

A successful David

FROZEN FOOD HOME DELIVERY SERVICES ARE REALLY THE BUSINESS OF MAJOR COMPANIES LIKE EISMANN, BOFROST ETC. RESCH&FRISCH HAS CAPTURED A NICHE IN THIS HOTLY CONTESTED MARKET IN THE PAST FIFTEEN YEARS WITH ITS “BACK’S ZUHAUSE” SERVICE



+ The Resch family is an old family of bakers in Wels. Its name became known even beyond the borders of Upper Austria in the 1970s because it invented a system solution to supply catering companies with frozen baked goods complete with an oven for baking off. From this was born a subsidiary company that simultaneously acted as a franchisor for colleagues in Austria and somewhat later in Germany as well. Today the system of the Resch&Frisch Franchise GmbH in Wels, Austria, is established in Austria, Switzerland, Germany and a few neighboring countries, whereas the franchise idea has largely come to an end. Nowadays the system is supplied from the Resch production facilities in Wels.

Today the family business is structured as a holding group in which the branches, production units, Resch&Frisch, service and property assets are each brought together in their own companies. Annual turnover in 2012 was EUR 106.5m.

Another subsidiary company has existed since 1998, dedicated to home deliveries of baked goods for private households. According to company CEO Josef Resch, it was a long, difficult road requiring great stamina and much detailed entrepreneurial work.

“Back’s zuhause” (“Back it at home”) now has 150,000 customers in Austria. One in twenty households in the country buys once a month. They are mainly in the countryside, where they are accustomed to stockpile provisions and have adequate freezer capacities. Around 300 products in the baking and confectionery product range are on offer, divided into regular articles and regional & seasonal specialties. Around 75 % of them are produced by the company itself, and the rest are varieties of ice cream etc. Because telephone advertising is prohibited in Austria, a customer recruitment team makes the initial approach on the doorstep. Alternatively,

parties of the Tupperware type ensure familiarization. If the customer is interested and has given his/her consent, it is followed by telesales. Delivery is by refrigerated vehicles, and of course the driver also has special offers available and collects payment of the bill immediately in cash or by card. To ensure successful delivery, a 15-min time window is agreed with customers. Resch says as a rule that is quite successful, but the customer is informed by phone if the driver is late.

The goods are packed on trays or in bulk in a carton in various sizes, so both large and small households can find an appropriate quantity. 80% of the baked goods are pre-baked. There are detailed instructions on the pack explaining how the baking process must be completed, either in a domestic oven or in a small purpose-built special oven offered by Back's zuhause for EUR 99. Resch says "Even a child can operate it, and because it also switches off after the baking process, nothing can go wrong." Today the system is established throughout the whole of Austria and is also commercially successful. Company boss Resch recalls that in spite of the experience that already existed with Resch&Frisch, it was a gigantic learning process and cost a lot of money. "It took several years before we were able not only to sell people something on the doorstep but also to turn them into real fans. How do you structure the zones, how do you organize customer recruitment, sales and delivery, how do you turn drivers into customer-oriented salespeople, and how large must the minimum order value be to ensure that the system functions?" Many questions to which answers were found through observation and constant adjustment over the years. The drivers are permanent employees, so they don't try hard selling to persuade customers to buy the most expensive goods. The minimum order value is now EUR 16, but nowadays the actual sale per stop is EUR 30. As a comparison: it is three times as large in the B2B business operated by Resch&Frisch.

On the other hand the catering business also requires larger personnel costs in the background and more customer support. It has taken five years to reach the break-even point. Back's zuhause is now fun to work with and is slowly but surely expanding beyond the Austrian-German frontier. Resch plans to supply as far south as the river Main from the production unit in Wels, and beyond that he can also imagine collaborating with one or two franchisees even in this branch of the business. However, experience has taught him the Resch&Frisch concept: a franchise partnership is like a marriage, the partners must be very well matched if they are to stay together. +++

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