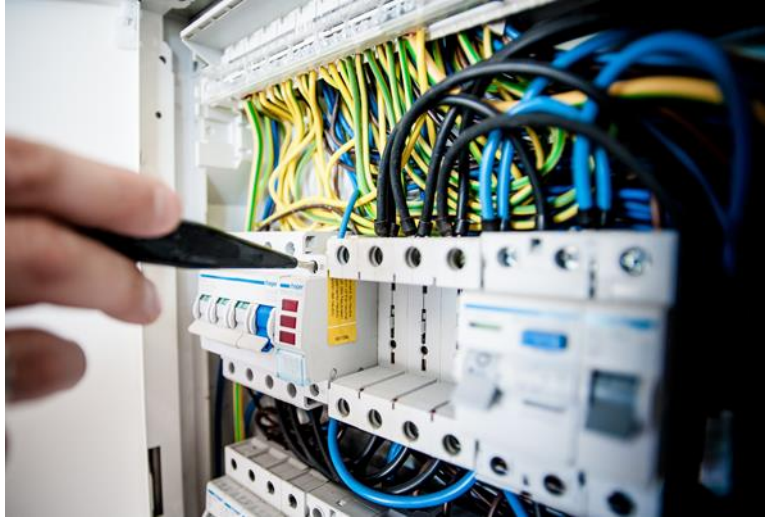






MASTERCRAFT



# Communication Day

Friday 6 November 2020

Rydges Hotel, Wellington




**MAKE MASTERCRAFT GREAT AGAIN**

# New Licensees

Todd Sugrue
Flex Electrical
Pukerua Bay

Steve Thomas
Envision Electrical
Kerikeri

Graeme Jones
Merged business with Ray Downs
Mastercraft Electrical Hamilton

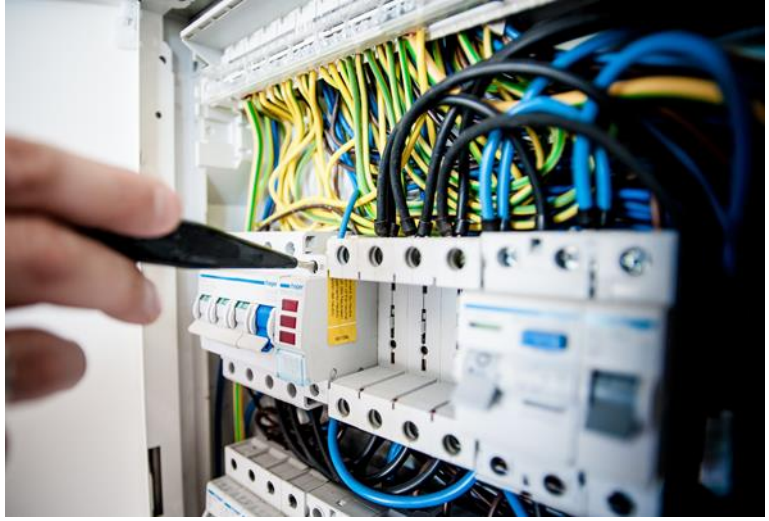
# New Licensees

Alexey Sukhorukov
Kitchen Story
Hobsonville North West

Rick and Felicity Martin
Sunshine Joinery
Napier

Jen & Nick McLagan and Neal Parker
Jag Kitchens
Botany







MASTERCRAFT



# Mission and Values

Kevin Belz



# NSO – Mission Statement

To enhance Mastercraft by being the best facilitators of Brand, Supply and Knowledge every day.

# Mastercraft Vision Statement

To be New Zealand's most trusted Kitchen, Electrical & Plumbing brand

# Mastercraft Brand Values

**MUTUAL** - in all our relationships

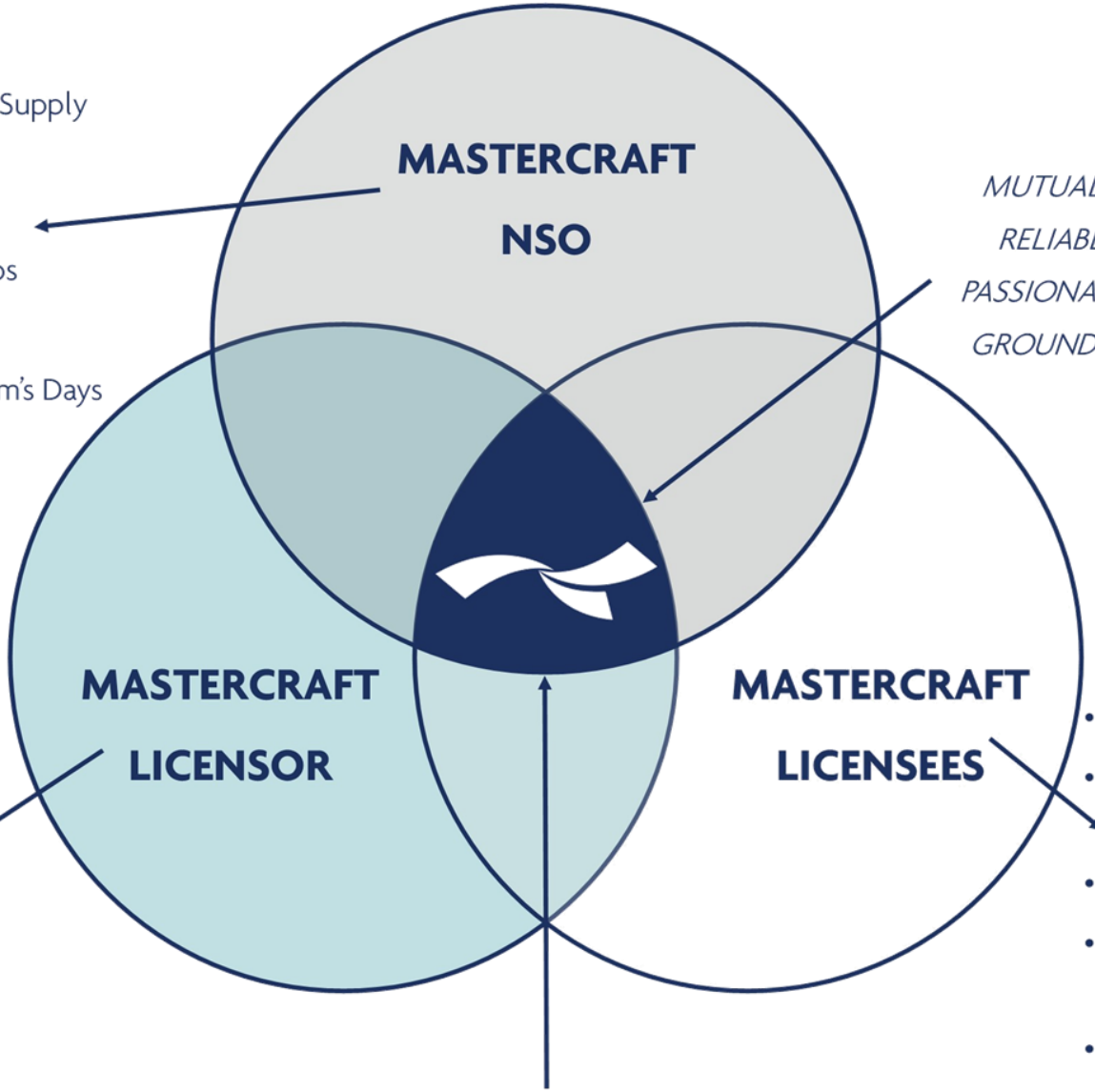
**RELIABLE** – we do what we say

**PASSIONATE** – we're in boots and all

**GROUNDED** – we're down to earth

# Model of Excellence

## MASTERCRAFT MODEL OF EXCELLENCE




- Facilitators of Brand, Supply & Knowledge
- Marketing activity
- National relationships
- Licensee Support
- Conferencing & Comm's Days
- Accounts

***Brand Values***

*We are:*

*MUTUAL - in all our relationships*

*RELIABLE – we do what we say*

*PASSIONATE – we're in boots and all*

*GROUNDED – we're down to earth*

- Brand Strategy
- Brand Development
- Generating demand
- Licensee recruitment
- New Initiatives

- Represent the brand
- Deliver a superior customer experience
- Local relationships
- High quality products and services
- Independent SOP's

***Brand Mission:*** *To be NZ's most trusted kitchen/electrical/plumbing brand*

# The Role of Licensor

Brand strategy & development

Generating demand

Licensee recruitment

New Initiatives

Decision Making

- not every decision can be decided by committee

# The Role of NSO

**Brand**

- we are the custodians of the Mastercraft brand
- undertake Marketing activity
- raise the profile of the brand
- generate public demand for the brand

**Supply Chain**

- set the Supply Chain in consultation with Licensees
- ensure SP's provide quality products, fair pricing, and great customer experience

# The Role of NSO

**Knowledge**

- facilitate relevant, accurate and timely internal communications
- host Communications Days & Annual Conferences
- promote knowledge sharing within group

**National Relationships**

- form new relationships that benefit the group
- maintain existing relationships

# The Role of NSO

**Accounts**

- Group Growth Funds, GHB's rebates & conference contributions

**Innovation**

- create initiatives to develop the brand & enhance our customers' experience
- consider disruptable technologies
- watch and learn from our competitors

# The Role of Licensee

**Ownership**

- to own and manage your business

**Brand**

- to promote and leverage off the Mastercraft brand

**Standard Operating Procedures**

- manage your standard operating procedures
- human resources
- health and safety

# The Role of Licensee

## Supporting our Supply Chain

## Relationships

- form and maintain your local relationships

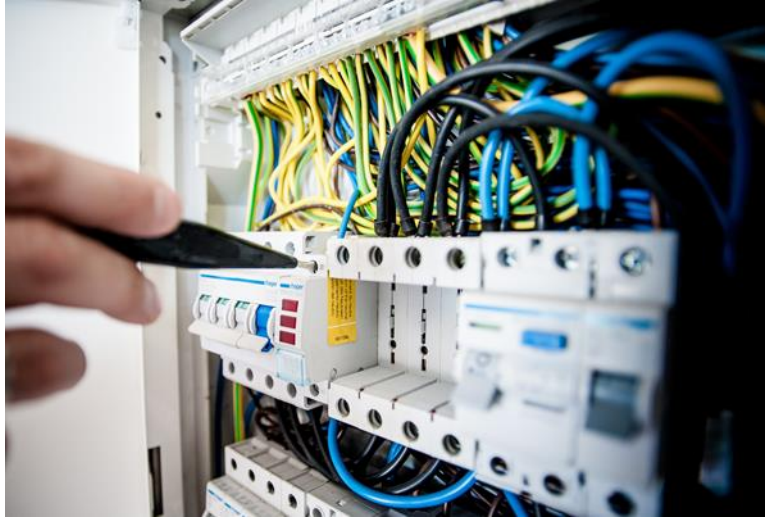
## Customers

- deliver a superior customer experience
- secure customers for life

## Quality

- deliver quality products and services







MASTERCRAFT



# Where does all the money go?

Dave Wilson



# The Money Chain

**There are several ‘financial transactions’ in our Group Business Model**

- Group Home Builder Rebates
- Group Home Builder Conference Contributions
- MCK & MCE Supply Partner Rebates
- MCK & MCE Supply Partner Conference Contributions
- MCK & MCE GGF contributions

# GHB Rebates

- Rebates are negotiated by NSO with GHB's to give us 'preferred' access to their group
- Calculated as a % of sale (Between 0 and 4% - see One Drive)

LICENSEE




- Total rebate goes directly to the GHB Franchisor
- Licensees should account for this in cost of sale

# GHB Conference Cont

- Fixed annual conference contribution
- Calculated pro rata across licensees doing business with the GHB

LICENSEE



- NSO pays all travel expenses for delegates to attend these turgid and boring events
- This includes additional required costs of schmoozing

# Supply Partner Rebates

- SP Rebates are an agreement with NSO giving the SP's sales access to the Mastercraft group
- These are fixed amounts and up front. (No 'back-door' deals)

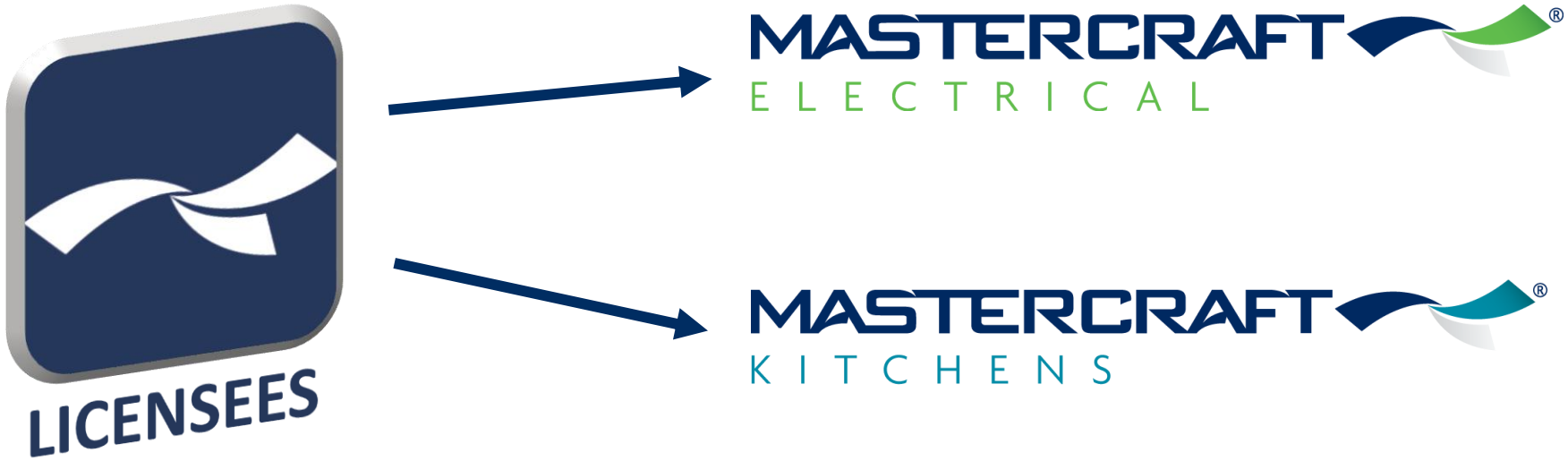





- Rebates are the ONLY source of income for the Support Office
- Supply Partners also fund our conferences
- It is imperative SP's  are supported 100%

# MCE & MCK Growth Funds

- The GGF's are contributed to monthly by Licensees
- The funds are only used for growing the brands




- Nothing goes to MCS(NZ)L or the Support Office
- MCS(NZ)L contributes as well

# The Money Chain









MASTERCRAFT KITCHENS



# Payrate Survey

## Dave



# Payrate Survey September 2020

MASTERCRAFT KITCHENS

**Factory Staff**

| | Low | High | **Average** |
|---|---|---|---|
| Factory Manager (15) | $26 / $54K | $47 / $98K | **$35 / $72.5K** |
| CNC Operator (16) | $21 / $43.7K | $31.42 / $65.3K | **$25.60 / $53K** |
| Foreman (10) | $26 / $54K | $35 / $73K | **$31 / $64.5K** |
| Q'd Joiner (17) | $23.50 / $49K | $32.55 / $68K | **$27.50 / $57K** |
| Joiner (13) | $23.50 / $49K | $31 / $64.5K | **$25.60 / $53K** |
| Assembler (16) | $20 / $41.6K | $29 / $60.3K | **$24.60 / $51K** |
| Apprentice/Jnr (19) | $15.12 / $31.5K | $25 / $52K | **$20 / $42K** |
| Detailer (18) | $24.50 / $51K | $36.06 / $75K | **$28.50 / $59.3K** |

**NB: Hourly x 2080 = annual salary**

# Payrate Survey September 2020

**Designers – (19 Responses);**
**Salary only – 10;**
**Salary & Commission – 9;**
**Commission only - 0**

| | Low | High | Average |
|---|---|---|---|
| Salary Only | $24 / $50K | $47.12 / $98K | **$29.72 / $61.8K** |

# Payrate Survey September 2020

MASTERCRAFT KITCHENS

**Designers – Salary & Commission**

- $40K base plus 3% (builders) or 5% (retail)
- $30K base plus 3% Gross Sales
- $52K base plus 0.5-2%
- $50K base plus $15-$20K commission
- $50K base plus 2%
- Variable base plus 3% (builders) or 5% (retail)
- $31K base plus 3% (commercial), 4% (GHB) & 5% (retail)
- $42.5K base plus 2%
- $40-45K base plus ??







MASTERCRAFT KITCHENS



# Group Growth Fund - Marketing

## Penny



# Pause… Breathe…

~~STOP.~~ PAUSE.
BREATHE.
CRY IF YOU MUST.
BUT KEEP GOING.

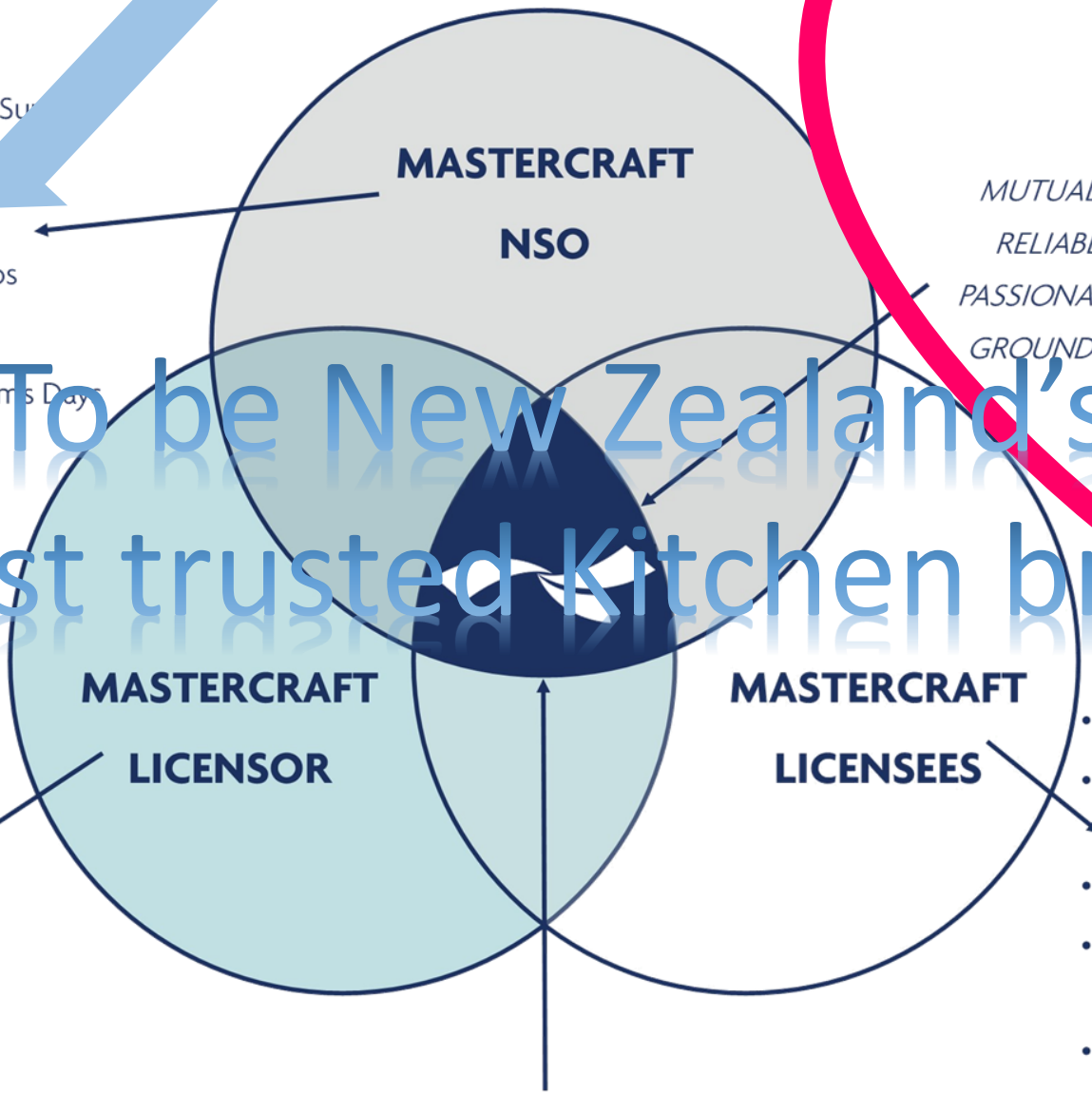
v-igorous

# Group Growth Fund - Marketing

MASTERCRAFT KITCHENS

MASTERCRAFT MODEL OF EXCELLENCE

- Facilitators of Brand, Su… & Knowledge
- Marketing activity
- National relationships
- Licensee Support
- Conferencing & Comms Days
- Accounts




***Brand Values***

*We are:*

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To be New Zealand's most trusted Kitchen brand

- Brand Strategy
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- Independent SOP's

***Brand Mission:*** *To be NZ's most trusted kitchen/electrical/plumbing brand*

# Group Growth Fund - Marketing



# Group Growth Fund - Marketing

## Look Book Requests




MASTERCRAF
KITCHENS

Hi Penny,

Thank you for requesting a free copy
soon, so look out for it!

**What's your style?**
Check out our Pinterest Boards for
*Kitchen Ideas Board* to share with u

Thanks,
Mastercraft Kitchens team

MASTERCRAFT
KITCHENS

Hi CONTACT.FIRSTNAME,

We hope you love your Kitchens Look Book that arrived recently. We trust it's helping you with ideas and styles you want in your new kitchen.

**Are you ready to chat to a Kitchen Design Consultant?**
If so, we invite you to book a consultation with one of our fantastic designers here...




**Previous editions of Look Books**
If you haven't already been there, head on over to www.kitchenlookbook.co.nz for online copies of all of our Look Books - the 2020 book you have is our fourth edition!

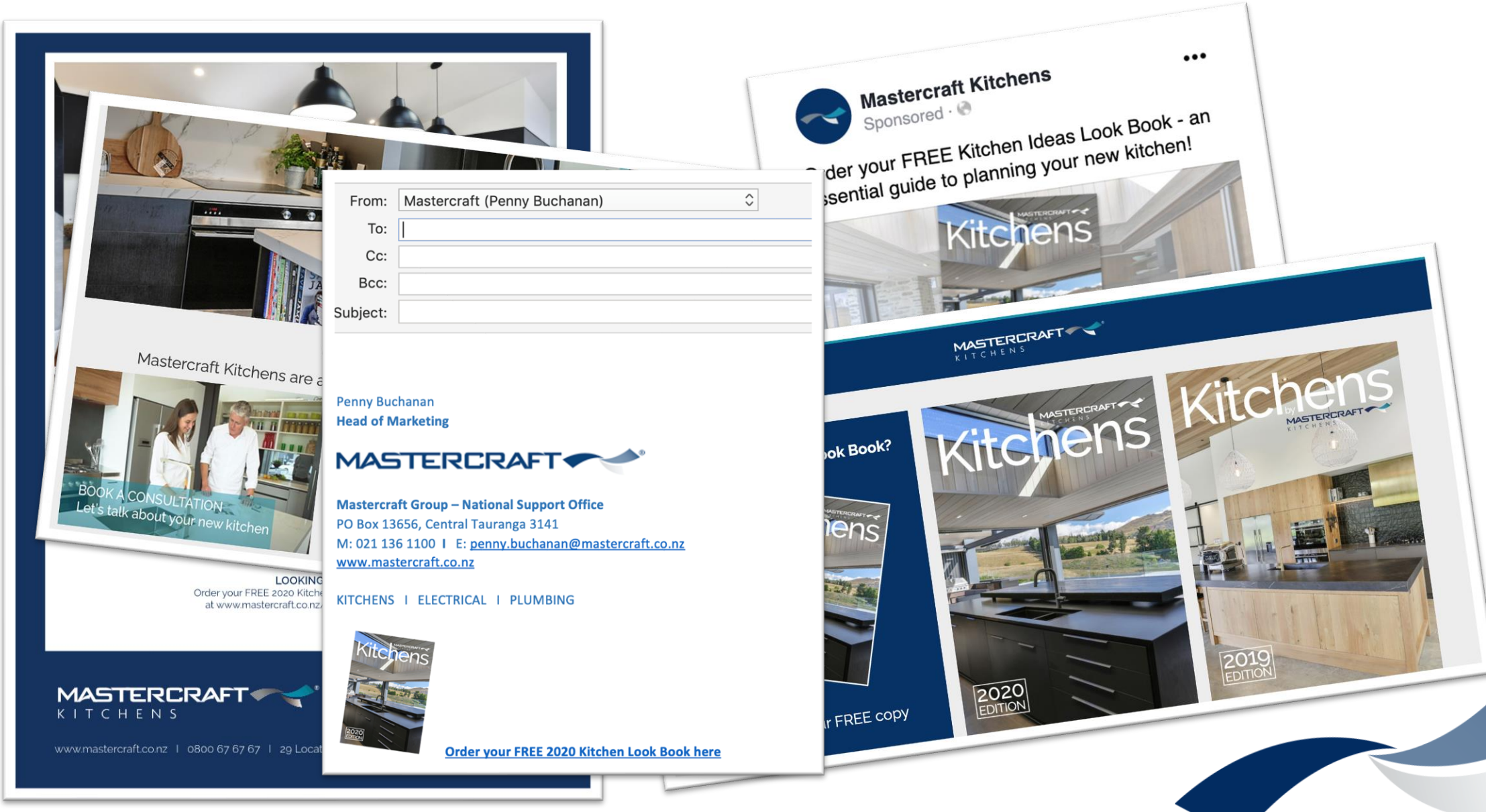
**Are you a Pinterest fan?**
If so, we have Pinterest Boards to help you with lots of inspiration and ideas. Save your favourites on your own *Kitchen Ideas Board* to share with us at your consultation.

Thanks and happy kitchen dreaming,
Mastercraft Kitchens team

**NURTURING**

# Group Growth Fund - Marketing

## Look Book Requests – Where are leads coming from?

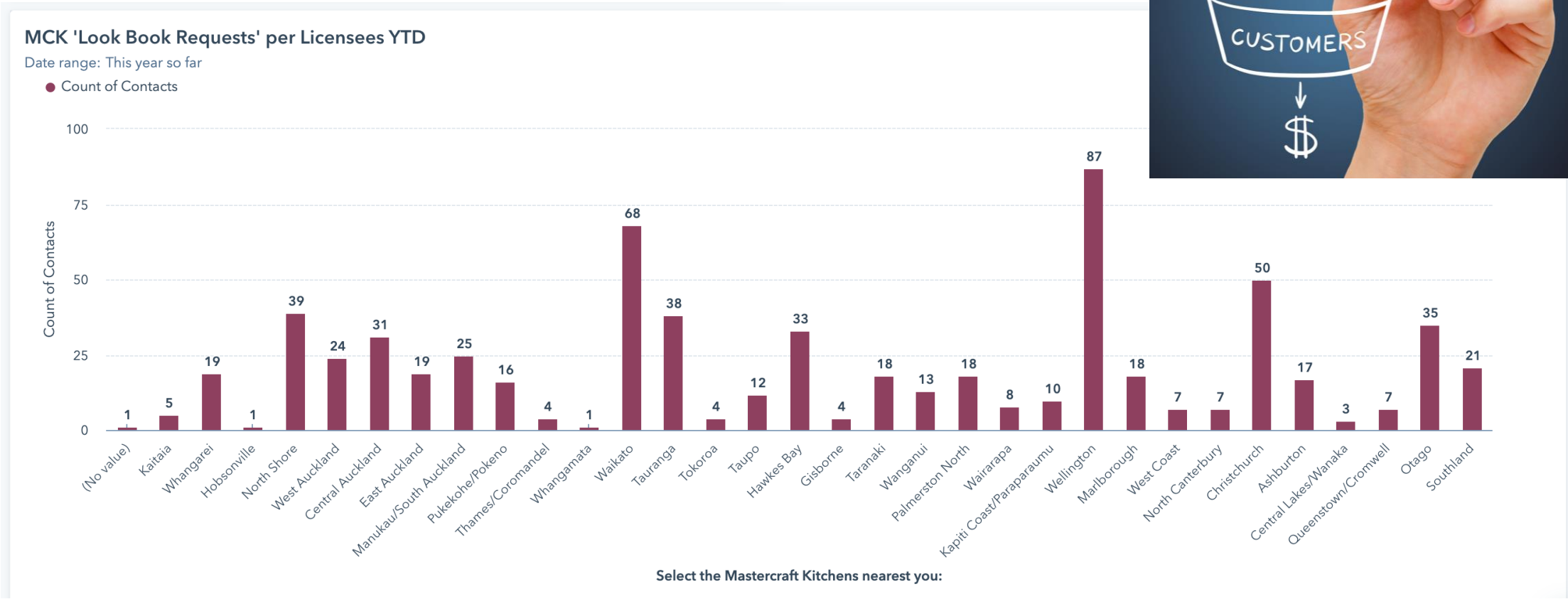


# Group Growth Fund - Marketing

## Look Book Requests

*+3,500 year to date (posted out)*

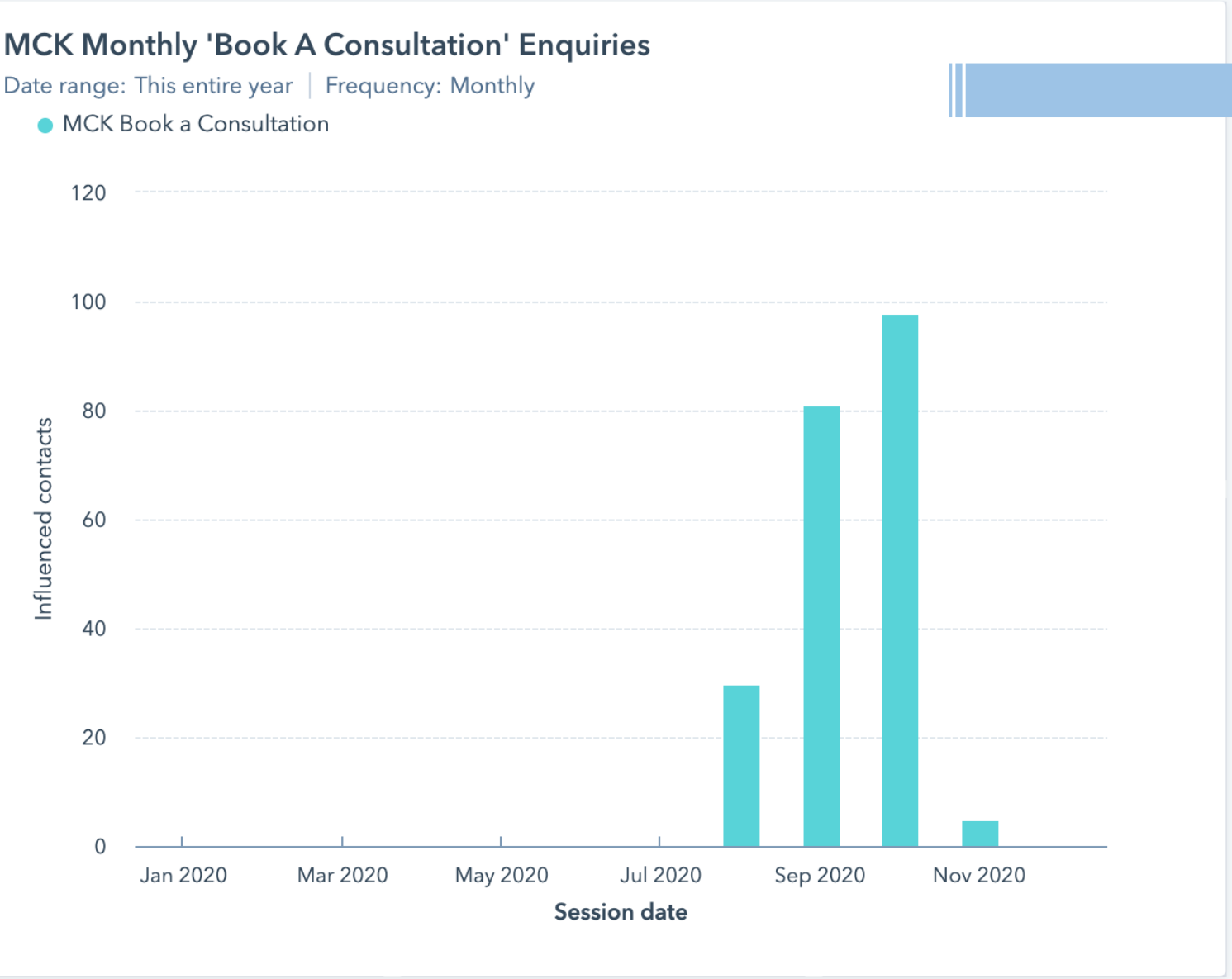


# Group Growth Fund - Marketing

## Consultation Bookings



# Group Growth Fund - Marketing

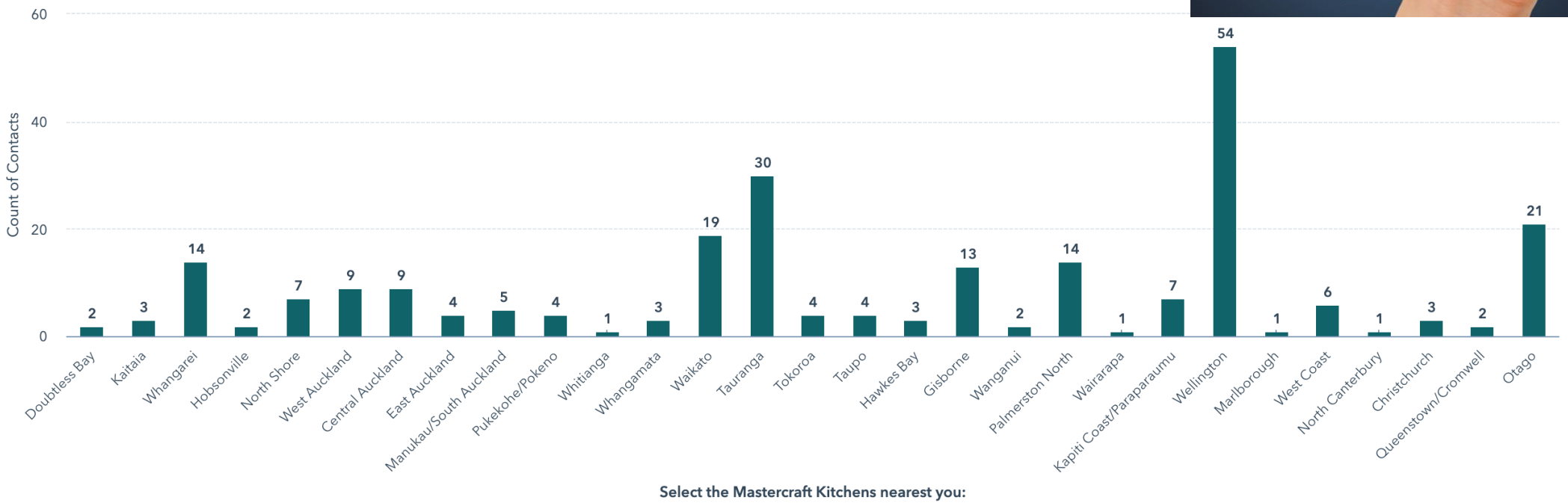
## Consultation Bookings




**MCK 'Book A Consultation' per Licensee YTD**

Date range: This entire year

● Count of Contacts




**Select the Mastercraft Kitchens nearest you:**

# Group Growth Fund - Marketing



# Group Growth Fund - Marketing

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# Group Growth Fund - Marketing

**Branding low-down**

- Customer Personas
- ‘Moments are Made Here’ Campaign

# Group Growth Fund - Marketing

## Customer Personas

Personas help us:

- Look like them
- Speak their language
- Be present where they are
- Help them imagine themselves with a Mastercraft Kitchen

# Group Growth Fund - Marketing

## Customer Persona's

Under development… but broadly:

- Families with kids
- Families with sporty kids
- Retired/mature couples
- Couples without kids / healthy living (all ages)
- Single people (all ages)

# Group Growth Fund - Marketing

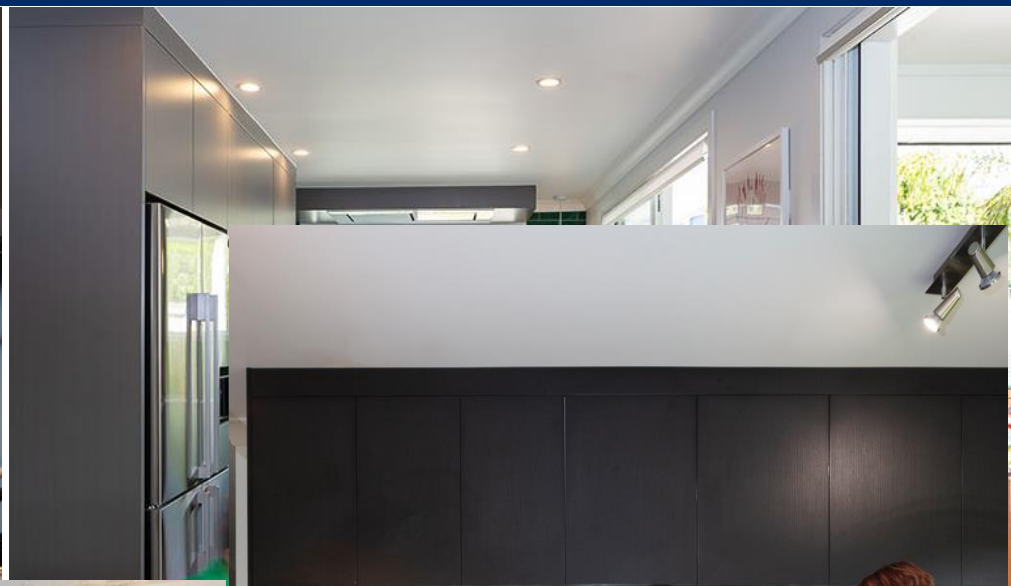




# Group Growth Fund - Marketing

MASTERCRAFT KITCHENS









# Group Growth Fund - Marketing







# Group Growth Fund - Marketing



# Group Growth Fund - Marketing

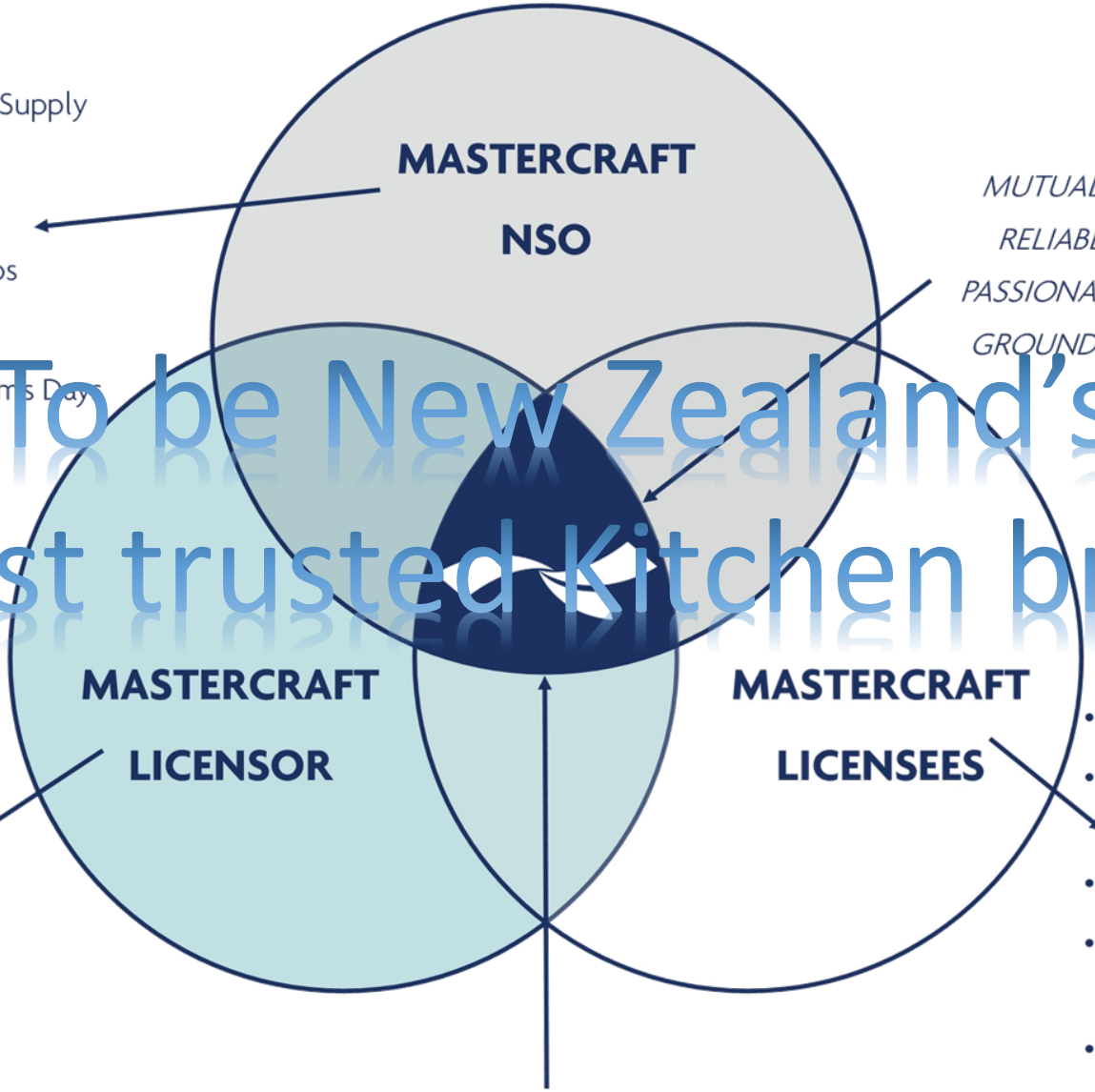


# Group Growth Fund - Marketing

MASTERCRAFT KITCHENS

## MASTERCRAFT MODEL OF EXCELLENCE

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# HubSpot

Dave



HubSpot

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## What is CRM?

**Customer relationship management** (CRM) is a technology for managing all your company's relationships and interactions with customers and potential customers. The goal is simple: Improve business relationships to grow your business. **A CRM system helps companies stay connected to customers, streamline processes**, **and improve sales**.

## What are we using it for?

- Customer experience and conversion
- Database management (guarantees)
- Other relationships (Licensees, GHB's, SP's)
- Licensee recruitment
- Communication

What else can CRM do?

- Sales process management
- Tasks and Follow-up
- Client meeting scheduling
- Customer anniversaries/milestones
- But it’s NOT Big Brother

What if licensees would like CRM in their business?

- No intention to roll out nationally (except enquiries, guarantees)
- Get in touch with Penny/Dave







MASTERCRAFT ELECTRICAL



# Guarantee Database

Dave



# Guarantee Database HubSpot

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- Guarantee registration process changed in August
- Apologies we didn't give a longer heads-up
- The odd scenario requires a bit of tweaking (talk to Dave)
- Data collection is the key (Knowledge)




- Better opportunities to communicate with customers
- Data analysis for Supply Partners
- Data analysis for Licensees/Designers (Trends)







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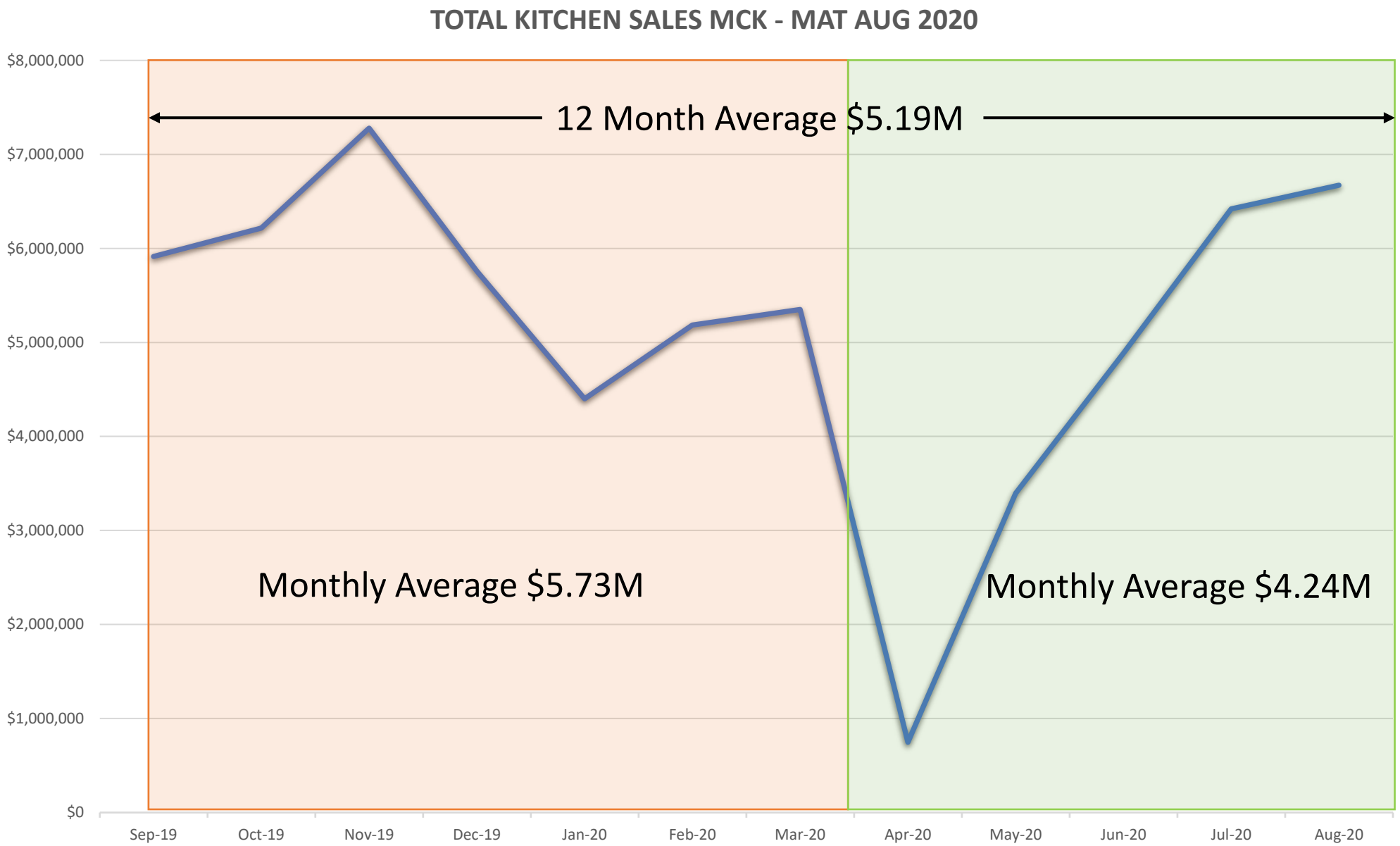


# Sales and Purchasing Analysis

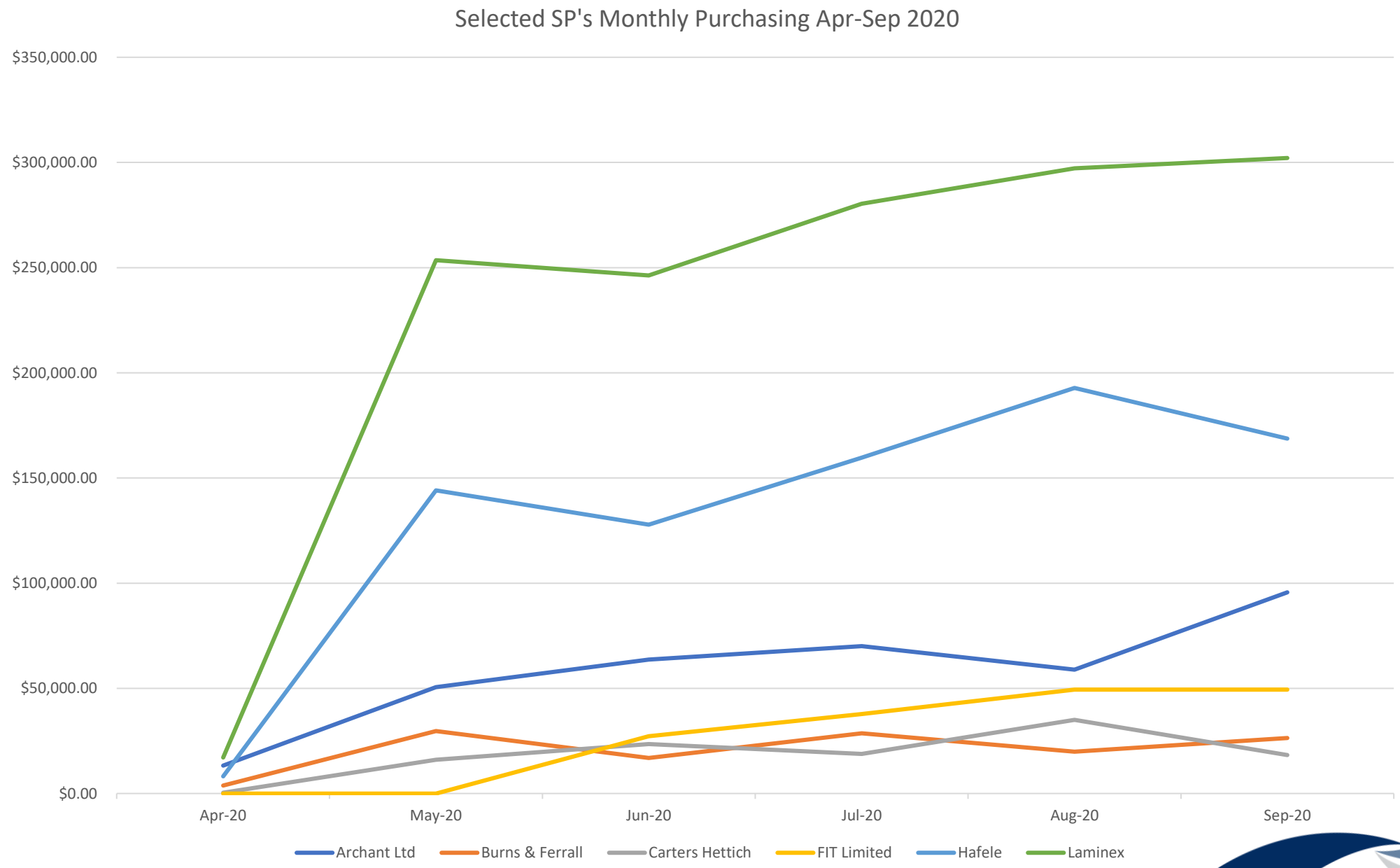
Dave



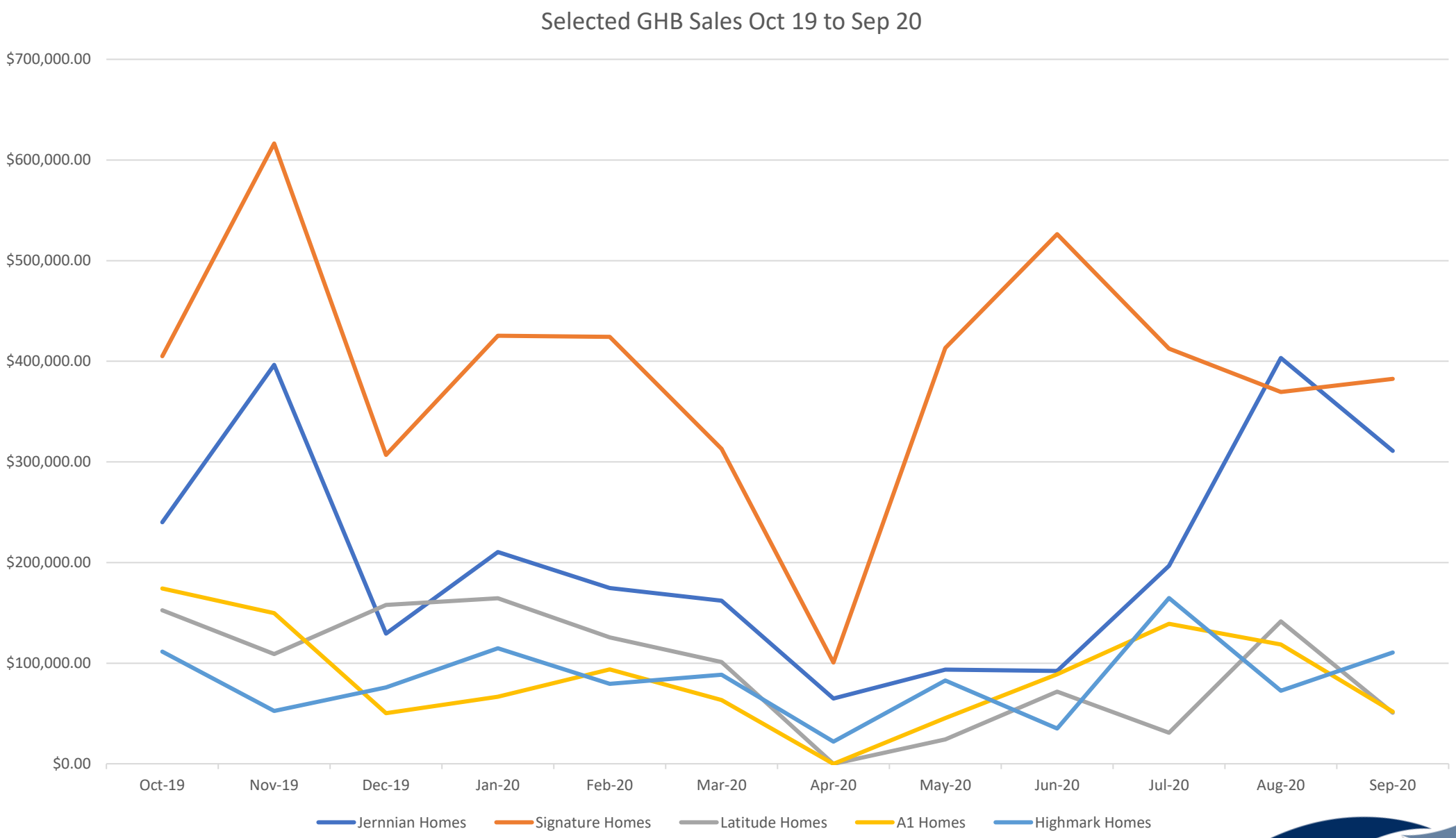
# Group Sales


TOTAL KITCHEN SALES MCK - MAT AUG 2020
$8,000,000
$7,000,000
$6,000,000
$5,000,000
$4,000,000
$3,000,000
$2,000,000
$1,000,000
$0
12 Month Average $5.19M
Monthly Average $5.73M
Monthly Average $4.24M
Sep-19
Oct-19
Nov-19
Dec-19
Jan-20
Feb-20
Mar-20
Apr-20
May-20
Jun-20
Jul-20
Aug-20

# Supply Partners



# Selected GHB's









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# Group Builder Progress Payments

Dave



# GHB Progress Payments

Discussion

- What are we all doing
- GHB Supply Agreements
- Local Relationships







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# Supply Partner Update

Rob Deed

Nathan Carter

Hettich



# Strategic Technology

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# Supply Chain









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# Kitchen Photography

Jamie Cobel

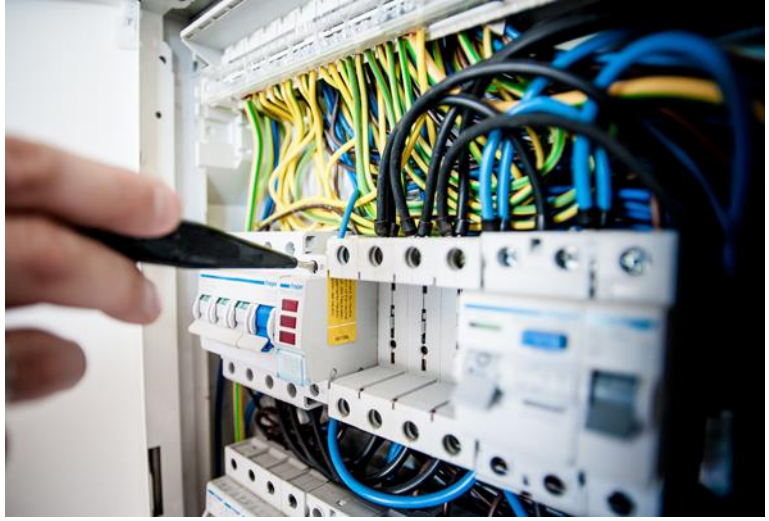


# Preparing for the Price Objection

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MASTERCRAFT®
PLUMBING



# Mastercraft Plumbing

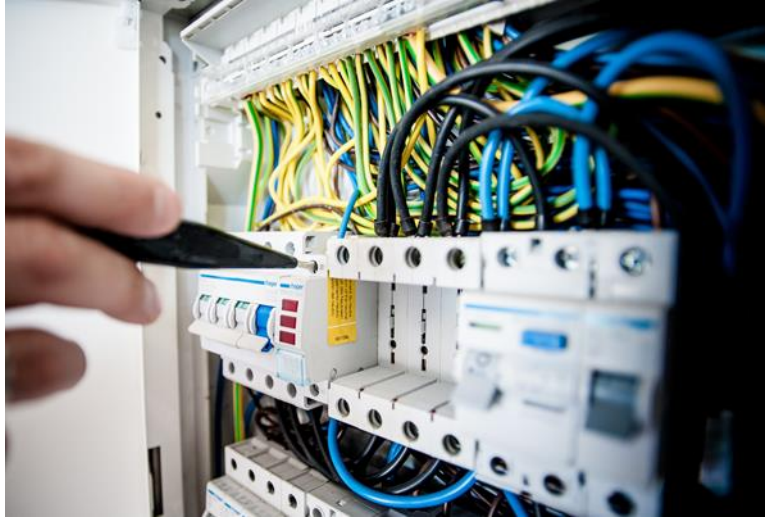
Kevin



- Supply Chain negotiations well underway
- In discussions with 4 potential Licensees
- Ideal Licensee has…
    - 5 or more staff
    - more than 2 years in business
    - work to our brand values
    - looking to grow
    - passes the good bugger test

- If you know of any Plumbing businesses that fit please let me know







MASTERCRAFT



# Upcoming Events

Dave Wilson



# Upcoming Events

**Communication Day**
Friday 05th March 2021
Wellington

RYDGES
HOTELS • RESORTS

**Communication Day**
Friday 18th June 2021
Auckland

Venue
TBC

# Upcoming Events




- To be confirmed by 31 March 2021
- A Plan B has been put in place for Napier on the same dates