

14 August 2008

Australian Competition and Consumer Commission  
GPO Box 3131  
CANBERRA ACT 2601

Dear Sir/Madam,

**RE: Third Line forcing notifications lodged by Brabus PA Franchising Pty Ltd and Brabus Investments Pty Ltd – Reference 32502**

We write in response to points directed at the Shortcuts point of sale computer system in relation to this matter.

**Claim: 'the computer system is subject to technical and operational problems which limit its utility and reduce any efficiency claims associated with its use'**

We do not know specifically to what this claim pertains, as there have been no concerns raised with us that have not already been promptly and fully addressed. Furthermore, there are 10,000 happy customers using the software world-wide, and Shortcuts is widely regarded as the most functional and user-friendly software in its class.

We acknowledge that the system presented some gaps following the initial implementation at the Price Attack pilot sites, but for the most part, these gaps had already been identified during an exhaustive sales process and scheduled for development, to be released in three stages. Stages one and two are complete, and stage three is currently under construction. Stages two and three contained functionality that was deemed, at the time, to be non-essential for go-live. After go-live however, franchisees raised concerns that some features (which had originally been scheduled for stage two) were required immediately to support normal daily operation. As such, these features were promptly expedited to stage one and delivered. Note that as stage three is still under development, there are still some features forthcoming.

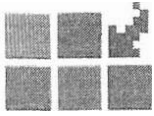
It is also possible that this claim is directed at Shortcuts' ability to centralise the configuration of products and services, which was one of the key requirements during the sales process, and offers an array of benefits for Price Attack. This imposes restrictions on franchisees that they may initially perceive as limitations, since their previous systems allowed products and services to be created freely at each site without reference to the head office or any other site. While this freedom may have appeared good for an individual site, it meant that none of the benefits of centralisation could be realised for the group as a whole.

#### **Benefits of a centralised system**

The key benefits of centralised configuration and sales tracking are:

- The ability for the head office to meaningfully analyse sales performance for products and services across the entire group.
- The ability for head office to maintain buy and sell pricing of products and services group-wide, saving the franchisees from having to duplicate this effort at each site.
- Support for group buying, which leads to greater purchasing power with suppliers and consequently, lower costs for franchisees.

Without centralisation, all sites would effectively operate as isolated units, and there would be no way for Price Attack head office to report on or monitor sales or inventory of products or services at an organisational level.



# SHORTCUTS™

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## All enhancements have been incorporated in the core software

### *2(b) The computer system is tailored to the Price Attack Business*

All enhancements have been development in the core product and, as such, remain the intellectual property of Shortcuts. This is the best way to ensure Price Attack's investment remains fully protected, because Shortcuts undertakes to maintain and support all core product functionality throughout all future releases. Franchisees will therefore remain secure in the knowledge that their original enhancements will always continue to work with all future functionality, for a standard annual maintenance fee.

### **Help desk provides support – not over the phone training of new staff**

#### *4(e) Provide all franchisees with improved and consistent support levels*

Concerns raised by franchisees that support will be denied if they make too many calls are unfounded. In fact, no customer on a maintenance agreement has ever been denied support by Shortcuts. This disclaimer exists to protect all customers by ensuring that any one customer does not abuse the support service to the disadvantage of everyone else. In such cases the help desk will request the client to engage an educator.

### **Conclusion**

As a closing point, it is widely acknowledged in the I.T industry that any new computer system will initially encounter some resistance to change amongst users, since they are placed in unfamiliar territory, and must undergo retraining to become proficient in the new system. Franchise owners will naturally bear more up-front costs than they would if they were to remain on their existing systems, so may perceive the changeover as an imposition.

We are confident that once the changeover is behind them, the franchisees and other users will become advocates of the Shortcuts community, which offers:

- The associated benefits of centralised configuration and reporting
- A demonstrated track record of reliably implementing and supporting large enterprise chains of 600+ sites
- A large international user base, which provides Shortcuts with the financial basis to support an aggressive ongoing R&D reinvestment program
- A large, international workforce with the necessary skills, resources and experience to meet the growing needs of the Price Attack chain well into the future. This includes 24/7 help desk support, best practice education and quality assured professional services

We are not aware of any limitations that would prevent Price Attack franchisees from achieving the benefits outlined during the sales process, especially once the final stage of development has been completed. Rest assured, Shortcuts will continue to provide Price Attack our full support in attaining their goals.

Yours sincerely

Rebecca Randle  
CEO  
Shortcuts Software Limited