



CFO one-on-one



Richard Coney is the Group Chief Financial Officer with Domino's Pizza Enterprises Limited (Domino's), an ASX100 firm, the largest pizza chain in Australia and the largest franchisee for the Domino's Pizza brand in the world. The business is the exclusive master franchise rights holder for the Domino's brand and network in Australia, New Zealand, France, Belgium, the Netherlands, Japan and Germany.

During his 20 years with Domino's, Richard has played an integral role in the IPO and European acquisitions, as well as helping orchestrate Domino's 75 % acquisition of Domino's Japan.

What are the nuances of working with a company such as Domino's Pizza?

Domino's is constantly disrupting and changing. This largely comes from our CEO, Don Meij, who is very proactive and has huge amounts of energy and passion. Across the world we have an entrepreneurial management culture. This is exciting, but for a CFO it comes with its challenges.

As an ASX100 company we are constantly managing growth and dealing with risk, whilst taking advantage of opportunities. The big positive at Domino's is that we have evolved from an operationally focused quick service restaurant model to one where we are continuously leveraging our digital capabilities and really innovating well ahead

of the curve internationally. Again, for a CFO this has its challenges, moving between leading edge and bleeding edge technology. An example of this is our drone and robotics technologies where we have mitigated risk by partnering with a third party firm rather than building the technology ourselves.



How has Data Analytics impacted your role as CFO?

Domino's has always been a data rich organisation, especially when we started online ordering ten years ago. We were also the first to have the iPhone app, even well before Domino's in the US. We are the only market in the world where you can track your pizza order on your iPhone.

When your orders are digitally created you have a great platform for customer analytics. Over recent years we have leveraged this data to the point where we have recently hired a Data Scientist who takes this huge amount of data and makes sense of it in terms of customer segmentation, making sure we are optimising our offers to customers and hence our profitability.

What is the selection rationale behind the international franchises you choose to acquire and what part do you play?

Australia is a small market and so we recognised early that the growth opportunities for us, as a retail business, were overseas. We look at markets that firstly have the scale but also where we feel we can add real strategic value. Our digital platforms play a big part in this. We look at where our GPS, POS and tracking systems, as well as our extensive franchising knowledge, can be easily implemented. You hear a lot about companies expanding overseas and failing due to cultural differences.





Phil McCann speaks candidly with Domino's Pizza CFO, Richard Coney...

Firstly, Domino's is an Australian business but the brand is international. Secondly, as Australians we tend to have a customer focus mindset, so that when we enter new geographies we don't start with the premise that we will simply roll out the same business model for each franchise. We are mindful of different cultures and we research the market, customising our products and services to these new markets. This is why we have been so successful.

How has your role changed over the past 5-10 years?

My role has changed massively. Listing the business over 10 years ago was my first huge project and we managed to complete the preparation for listing in just 4 months when our advisors were telling us 6-12 months was best practice.

Being a listed company brings so much more scrutiny but I enjoy that interaction with often very smart analysts. A big change was also moving from ASX200 to ASX100 as the requirements for continuous disclosure and compliance increases significantly with that transition.

We then negotiated the European purchases from the US business and then the Japanese acquisition, which was a tough negotiation as we were acquiring from a Private Equity firm.

In recent years it has been all about disrupting the market with new technologies and keeping ahead of the game, whilst ensuring continued profitability and growth.

The last 12 months has been particularly challenging with the news that has been circulating around franchisee underpayments. As a result we have been working with Deloitte to demonstrate the effectiveness of our current franchise audit systems, in addition to using our digital technology and forensics to take a more proactive approach to wage underpayment using KRI's and predictive data analytics.

What keeps you awake at night?

Given our growth trajectory and our innovative and entrepreneurial model, making sure we have the controls and audit processes in place to ensure we are meeting our growth targets whilst still innovating and yet mitigating risk.

Cyber security is a good example of this; when you have such a huge portion of your sales come via the digital platform protecting and securing this customer data across international geographies is vital.

What is the best part of your role?

The people I work with and growing my team. This phenomenal growth we have experienced presents terrific opportunities for my direct reports and my team. Given our entrepreneurial culture you have to constantly challenge people to move out of their comfort zone and into positions they are probably not quite ready for. Watching them evolve and be successful is very rewarding.

Our leadership team has been pretty stable for the last 10 years which gives us a winning momentum. You need to have confidence in the people you work with and we do. This ultimately comes from our CEO, Don Meij, who combines both his energy and passion to continually challenge and drive all of our team to grow and innovate.

