved that the business is unlikely to be sold, albeit there may be some internal shareholding adjustments.

Council, via President Richie Thornton, has been maintaining a watching brief on the discussions and had adopted a position of seeking access to discussions with any prospective purchaser prior to any sale to ensure that party was aware of the significant agreements between LJ Hooker and its franchisees via the Council.

It is Council's position that it is essential that any new owner of LJ Hooker is well aware of the highly developed relationship between the company and its franchisees via the several written agreements entered into over a number of years with Council.

Council Meeting March 12

Council Committee met by teleconference on March 12 and progressed a number of ongoing issues as well as developing a number of new initiatives to discuss with Corporate. Some of those issues of the March 2015 Meeting included:

Raising with Corporate our grave concerns around the **office Financial Model** currently in use. It is Council's view that the model does not reflect current sales staff commissions among other costs. This matter is being progressed by a sub-committee elected by Council and Corporate is engaging positively to discuss our concerns.

Focussing more closely on the value and relevance of the LJ Hooker external **public relations** work and seeking ways to leverage the value of the PR efforts. This project will be greatly assisted by the appointment of Penny Higgs, franchise owner of LJ Hooker Glenorchy to the committee to replace Leigh Henderson of LJ Hooker Kingston as the Councillor representing Tasmania. Penny has extensive experience in public relations and brings substantial additional skills to Council committee.

Council continues to work on its **website** and is of the view this will be a great resource to Members once it is fully functional and updated.

Whilst it is acknowledged that the **recent marketing campaigns** have had great impact in many offices, it is of concern to Council that the promotions do not seem to work universally across all markets and is in discussions with Corporate to conduct research as to the extent of this variability and potential solutions.

“We are pleased the board has withdrawn the business from sale and we are working with Corporate to continue to develop mutually beneficial programs and systems
Ritchie Thornton”

Whilst it is acknowledged there is a great wealth of **training** available on the Hub, Council would like to see a separate training site with a logical and progressive series of courses available on demand. Our President is working with corporate personnel and is receiving positive feedback on Council's perspective.

Frank Newton, Council's Permission Marketing expert, expressed concern about leads from **myLJHooker.com** not all being captured. From May 15, all prospects will automatically upload to myljhooker.com to substantially increase traction. This is a huge step forward in creating a pipe line of potential clients and customers for the future.

A number of offices have recently purchased rent rolls and Council's Mark Spearing will be approaching Corporate seeking the development of a dedicated **Rent Roll Acquisition Kit** and specific support from Corporate personnel to assist offices in these important negotiations.

Council is working closely with Corporate to transition from developing its own **dedicated software programs** to focussing on its real estate activities by adapting the best available software in the marketplace to integrate with our own core programs. This will deliver leading edge software systems far more quickly and make the company more reactive to industry trends.

Council's insurance portfolio holder, Vice President John Davis, is engaged in researching the availability of **cover for Management Liability and Cyber Liability** as these are rapidly emerging areas of exposure for offices and Council is concerned to protect the exposure of Members in these areas as our community becomes increasingly litigious.

Take advantage of your network bulkbuying power and insure with the Council approved COVERFORCE policies for:

Professional Indemnity

(13 months cover for 12 months premium)

Business Insurance

Call COVERFORCE on (02) 9376 7888 for an obligation free quotation

Mr Davis was also able to report a decrease in the cost of Professional Indemnity claims which augers well for future premiums for all offices with **Council's Coverforce PI policy.**

Glen Petersen, Council's Commercial portfolio holder reported the most recent **Commercial Market Monitor** publication was outstanding and the launch event was well attended.

The **new Franchising Code of Conduct** was reviewed and summarised by Mario Bonomi, Industry Issues portfolio, and a comprehensive discussion followed. It is Council's view that this new legislation is good law and supportive of responsible

Penny Higgs, in her role of leading Council's **Membership** Portfolio, identified the need for greater work to be done in gaining support from offices in the Commercial and Home Loans sectors and that will be a focus going forward.

President Richie Thornton is discussing with Corporate how to **make training more affordable** and more accessible on line. Council is of the view that training participation rates will climb once these two issues are resolved.

Another key focus for Mr Thornton at present is to pursue the issue of **branding of Rural** as a dedicated sector, much as we do for Commercial. This matter will be raised again with Corporate and Council will raise again its request for a fully blown branding of Rural as a means of promoting the network's activity in this important market segment.

Substantial time at the meeting was dedicated to discussing the proposal to introduce **black corflute signs in lieu of the traditional yellow signs** upon which the brand value of the company has been built over the life of this company. Council has a great sense of responsibility to maintain the integrity and value of the brand as that is the glue that binds the LJ Hooker family together. Council is very aware of substantial sentiment to adopt black corflute signs

Council has approached Corporate with a view to **meeting more frequently** and Corporate has responded positively to this request. Accordingly a teleconference meeting between Council and Corporate will be held following each teleconference held by Council Committee to ensure more interaction and shorter response times across the range of issues discussed between the two organisations.

Council will hold its **next committee meeting preceding the Ideas Exchange and the 2015 Summit in Melbourne.** Accordingly all members are encouraged to raise any issues or suggestions with their representative and ensure these issues are presented to that meeting.



Contact your local Councilor with any issues or suggestions you might have to progress our mutual interests - the Committee actively seeks members input into its activities and we encourage your participation. The members are the engine room, so GET INVOLVED!