

Quinovic Property Management franchisees create stable, substantial businesses



# right properties RIGHT PEOPLE

After working in the freight industry since he was 19, both as a corporate manager and running his own companies, Tom Finlay knew exactly what he wanted in a business. 'When the time came for a change, I made myself a list,' he says. 'It gave me something by which I could evaluate each prospect.' His list read:

- A business with an established name and customer base
- In an industry that is stable and growing
- A premium brand, but not specifically a franchise
- Large enough to employ an operations manager and be scalable so I can take holidays and avoid burn-out
- Good cashflow
- A star in its own industry
- Operations-focussed, with good systems and processes

'I spent about nine months looking at all sorts of businesses and there was only one that ticked all the boxes – Quinovic Property Management. I bought an established franchise in Hutt Valley in 2007 and a second area, Johnsonville, in 2013. Today we manage around 800 properties over the two offices and have 16 staff, including my wife Kate and myself. It's everything I was looking for,' says Tom, now 47.

## market leaders

Quinovic is New Zealand's largest specialist residential property management company. Founded in Wellington in 1988, it now has 27 franchisees around the country and a limited number of new opportunities, especially in the Auckland, Hamilton and Christchurch regions. Established franchises are also available occasionally.

'Our business model is designed to build profitable businesses that enjoy a steady, secure income stream,' explains Ross Davey, the Executive Director responsible for business development. 'It's highly scalable, so each franchise can be as large or as small as its owner desires. With no debtors, no major plant, equipment or maintenance costs, and no inventory (which means no obsolescence) it's a model built for high cashflow and capital growth.'

## managing people brings results

Quinovic carries out a variety of tasks on its clients' behalf from finding suitable tenants for each property to arranging any necessary maintenance work and carrying out regular inspections.



Tom Finlay (top): 'It's about people management more than anything else - both of your own team and the clients'

'Really, it's about people management more than anything else – both of your own team and the clients,' Tom explains. 'We have a certain number of properties per manager and on any one day, a few will require some action. It's a matter of combining good systems and good training with logic and common sense. If a tenant says there's no hot water, get them to look at the cylinder. If it's leaking, send a plumber. If it's cold, send an electrician. It's the same skill set you'd use to run any business.'

'People can get emotional about property so what we strive for is a calm energy. One of our regular clients says, "Whenever I walk into your office there's a feeling of people in control, quietly getting on with things." And it works – we get a lot of business from referrals, and one in six of the properties that we sign up come from people who were once tenants of ours. They tell us, "We didn't like how thorough you were in your inspections, but that's how we want our properties managed."

'Our rule is that we want to manage any property for which we can get good tenants. We want good business, not all business, because if you get the right people they will stay. In my office, our average vacancy rate is just 1.9 days a year.'

## a good group of people

Although many Quinovic franchisees have been involved in the residential property market as investors, it's not a pre-requisite. 'We will provide you with all the systems you require and 350 hours of training on both the operation of your business and its growth,' says Ross Davey. 'Investment starts from around \$140,000, and finance is available.'

Tom says his fellow franchisees are 'a good group of people. They come from all sorts of backgrounds, and they're all determined to work the system and protect the brand. The key thing is to select good staff, train them well and create a smooth team environment which allows you to concentrate on running your business. We have a sales manager in Johnsonville while Kate manages sales and operations in Hutt Valley. My main focus is staff management and the financial side. Between them the two businesses are turning over almost \$2 million and I am very margins-focused – I expect a minimum 15 cents in the dollar EBITDA.'

## invest in the business

Tom Finlay is a big fan of the Quinovic system: 'Obviously, since I bought a second franchise,' he smiles. 'The initial and ongoing training is excellent, and we pass that on to our own staff. The specialist software is excellent, and so is the manual – even after eight years I still refer to it.'

'If you are looking for a solid, stable, professional business, I'd say "Go for it!" Be prepared to invest in the business, apply the system, set yourself up for growth and invest in your staff. The secret to success in this business is relationship management. If you can do that, and manage the numbers, it's very worthwhile.'

## advertiser info



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