EFFECTIVE DEVELOPMENT OF A FRANCHISE SUPPORT ORGANIZATION

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Overview – One Size Does Not Fit All

The International Franchise Association's (IFA) Franchise Relations Committee is dedicated to developing information and programs that promote positive relations and encourage dialogue and cooperation between franchisees and franchisors. It is with this purpose in mind the following handbook was created to further promote these ideals of excellence and education and to provide IFA members with an on-going resource for the development of their own respective organizations.

Different Industries, Different Markets, Different Age, Different Size

The franchising industry today has grown significantly and now represents such a broad spectrum of business concepts and market segments it has become nearly impossible to define any singular strategy, structure or method best suited for the task of franchisee support. The IFA alone represents over 1,100 franchise organizations operating within a variety of industries, segmented further into a vast array of vertical markets, and all located within a kaleidoscope of geographic and cultural environments. With all this diversity it is no wonder there is no single answer for the effective delivery of franchise support.

So, how do you tackle the complex issue of Effective Development of a Franchise Support Organization? What advice can be given to an emerging franchise business trying to establish their support culture and their support structure? How does a growing franchise business deal with the inevitable organizational changes and development associated with an ever increasing number of franchise locations? How can a mature or established franchise support organization further develop and retain top quality personnel?

The simple answer to the questions above is "it depends." The advice may depend on how long the franchise organization has been in business or how many units have been sold. It may depend on how geographically wide spread the franchise locations are or just how difficult it is to learn and comprehend the business model. No single style of corporate culture, no single field support philosophy, and no single set of support methods will ever cover all these variations inherent in the franchising industry. The inevitable conclusion for developing a franchise support organization is "one size does not fit all."

What is "Effective?"

For the purpose of this handbook, the effective development of a franchise support organization is a process which involves a variety of both individuals and groups, it happens over an on-going amount of time, and it can vary wildly based on the type of business model or industry involved. We have already acknowledged "one size does not fit all" in terms of developing this organization, but just exactly how do we determine whether or not it is truly "effective?"

The most fundamental and broadly applied definition of the word "effective" is to "cause a result, especially the desired or intended result," or alternately, defined as "successful, especially in producing a strong and favorable impression on people."

In franchising then, the measure of an effective franchise support organization is defined by the favorable impression made primarily on the franchisee constituents and the desired results achieved by both the franchisees and the franchisor. Franchisee and franchisor satisfaction with the quality and quantity of support, along with both network-wide and individual-unit financial success **IS** the definition of **EFFECTIVE**.

The Purpose of This Handbook

There is no specific organizational model which will work for all types of franchise support organizations. There are no singular methods or procedures or policies for support which will satisfy all types of franchisees and franchisors. With all these possible variations of support, how can one handbook deliver meaningful knowledge and useful recommendations across the broad spectrum of concepts and business models that is the franchising industry? The answer is to use the basic principles and best practices employed by the most successful franchise organizations in the market today.

The purpose of the handbook is not to try and produce a "one size fits all" solution, but instead to provide a framework of fundamental principles and best practices on which a custom support organization solution can be built. The handbook takes into account the many variations in franchise business models, the wide array of support techniques, and the subtle influence of corporate culture in order to come up with recommendations and guidelines. The goal is **NOT** to provide a "How To" guide, but instead deliver a more useful source of reference for the franchise industry professional charged with the Effective Development of a Franchise Support Organization.

Franchise Support Principles

Company Culture Sets the Tone

Company culture is loosely defined as "the pervasive or common attitude among the employees and managers," and it usually emanates directly from the top down — mainly from the CEO and other executive officers or managers. Whether in franchising or in the corporate world, it is this same attitude or culture which sets the tone for company policy, communications, personnel decisions, resource allocations, marketing campaigns, public relations, and, most importantly for this handbook, the development of an effective franchise support organization.

Some franchise support "how to" manuals and publications focus mainly on tactical issues, such as a basic field-support-to-franchisee staffing ratio, or the quality of collateral marketing materials, or the array of functionality on the company's intranet system. All of these tools or tactics pale in comparison to the organizational culture which truly believes in, before anything else, the bottom-line mission of franchisee success — that is, individual unit profitability!

In a collaborative or supportive company culture, the support group can rely heavily on not only the strengths and breadth of the company's resources, but also on all the other executive, operations, marketing, and administration personnel to achieve their mission of delivering franchisee support in the field. When every member of the franchisor organization believes in this mission, then every contact, every phone call, every piece of marketing material, and every activity at the Home Office becomes part of the support function. Without this commitment of purpose toward franchisee success and profitability, it is difficult to actually develop or maintain an "effective" support organization.

The "You Win, We Win" Culture

This supportive organization culture in the franchising industry is often described by the phrase "if the franchisee succeeds, we succeed." This principle allows for strong two-way communications between franchisor and franchisee; it allows for a mutual alignment of goals (you win, we win); and it is a solid foundation of which a trusting relationship can be built. These common characteristics of strong franchise relations are the foundations on which an effective franchise support organization is built.

On the opposite side of the spectrum, a franchise organization which primarily believes only in the franchisor's key objectives; one in which communications are closed and secretive; and where ulterior motives lurk behind vendor relations, territory alignment, and strict adherence to one-sided policies, "effective" support can be hampered by any number of trust and relationship issues. In this type of dictatorial culture, the franchisee is much more likely to be suspicious of support efforts and even less likely to participate in potentially beneficial programs. At the very least, a vast amount of resources, both materials and personnel, get wasted in this type of dysfunctional support environment.

While the company culture indeed sets the tone for the effectiveness of franchisee support, there are several other fundamental principles which also play a major role in the ultimate success or failure of a franchise support organization. The principles of maintaining strong franchise relations, of embracing the never-ending process of organizational development, and the commitment to best practices in field support techniques are all equally important factors in the development of an effective franchise support organization.

Franchise Relations are the Foundation

Conventional wisdom within the franchising industry suggests the most successful organizations are those which focus their time, resources, and talent toward franchisee support functions. Experience has proven there is a strong correlation between the quality and depth of the franchise organization's support functions and the ultimate success of their respective franchisees. So, how do you effectively deliver or achieve adoption of these support functions within a group of unique and self-motivated franchisee operators? The broad stroke answer is through sound franchise relations.

Strong Relations Allow Constructive Development

The term "constructive development" in the context of franchising implies a certain level of high quality, bi-directional communications between franchisor and franchisees. All parties must rely on an open, honest relationship for setting goals and completing their respective functions. If they can't work together in a mutually beneficial environment, then nothing is going to get accomplished. If they can work together constructively, then positive end results are possible.

The other characteristics associated with developing sound franchise relations include a strong foundation of trust, a solid alignment of goals, and transparency in the allocation of resources.

Trust Is Essential

Trust is the bond that allows two parties to openly communicate their ideas and feedback, good or bad, and eventually collaborate on a path of mutual benefit and motivation. If there is an absence of trust and the relationship is perceived to be one-sided or deceptive, then it will most certainly fail. For example, a franchisee suspects the franchisor introduced a new product primarily for their own gain by way of a back-room deal with a supplier; the result is no adoption — no trust. Make the same product available as the result of identifying mutual benefits for all and collaboration between parties, and adoption is nearly certain — trust is strong.

If the franchisor has developed its business model/revenue model around the collection of royalty fees as its **PRIMARY** source of financial success, then there is a resulting necessity to reinvest a significant portion of those funds in a support and development infrastructure. These investments are clearly visible to the franchisees and they play a vital role in building a trusting relationship, not only with field representatives, but with the franchisor in general.

Alignment of Goals Equals Mutual Benefits

One of the most common attributes in successful organizations to ensure a solid foundation of trust is a strong alignment between the franchisor's goals and objectives and those of the franchisee. For example, when the franchisor operates from a philosophy of "if the franchisee wins, we win," there is typically a strong alignment of goals. If the franchisor chooses to build a singular-minded culture around "profitability at all costs," there is likely to be a disconnect between alternative revenue streams and a genuine concern for individual franchisee success.

Inherent in the "you win/we win" philosophy is everyone participates at some level to achieve mutual benefits. If the franchisee is financially successful at the local store level, then the franchisor by definition is going to benefit from increasing royalty revenues. The franchisor is also participating by allocating, dispatching, and managing an effective team of field representatives who provide a wide variety of support services, collateral materials and new franchisee development.

It is the responsibility of the franchisee to execute the franchisor's business model, and it is truly their hard work and motivation that achieves sales growth, market share, and financial success at the end of the day. However, the alignment of both parties' goals is what allows and stimulates on-going investment in the franchise concept.

Transparency and the Allocation of Resources

In today's environment of instant communications, phone and email contact anytime and anywhere, the fact is, everyone knows how much is being invested and by whom. So, to achieve a mutually beneficial return-on-investment, there needs to be visibility into what each party is contributing, and, in today's vocabulary, that is referred to as "total transparency."

In a strong trust relationship, total transparency and the allocation of resources go hand-in-hand. Because the franchisor operates from a position of only doing those things intended to benefit the franchisee, there should be no fear of disclosure, good or bad. Through combined trust and visibility, a field representative can openly engage in all facets of the support organization to deliver the right resources to the right franchisee at the right time.

Unfortunately, no franchisor can afford unlimited support resources and must therefore work to maintain a delicate balance between the effective distribution of limited support resources and the priority of serving franchisees with the greatest needs. Often, both the franchisor and franchisee are dependent on the field representative to meet the challenge of determining the tipping point between positive results and diminishing returns.

The problem is complex. It is easy to focus attention on top-producing franchisees given their proven track record for success. Over-allocation of resources to under-performing franchisees may produce little in positive results. Franchisees facing specific business and market challenges need more than phone support and "generalist" consultation to survive, but the franchisor cannot afford unlimited field services nor deliver a support specialist to the doorstep of every franchisee in need. So, what is the answer?

The answer can lie with the support representative who can make critical and sometimes unpopular resource allocation decisions. Top performers, under performers, and every franchisee in between want their fair share of these limited, yet vital resources. The support representative must rely on the strength of established franchisee relationships to effectively deliver "needs-based" consulting time, "geography-driven" generalist materials, and support when they are needed and where they will accomplish the most good.

Organizational Development is the Strategy

In order to allocate and dispatch support representatives to those locations and events which will provide the greatest return on company resources, the organization itself must continually adapt and restructure itself to meet the on-going demands of change inherent in almost every evolving franchise company. This issue of perpetual change and the need to manage and maintain organizational integrity throughout the process is a common business concept known as Organizational Development or OD.

Organizational Development (OD) is the planned and controlled process of change occurring every day within the basic management structure of a company. In the franchising industry this process of change hardly ever stops as the company evolves in age, in the number of franchise units, in its geographic scope, in product development, and in many other evolving components

within the business model. In essence, OD is a planned system of change comprised of the following components:

- **Planning**: OD is a process of long-range planning for the improvement of organizational performance and efficiency. It is not a short-term solution.
- **Organization-wide**: OD focuses on the entire system including Home Office performance and efficiency, as well as individual franchisee unit operations.
- **Top-down management**: OD is most effective when supported from the top down. Upper level executives must lead by example and not by hyperbole. The OD process also needs buy-in and ownership from the entire organization, including both Home Office staff and franchisees.
- **Achieve results**: OD is directly tied to the bottom-line. Its goal is to improve the organization, to make it more efficient and more competitive by aligning the organization's systems with its people – both staff and franchisees.
- **Change agent**: OD uses the concept of a change agent and interventions to make system wide, permanent changes in the organization.
- **Behavioral-science**: OD is a discipline that applies research and experience to the practice of understanding people, business systems, and their interactions.

When is a Franchise Ready for Change

Many times and in many ways it has been said people will almost instinctively resist change. People are naturally uncomfortable with change for one major reason – and that is, when change happens the future is unknown. Your normal, everyday environment, your work place, and your home are all comfortable places when you know pretty much what to expect from day to day. Now, assume you have no idea what is going to happen tomorrow at work or at home, your feeling of comfort disappears and your levels of anxiety skyrocket.

So, how do we cope with change? When is the right time to insert change into your franchise organization? There is a formula, attributed to the author David Gleicher,[i] which can be applied to franchise organizations considering change:

Dissatisfaction x Vision x First Steps > Resistance to Change

This means that three components must all be present in order to overcome the resistance to change in an organization: *Dissatisfaction* with the present situation, a *vision* of what is possible in the future, and achievable *first steps* towards reaching this vision. If any of the three is zero or near zero, the product will also be zero or near zero and the resistance to change will dominate.

A clear example from the franchising industry is a small start-up organization with only five current franchisees. At this stage, all five are quite content with the quality and level of support they are receiving from their parent franchisor, so there is no *dissatisfaction* present. In this scenario, one of the factors is at zero or near zero and the resistance to change is high.

Now, imagine a few years down the road and the same franchise organization is approaching one hundred units spread across twenty-five states. There is still the same number of support personnel and franchisees are growing dissatisfied with both the quality and level of support. A new Support Manager steps forward with a *vision* of adding highly skilled support team members, plus he introduces an action plan for the *first steps* required in hiring and training those personnel. At this point, the resistance to change can be overcome, and the organization is ready to adopt a new paradigm in field support operations.

The Process of Change

Managing the process of change in any organization can be tricky since rarely are franchise management personnel specifically trained in OD. Some organizations must turn to outside OD consultants, some attempt the process themselves, and still others muddle through some kind of project which just seems like the right thing to do. Assuming most franchise organizations' talented support team members do not have specific OD skill sets , here are a few guidelines for managing the process of change:

1. **Needs analysis**: identifying the needs for change within the organization. During this phase, the company culture and the state of franchise relations must be assessed. Appropriate decision makers need to be identified and trust relationships must be built. Consideration is given to linking change needs with company culture and current practices and any resistance to change is dealt with at this level.

2. **Assessment and feedback**: this is commonly a data collection phase and in franchising would include surveying franchisee satisfaction, as well as passing new ideas past Franchise Advisory Councils (FAC) for review and input. The basic idea is "where do we have problems and how can we fix them?" A two-way process of communications will facilitate these discussions and an all-inclusive corporate culture will foster organization-wide participation and buy-in.

3. **Action planning**: the more effective the planning, the more likely the results. After considering all the alternatives and matching the best recommendations with available resources, it is now critical to create a logical sequence of events designed to achieve specific, measurable results.

4. **Intervention**: the steps from the action plan are actually carried out and implemented into the operating methods, policies, and procedures of the organization. As new information emerges from the intervention it will often result in additional changes being made as the process moves forward.

5. **Evaluation**: not only do we evaluate the impact or efficiency of the implemented changes being made, but we must also evaluate the effectiveness of the change process itself. Questions like "how well did we meet the stated objectives of the intervention?" need to be asked, as well as "how can the intervention be done more effectively next time?"

6. **Compliance and adoption**: ensure the changes being made are fully integrated into the on-going operating methods and culture of the organization.

Adaptation and the Constant State of Change

Most franchise organizations start out small and grow as additional franchise units are sold and opened. As the organization expands, so do the demands for more effective management systems; more complexity in support functions; and more variety in almost every method, procedure, policy, and collateral material used to support the franchisees. In addition, during this period, new demands are also squarely placed on the skill sets of the support team members, as well as the need to continually revise support objectives and bottom-line goals.

The most common response to this need for constant change within the structure and skill set of the support team is *adaptation*. In a growing franchise system (regardless of age), there will always be the need to support start-up franchisees with their grand opening and initial development, then eventually a migration occurs to a more experienced level of support. The support team members who start out with the concept or "rise through the ranks" are typically

well equipped to handle these early stages of franchisee development. But, what type of adaptation is necessary to meet the new demands for more "advanced" support?

A "tiered" system of support is one way of delivering the appropriate response. For instance, highly experienced and concept knowledgeable support reps might focus on **senior consulting** to meet the needs of mature franchisees trying to master complex financial issues or even considering a resale. On another level, a **field support** rep may be provided on an "as needed" basis for on-site consultation dealing with routine operations or marketing challenges, and, on yet another level, a **help desk** staff member might work from a home office to deliver phone or computer-based support. These senior, field, and help desk team members can function pro-actively or simply be responsive in terms of handling frequently-asked questions and in delivering whatever support services and/or collateral materials requested by any franchisee.

Inevitably, in order to meet the demands of a "tiered" support structure it will be necessary for the support organization to recruit new staff members who are already equipped with the proper levels of experience and academic qualifications. Later in this handbook the topic of recruiting, training, and retaining top quality support personnel will be addressed.

Aside from the importance of company culture in the effective development of a franchise support organization, we have also examined the role of strong franchise relations and dug into the on-going challenge of organizational development. All of these components for support are strategic in nature and the time has come to take on the "tactical" challenge of actually delivering promised support services and materials. The franchisor must not only plan, evaluate and manage the support organization, but they must now use a variety of tactics, methods, procedures, and policies in order to deliver those services to the constituents, the franchisees.

Support Techniques are the Tools

In normal franchise support discussions the most common assumption is support services are delivered in the "field" and this is defined as being on-site or at the franchisee's business location. Yet field support is just one element of the franchise support organization's physical operations. There is also "Home Office" support which emanates from personnel located in the franchisor's headquarters or remote office locations, in addition to "online" support which is available through the Internet or through a Virtual Private Networks (VPN).

There are wide varieties of support techniques found in the franchising industry today and much of this variety is a direct result of the same diversity found in the multitude of business models these franchise organizations represent. Certainly there are common techniques for field, home office, and online support which many companies use across a broad spectrum of concepts, but there are an equally large number of techniques which are unique among individual industries, markets, or concepts.

The following lists comprise just some of the common and unique support techniques being deployed within the franchising industry today:

Common Support Techniques

<u>On-site or Field support</u>

- Site selection assistance and construction management
- Grand opening support
- Compliance or certification visits
- Quality control or product/service training
- Sales, operations, or marketing support
- Financial review or auditing

<u>Home Office support</u>

- "Help Desk" for common inquiries and supplies
- Marketing materials
- Accounting and administration support
- Training classes
- Franchise Advisory Councils

<u>Online support</u>

- VPN or intranet providing discussion forums, document libraries, and other resources
- Marketing and printing services for "on demand" collateral materials
- Webinars on operations or marketing subjects

Unique Support Techniques

<u>Annual Planning</u>

- Field Support Representatives assist franchisees with developing an annual plan for sales growth, profitability, marketing strategy, and staff development. Achievement against the plan is reviewed on a quarterly basis. The Field Support Representative includes the accomplishments in his/her personal corporate objectives report.

<u>Organizational Development</u>

- Assist franchisees in development of their local business entity through planned growth, sound organizational structure, and tested business management practices. Succession planning, organizational charts, job descriptions, and structured performance reviews might be components in this category.

<u>Financial Management</u>

- Assist franchisees with sophisticated financial management including Balance Sheet restructuring, capital funding projects, cash management, Income Statement and Return on Investment (ROI) analysis, as well as "break-even" and Key Performance Indicator (KPI) analysis. While this type of consultation may go beyond the capability of a typical Field Support Representative, they can still perform the role of a facilitator to access other Senior Consulting resources.

Components of Franchise Support

The Basic Elements

Franchise support services are as different as the variety of franchise concepts that need them. The culture within the company and the quality of franchise relationships most certainly shape the structure, quality, volume, and tone of the support organization. The challenge is to turn attitude into action, channel communications into effective development, and maximize the use and application of limited resources.

The executive leadership must clearly focus on developing the style and structure of a support organization best suited to deliver solid results for all parties. In turn, the management team must clearly communicate to every home office staff member his or her direct responsibility for responding to any and every communication and/or request received from a franchisee. The home office staff member's motto should be: "If I can't solve it myself, find the person who can, pass along the request, and follow it through to completion."

The basic elements of the franchise support function include a well-developed organizational structure from which support services are delivered, a well-trained and competent staff of support providers, and effective management of the entire franchise support organization. Without these basics it is difficult to imagine achieving any kind of success at the franchisee level, let alone at the franchisor's corporate level.

A Well-Developed Organizational Structure

Even though there is no singular answer for the "best" organizational structure specifically suited to support a franchise organization, there are many common elements found in most successful companies in the industry. Normally, a single unit or department will be dedicated to Franchise Support Services and within this group are found the common positions of Field Support Rep, Senior Franchise Consultant, and "inside" or "help desk" support personnel. Other less common positions might include members of the accounting team, a Real Estate Specialist, Compliance staff members, Administrative Support and other operations-related positions.

Beyond the Franchise Services group, many franchise companies will also dedicate their Marketing Department and sometimes an Information Technology (IT) Department as part of the support organization structure. Marketing personnel, including graphic artists, production assistants, and other staff members will manage and deliver a variety of collateral materials intended specifically for use by franchisees to uphold brand identity objectives, as well as promote active sales growth.

Many franchise companies are also actively engaged in a variety of Information Technology objectives including Point-Of-Sale systems, internal and external communications systems, operational systems and most recently, a variety of Internet-based systems. These Internet systems can range from a basic website presence to much more elaborate social networking components and even mobile applications designed for both marketing and sales purposes.

Finally, most successful franchise organizations also dedicate a Franchise Development Department toward the objective of selling new franchise units. This department is also an integral part of the support organization since it is dedicated to the process of screening, qualifying, and selling new franchise units. Without a top quality and successful development effort most franchise organizations cannot sustain all their other support objectives.

A Well-Trained and Competent Support Team

Many franchisors have determined that field support visits are the essence of the franchise support process. In this environment, the franchise support staff members become the coaches, the counselors, the experts, and the monitors of franchisees' performance. Each field rep is the tip-of-the-spear in the common defense of the franchisee expression, "what have you done for me lately?"

During a busy week, the Field Support Representative may personify a negotiator, advisor, coach, trainer, and inspector – just to name a few. The field representative may be the "middleman" between the franchisor and the franchisee, communicating information back and forth. As an advisor, the field representative may be called upon to provide objective, expert advice on business, marketing, and operational matters. While the field rep may not have a whistle, the "coach" is always busy encouraging franchisees to achieve higher levels of performance. A good field representative may also take on the role of the trainer, upgrading the skills and knowledge of franchisees. One of the most challenging roles is the inspector. The field representative must use highly developed interpersonal skills to ensure that the standards of quality are maintained.

One field visit is not apt to make or break a relationship, but it can forward the relationship or present hurdles that must be overcome. For a more positive outcome, the field representative should be prepared for the visit. Contact the franchisee *before* the meeting to find out if there are specific items to be covered. The field reps should do their homework and be ready for the visit. Be mentally prepared to walk in the door. The first ten seconds of the visit sets the tone for the rest of the meeting. Remember this is a relationship and relationships take time. So be prepared to spend some time talking generally about things until you are both on the same wavelength. When it is time to get down to the nitty-gritty, then practice active listening skills to keep the discussion moving in a positive direction. Toward the end of the meeting, review what has been achieved during the meeting, the outcomes agreed upon, and make a note of things that need to be done by both parties. End the visit on a positive note. The way this visit ends, sets the tone for the start of the next. [ii]

Effective Management of the Support Organization

The sections above speak of the variety of support positions and personnel, but equally important is the Executive or Management team charged with leading and managing the organization. The outline above would suggest Vice President or Manager level positions in each of the departments described. In addition, typical organizational structure will include an Executive level group with positions such as, President or Chief Executive Officer, a Controller or Chief Financial Officer and a VP of Operations or Chief Operations Officer.

The executive and managerial level positions are typically charged with meeting financial and operational performance objectives in each of their respective areas of expertise. In addition, they can also be critical components of the franchise support organization. Often, senior level consulting directed at franchisees in the field will come from the executive team members. For example, a franchisee contemplating new unit expansion might get financial planning and forecasting assistance from the company's CFO or Controller. Another franchisee entertaining the resale of their unit might seek counseling from the VP of Franchise Development.

Having senior level managers in the company actively engaged in serving franchise support objectives is one of the most powerful techniques for delivering the trust, the alignment of goals and the you-win, we-win culture that is described earlier in this handbook. Successful franchise support organizations seem to always have this "buy in" component from top management; it is a major factor in producing the highest levels of performance from limited resources.

Other Elements of Support

What if all the support services described above and the perfect deployment of human resources and talent are still not enough? What if the franchisee still resists communication intended to assist them? What if they are reluctant to use company provided materials or just don't want to get along? Then what?

Techniques for Improving Reluctant Franchisee Relationships

Irrespective of the skill levels or talents of the field support team or even the availability of strong support resources, there is still the potential for some franchisees to be reluctant to accept, use, or understand support resources. In these hard-to-please situations the delivery of support services can become extremely frustrating and potentially a waste of financial resources. In order to meet this challenge, here are some simple strategies and tactics to improve franchisee relationships and effectively distribute support resources:

1. Listen carefully to the feedback and comments coming from the franchisees in all their discussions, committees, emails, and other forums.

2. Professionally produce bulletins and/or announcements delivered by mail, newsletter, intranet, or email that articulate top-level franchise strategies and benefits that may result from the effective use of support services or collateral materials.

3. Conduct regional meetings and discussions where field reps can more fully discuss and explain specific services, benefits, and strategies related to support initiatives.

4. Engage targeted franchisees in broad discussions about solutions for general or specific support service challenges or problems.

5. Provide case study information to franchisees illustrating the benefits and successes of other franchisees or organizations attempting similar strategies.

6. Monitor all forms of company communications and ensure franchisees are effectively able to implement any particular support tactic or marketing strategy.

7. Address openly all negative issues and concerns the franchisees may express – be willing to "live with our differences."

8. Practice active listening techniques when a franchisee is expressing anger or venting concerns to completely understand the source of their frustration, but do not attempt to argue over right and wrong answers.

9. Communicate details about how field representative support resources and/or benefits are fairly and efficiently distributed to all franchisees.

10. Budget sufficient labor and working capital to ensure there is an increase in the availability of support services just before, during, and after any significant franchise alteration, market condition, or general business-changing event.

11. Implement field representative and support team incentives specifically designed around improved results at all levels of franchisee performance.

12. Offer performance incentives to franchisees including both short-term benefits (fee rebates), as well as long-term goals (reduced fee rates) for achieving results using specific support resources and/or collateral materials. Reinforce the positive.

13. Integrate under-performing or support-reluctant franchisees into various committee or council structures, such as a Franchise Advisory Council or Advertising Fund Councils.

Recruit, Train, and Retain Support Personnel

Not unlike any other high performance job requiring specific talents and motivated individuals, support personnel are often hard to find and worth their weight in gold to retain the good ones. What is noteworthy is the "transferability" of skill sets among a wide variety of business models and industry segments within franchising. That is, the art of providing field support and small business consultation is 80% common small business practices and 20% unique applications of any specific business model.

The impact this portable nature of skill sets has on field support personnel is to create a highly competitive market for truly talented individuals. Conventional wisdom within franchising is when you find good field support personnel you must do everything you can to retain them. This focus on retention is definitely important, but the true measure of a good field consultant is still their ability to quickly develop brand-specific expertise and a comprehensive understanding of the business model.

This section of the handbook explores methods, procedures, and valuable insights for attracting top quality personnel; best practices for training them on company-specific operations; and incentive concepts designed to measure their success and reward them for it.

Recruiting:

- Test your proposed job descriptions and compensation plans by asking a human resources professional and two or three of your peers in franchising to review them and offer comments.

- Create a probationary employment period during which the candidate has the chance to be immersed in the system and to begin their specific role, yet there is an understanding the relationship is on a trial basis.

- Depending on the level of the position, you may want to consult with an executive search firm that specializes in franchising. Give the search firm the opportunity to provide some input on the market conditions and to potentially offer their services. These organizations tend to have deep contacts across a wide range of franchising companies.

- Develop and use "networking" as a recruiting tool across franchising organizations. Peers within the industry know of individuals who are seeking opportunities. The best jobs (and the best candidates) are found through networking.

- Use the IFA Job Forum at www.franchise.org.

- Always review your existing staff for internal candidates who might be ready for a new challenge or rotational assignment as part of a long-term development plan.

- Consider using job boards, such as Monster, HotJobs, and Careerbuilder. Craigslist is also a cost effective alternative, but make sure to highlight the "franchise" nature of the position.

Training:

- If you have the right prerequisites for your new hire in the job description there should be limited "general business" training, such as, standard computer and software skills, communication skills, POS experience (in retail), and basic financial knowledge.

- Invite the candidate to submit their own proposed check list of necessary experiences for their training. This practice will both empower the candidate to take responsibility for the success of their training, as well as reveal their true comprehension of the position and the business model.

- If the candidate comes from outside your organization or from outside your industry segment, then they should be required to fully participate in a new franchisee (new unit) training experience. This is typically an intense two- to three-week training session designed to launch a new franchisee into the grand opening of a new location.

- Consider using a "mentor" technique in which the candidate spends at least three onsite visits shadowing a franchisee owner through an entire business cycle. For example, have the new hire participate in a daily opening and closing of the franchise unit alongside the franchisee owner. The franchisee should be asked to submit a few paragraphs of written feedback to assist management with evaluation of performance and the critique should be retained as part of the employee's permanent record. In order to promote objectivity, these visits may be more effective if they are done with owners who the candidate will not be responsible for supporting in the future.

- The new hire should be required to submit written notes on what they observe during field visits or mentor experiences. This practice will provide insight into the candidate's style of reporting, their powers of observation, their communication skills, and their comprehension of the business model. Again, these written records should be retained as part of a well-documented employment file.

- Provide a reading list and other enrichment opportunities both during and after the training period. On-going education is always a good practice in the development of top quality personnel. Reading materials should not only include company-specific materials like operations manuals, marketing manuals, and other internal publications, but also topical books, magazines, or articles on leadership, business practices and industry-specific topics.

- Have the new-hire interview with key department heads, not only for educational and training purposes, but also to foster stronger internal coordination among the various components of the franchise support organization.

Retention ideas and incentives:

- Find out what is important to the individual and write it down in their file as a reminder. For many, recognition is actually the most powerful incentive, while others may respond to small financial incentives or a bonus. For example, a supervisor once sent five gallons of cranberry juice to a hard working individual to demonstrate their appreciation. Make it personal and make it memorable!

- Invite each individual to participate in a strategic planning project and to create solutions and ideas through brainstorming at least twice each year. A supervisor should always make it a point to thank personnel for their efforts and contributions.

- Subscriptions to a favorite magazine, movie theater passes, restaurant gift cards or a special day off work are powerful incentives without big price tags. Opportunities to participate in industry-related conferences also have high perceived value to some.

- Time off and travel, including the opportunity to take a spouse along to an industry event can have high perceived value. If the company is already paying for lodging at a convention, the marginal cost of adding the spouse's airfare as a recognition bonus is a cost effective incentive with high perceived value.

- Give freely of your time. As a leader within the organization, your willingness to allow the employee to set the agenda for a meeting in which you have no agenda can be one of the highest value opportunities you can create. Being listened to and having your input recognized is something every employee values.

Franchise Support Standards

Given such a wide variety of products and services being delivered by franchise organizations within their respective market segments, it is difficult to narrow down the industry support standards into a one-size-fits-all format. For this reason, there tends to not only be a wide variation of standards within similar organizations, but also a tremendous amount of variation among different types of franchise concepts, particularly between service-oriented businesses and retail or product-based organizations. In the end, franchise support "standards" are driven by both the business concept, as well as by the culture adopted by the parent organization.

Service-Oriented Verses Product-Based Organizations

Retail franchising systems usually require "store-front" locations while many service-oriented franchise systems do not. Therefore, retail systems tend to have support people who may focus on things like real estate issues, foot traffic, curb appeal and in-store customer service. Other industries, and particularly professional businesses like tax services or real estate agencies, may focus on completely different values. These businesses may view product uniformity, current certifications and timely online responses as their most important objectives.

In the category of food retail franchisors, their field support teams will focus on quality control and dedicate specific staff members to assist franchisees with health code compliance, as well as food quality, storage, and preparation standards. In contrast, the professional services franchisor referred to above may have more support staff dedicated to professional development and education than to operational reviews and customer service.

In some instances, the client base or customer pool of the franchise may dictate what type of support standards are adopted by the organization. For example, if a large percentage of the clients require their product or service vendors to have a specific certification, then the franchise organization will have to ensure their franchisees are properly certified. While the decision to become certified may have been driven by a business strategy to compete in the market, the added benefit to the franchise is an enhanced support system dedicated to maintain consistent, quality operations throughout the franchisee network.

Standards Relative to Size and Complexity

As you would expect, the support structure is fairly simple for smaller franchise organizations (5 to 50 units). The size and complexity of the support organization will become more elaborate as the franchise grows into a more mid-sized category (50 to 500 units). Then again, the support organization will take on an even larger and more complex structure and management of its own in large-scale franchise corporations (500+ units).[iii]

Some components of the support structure are common at all these levels with the primary differences being in the numbers of support personnel and the complexity of management. For instance, typically all organizations, regardless of size, will have at least one field representative to deliver support and offer manuals and forms to maintain consistency of information throughout the organization. The difference with a larger organization will be a network of geographically-located field representatives and/or a well-defined central support group that assists the entire organization (depending on the franchise concept). This field support network will also have a substantial library or large inventory of manuals and forms at their disposal.

A large support organization may have a network of field representatives who individually focus on a particular territory, especially if the franchise system is geographically diverse. After initial corporate training, the field representative provides continuous assistance to help ensure the franchisee is successful in their particular market. The field representative is their "local" version of a motivator, a coach, and a problem solver for the franchise. These field representatives are the high level, day-to-day handshake between the franchisor and the franchisee.

In addition to field representatives, some large organizations may provide a help desk at the home office. People working the help desk may field "frequently asked questions" (FAQ's) about how to use the organization's software, how to access collateral marketing materials, or what to do in case of an emergency, such as a crippling ice storm or flood. The help desk staff is essentially the "911" service or hotline for the franchisee in the field.

By the time a franchisor evolves into a larger organization, their policies and procedures are typically well established and well documented. A good franchisor is going to ensure each new franchisee is well trained and strongly supported from the very start. A great franchisor is going to ensure the training process is continuous and the franchisee is well equipped to maintain their individual unit, to grow their sales and even innovate on the business concept as they succeed and evolve. Maintaining up-to-date manuals and forms ensures the franchisee can quickly refer to accurate, consistent, and current information.

Although the size and complexity of the organization may vary, the overall philosophy and benefits of a strong support program are universal. Without the uniform success of the franchisees within any given franchise system, there is truly no way to continue growth and development of the concept. The strength of the underlying support organization and its delivery of top quality services, materials, and methods will ensure the franchisees have every opportunity to grow and succeed.

Common Support Standards

As was mentioned above, it is very difficult to narrow down actual support "standards" given the variety of franchise concepts and practices in the market today. Even so, the following is a partial list of some of the most common support standards practiced by many of the most successful franchise organizations:

On-site or Field support standards

- Operations and/or Marketing manuals
- Individual support rep assigned to each franchise location
- Support specialists for specific or highly technical support needs
- Annual on-site support visit
- Compliance or certification visits
- Quality control or product/service training

Home Office support standards

- New franchisee training and orientation
- Resale franchisee training and orientation
- "Help Desk" for common inquiries and supplies
- Availability of collateral marketing materials

Online support standards

- VPN or intranet providing bulletin boards, document libraries, and other resources
- Marketing and printing services for "on demand" collateral materials

Goals, Objectives, and Measurement of the Support Organization

Every level of the franchise organization should be constantly setting, following, and measuring goals and objectives. The franchisor sets the high-level goals for the whole organization so that everyone involved understands the focus and vision of the business. Franchisees set unit-specific goals aligned with the franchisor's directives to help reach the organizational goals, convey their personal vision, and provide for the needs of their internal staff. The support team sets goals to align with the vision of the organization and to meet the needs of the franchisees they represent.

Objectives refine those goals into more expedient, manageable, and measurable tasks. Measurement of the goals and objectives may take many forms, but should be scheduled, consistent, quantitative, and informative. If goals are the destination, then objectives are the landmarks along the way. Measurement is the analysis of whether you reached the destination, while the successes enjoyed, the hazards overcome, and the lessons learned along the way are there to be applied against the next set of goals and objectives.

Goals and Objectives

First, you must define and separate the goals from the objectives (see Appendix A for samples of Goals and Objectives). Goals are defined as the high-level statements of what the support organization is trying to accomplish in the next one to three years. Goals should reference business benefit in terms of cost, speed, and/or quality.

Objectives are the measurement of success along the path toward achieving those higher levels of performance. Objectives are more short-term, usually within a year.

The "SMART" Program[iv] uses the SMART acronym to help develop goals and objectives which are:

- ✓ **S**pecific: Spell out exactly what you are trying to measure with little room for interpretation. "Standards" are a useful starting point.

- ✓ **M**easurable: Goals that can be measured tend to be more motivating due to a clear sense of achievement.

- ✓ **A**greed Upon: the people being measured need to "buy in" to the goals in order to feel a degree of commitment.

- ✓ **R**ealistic: the goal must be achievable, preferably with outstanding performance.

- ✓ **T**ime Limit: Setting a time limit creates a sense of urgency and is specific.

Measuring Support Success

Measuring support success is both beneficial to the franchisee, as well as the support staff member. For the franchisee, it marks the achievement of goals and objectives and if set properly advances the business success. For the support staff member, measurement can be used as a powerful motivator for incentives and rewards.

Appendix A: Sample Support Goals and Objectives

Goals

Rank the following:

_____ Maximize every franchisees return on investment.

_____ Achieve system-wide sales and profitability growth.

_____ Achieve outstanding rapport with every franchise unit.

_____ Obtain a high degree of system validation from existing franchisees.

Objectives

Rank the following:

_____ Physically visit every franchise location at least two to three times per year.

_____ Provide at least five quality recommendations for improvement during each visit.

_____ Retain effective support personnel.

_____ Answer all franchisee requests for support within 24 hours.

Appendix B: Sample Support Forms

See the various samples below for a variety of Field Support letters and forms:

Sample Field Visit Recommendation Letter

October 10, 20_

John and Mary Smith
2333 West Main Street
Anytown, USA 55555

RE: Recommendations from site visit [date] of [franchise name and number]

Dear [name(s)],

[**Positive opening**. Example: *"It was a joy visiting with both of you last Monday. You've got an impressive operation going and tremendous value built up in the business. You are good people, you've put a lot of hard work into the operation, and there is plenty of equity in the business which can contribute to your future plans."*]

[**Introduction to recommendation(s)**. Example: *"It seems the most obvious concern is enough cash flow to cover existing operations and family member salaries. This should be achievable with your existing sales volume, but it requires full-time effort from each family member, as well as diligent financial management. These primary objectives should dominate our ongoing discussions as we try to move your business to the next level."*]

The ideas and recommendations we discussed are as follows:

[**Recommendations**. Be sure to include definition of the problem, detailed recommendation, and benefits of implementing the recommendation. Example:

1. ***Financial Management****: You have adequate Sales data, but you are not using the Profit & Loss Statements (P&L) to guide your efforts to manage expenses. It is all the LITTLE things that are stealing away profits, not the big stuff.*

    I highly recommend finding a qualified QuickBooks bookkeeper to assist you with month-end bank statement reconciliation, balance sheet accounting entries, and monthly production of a P&L statement. Using an outside bookkeeper to assist you with this process should not cost more than around $300 per month and is worth every penny of the investment.

2. ***Retirement strategy****: …*]

[**Closing**. Example: *"I hope you enjoyed our time together as much as I did and that you will find the information above useful and timely. Together we can work on solutions to drive value and growth to your business and serve all your long-term investment needs.*

I'm looking forward to following up with you and continuing to work on further development of your business. I was very impressed with the quality of your store and the operations, and I want to thank you for taking the time to meet with me. . I wish you the best of luck in moving your business to the next level."]

Sincerely,

Sammy Support

Sammy Support, CFE
Field Support Manager
My Franchise Company, Inc.

Sample Field Visit Report

General

1. Do you have a marketing plan in place?   Yes ☐ No ☐ Pending ☐

    a. If not, please request the template for developing one from [Support Representative].

2. What percent of gross sales do you spend on marketing/advertising annually? _____%

3. Are you currently making outsides sales visits?   Yes ☐ No ☐ Pending ☐

Who do you call on?	How often? (List additional on back.)

4. Do you belong to any networking groups or business associations?   Yes ☐   No ☐

List Groups/Associations	Rate Results/Effectiveness (Great, Fair, Useless)

5. Is hiring an outside sales representative in your marketing plan?   Yes ☐   No ☐

    a. Who will perform this function? You ☐ Partner ☐ Other: _____

6. If yes, what is your target date for hire? _____

7. Do you have a compensation package in mind?   Yes ☐   No ☐

    a. What is it? _____

    b. _____

    c. _____

8. Will you provide the in-field training?   Yes ☐   No ☐

9. Do you need our help in training this person?   Yes ☐   No ☐

10. Do you have *ACT!* or other contact management software?   Yes ☐   No ☐

    a. If no, obtain and install the software prior to the visit.

11. Do you receive leads from [lead source]?   Yes ☐   No ☐

    a. If yes, how many referrals? _____

    b. What is the dollar amount of sales annually? $ _____

12. Do you accept [lead source] jobs?   Yes ☐   No ☐

    a. If yes, how many? _____

    b. What is the dollar amount of sales annually? $ _____

13. What strong, specific potential/existing market segments exist in your area, and how much revenue do you expect each market to generate?

Market Segment	Expected Revenue

14. What steps are needed to develop these markets?

Market Segment	Steps Needed to Develop

Operations

1. What method do you use to prepare estimates? _____

2. Do you use the network or a stand-alone PC? (circle answer)

3. Tell us about your existing equipment:

   a. ☐ *[Specific to your industry]* Foam-in-place. Model & age:

   b. ☐ Pneumatic carton staple gun. Model and age:

   c. ☐ Pneumatic crate staple/nail gun. Model and age:

   d. ☐ Miter saw/Radial arm saw/Table saw/Panel saw. List model and ages:

   e. ☐ Pallet jack. Model and age:

   f. ☐ Fork lift. Model and age:

   g. ☐ Cargo van/Cube truck. List Models and ages:

4. Are you prepared to add additional tools or equipment if it will improve your productivity/capacity?   Yes ☐ No ☐ Pending ☐

   a. If yes, what is your budget? $ _____

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5. What specialty *[industry specific]* materials do you stock?

    a. ☐ *[Specific to your industry]* Closed cell foam

    b. ☐ Open cell foam

    c. ☐ Foam-in-place

    d. ☐ Honeycomb

    e. ☐ Glass mask

    f. ☐ Other

    g. Are your prepared to add more?   Yes ☐   No ☐

6. What is the width and height of your back door? W_____H _____

7. Are you willing to enlarge the back door if suggested?   Yes ☐   No ☐

8. How many different stock cartons do you carry?

9. Is your retail area fully merchandised and stocked?   Yes ☐   No ☐

10. Are your prepared to make improvements?   Yes ☐   No ☐

11. If yes, what is your budget? $ _____

12. How many times a year do you re-merchandise your retail displays?

                           1-3 ☐   4-6 ☐   More than 6 ☐ Never ☐

13. Describe merchandise mix.

14. What operational changes are needed to improve this?   Yes ☐   No ☐

Diagram of store floor plan

Notes, comments and actions steps: _____

_____

_____

_____

_____

_____
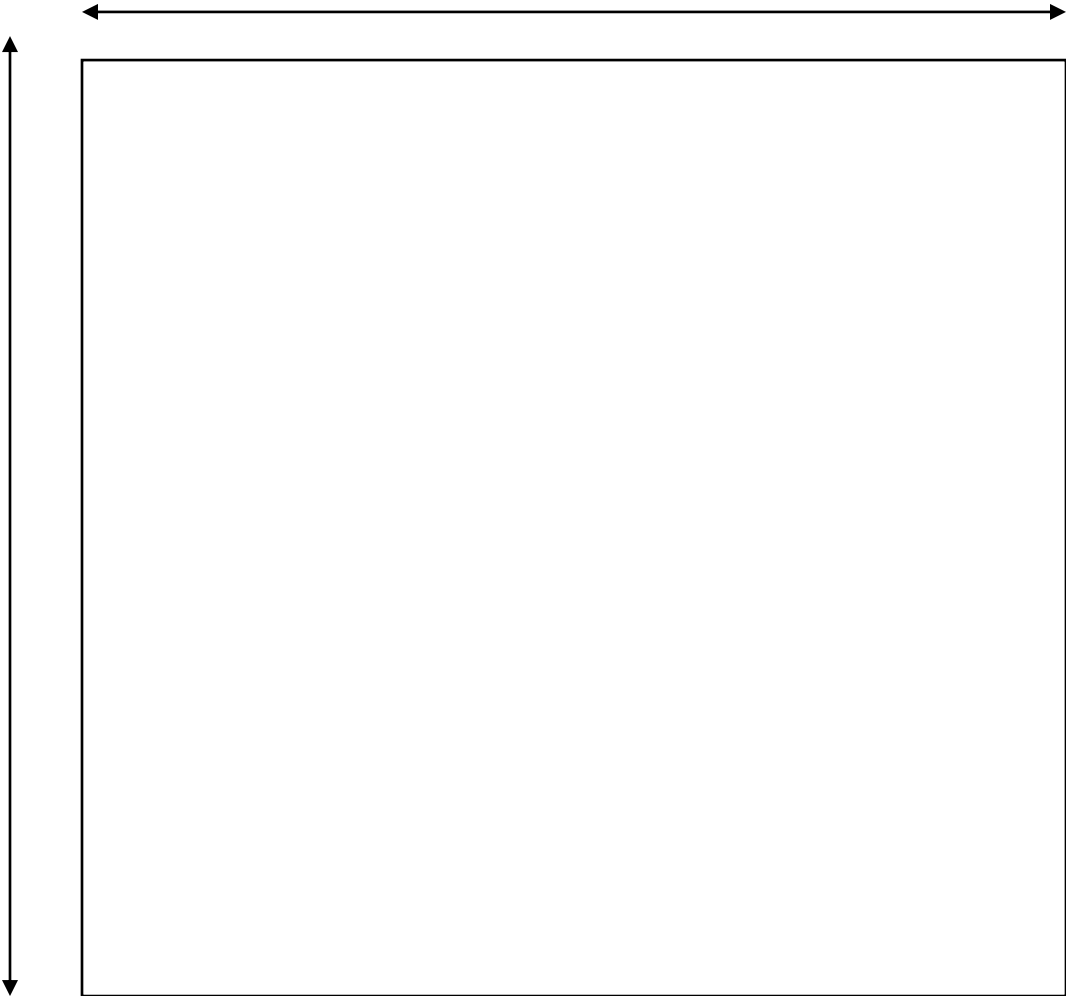
Suppliers and Vendors

1. Who are your key material suppliers?

    _____

    _____

    _____

    _____

2. Do you always compare the last invoices from these vendors and verify that the price paid is the same as the price quoted?   Yes ☐   No ☐

3. Do you have a master inventory spreadsheet?   Yes ☐   No ☐

4. How often do you update it? Once a quarter ☐ Twice a year ☐ Once a year ☐ Never ☐

5. How often do you review and re-shop vendors for prices? _____

6. Do you track what items are sold?   Yes ☐   No ☐

7. Should you add/delete certain items?   Yes ☐   No ☐

8. What is the total value of all inventory items currently on hand? _____

9. Who are your core carriers?

    _____

    _____

    _____

    _____

10. Have you met with the carrier's local representative?   Yes ☐   No ☐

11. Have you visited their facilities?   Yes ☐   No ☐

12. Are you familiar with the rates and documentation requirements?   Yes ☐   No ☐

13. Do you have rate disks, service guides, and blank documents?   Yes ☐   No ☐

Financial Management

1. What is your target break-even gross sales figure? $_____

2. Do you produce a P& L statement every month?   Yes ☐   No ☐

   - If no, how often do you produce one? _____

3. Do you know how to interpret the financial data on the P & L?   Yes ☐   No ☐

4. Do you use Quicken, Quick Books, or other accounting software?   Yes ☐   No ☐

5. Do you produce and transmit the Weekly Royalty report no later than the following
   Monday of the previous week?   Yes ☐   No ☐

6. Do you close out your sales each day or once per week? (circle answer)

7. Do you close out all registers each day?   Yes ☐   No ☐

8. Do you make a bank deposit each day or once every week? (circle answer)

9. Can you reconcile the store gross receipts?

10. Can you show transactions not yet invoiced?   Yes ☐   No ☐

11. Do you reconcile your daily sales and bank deposit?   Yes ☐   No ☐

    - Required for each day a bank deposit is made

    - Must show disposition of all sales gross receipts

    - Must record the amount and nature of all non-sales deposits

    - Provides bookkeeping information for non-sales deposits

    - Provides bookkeeping information for sales whose proceeds are not deposited

    Notes, comments and actions steps: _____

    _____

    _____

    _____

    _____

12. Complete the following year-to-date financial data: If not when will it be completed?

    _____

Sales	Dollar Amount Current Year	% of Gross Sales	Same Period Last Year	% of Gross Sales
Total [Product]	$	%	$	%
Total [Product]	$	%	$	%
Total Supplies	$	%	$	%
Service: labor, p/u or delivery	$	%	$	%
Other Services & Commissions	$	%	$	%
Total Sales	$	%	$	%

Cost of Goods (C.O.G.)	Dollar Amount Current Year	% of Gross Sales	Same Period Last Year	% of Gross Sales
Total [Product]	$	%	$	%
Total [Product]	$	%	$	%
Total Supplies	$	%	$	%
Total C.O.G.	$	%	$	%

	Dollar Amount Current Year	% of Gross Sales	Same Period Last Year	% of Gross Sales
Gross Profit	$	%	$	%

	Dollar Amount Current Year	% of Gross Sales	Same Period Last Year	% of Gross Sales
Total Labor	$	%	$	%

1. What are your mark-up factors?

Pro-Forma	Current Year	Same Period Last Year	Formula for Mark-Up Factors
a. Product A			Total Product Sales divided by Total Product C.O.G.
b. Product B			Total Product Sales divided by Total Product C.O.G.
c. Supplies			Total Supply Sales divided by Total Supply C.O.G.
d. Total			Total Sales divided by Total C.O.G.
e. Labor			Total Labor Sales divided by Total Labor Expense

Personnel and Staffing

1. How many employees do you currently have? _____

2. What are their name(s), and how long have they been employed?

   _____

   _____

   _____

3. Are you getting maximum productivity from your employees? Yes ☐ No ☐ Other ☐

4. Are you comfortable interviewing and hiring employees?   Yes ☐   No ☐

   How about disciplining and firing?   Yes ☐   No ☐

5. Do you have a hiring package that will document you hiring selection process?
   Yes ☐ No☐

   Do you have a Progressive Discipline Policy?   Yes ☐   No ☐

6. Do you have a formal, in-store training program?   Yes ☐   No ☐

7. Do you have a written policy and procedures handbook?   Yes ☐   No ☐

   Are your prepared to implement one now if outlined and provided? Yes ☐   No ☐

8. Do you have well defined bonus/incentive program?   Yes ☐   No ☐

   Is it working?   Yes ☐   No ☐

9. Do you attend outside educational seminars?   Yes ☐   No ☐

10. Do you attend the regional meetings?   Yes ☐   No ☐

11. Do you attend the national convention?   Yes ☐   No ☐

12. Do you bring or send your key employees to seminars or meetings? Yes ☐   No ☐

13. Do you plan or need to add additional staff?   Yes ☐   No ☐

    What increase in gross sales is required to cover this expense? $_____

14. Who handles the phone estimating? Franchisee/Employee/Both (circle answer)

15. Describe your estimating system/process.

    Note pad ☐ Pre-printed forms ☐ Computerized ☐ Other ☐

16. Do your follow up on previous estimates?   Yes ☐   No ☐

    If no, why not? _____

17. Are pick-ups considered sales calls?   Yes ☐   No ☐

18. Who makes the pick-ups? _____

19. Do you use a time management system?   Yes ☐ No ☐ Other ☐

Notes, comments and actions steps: _____

_____

_____

_____

_____

_____

_____

_____

_____

_____

_____

_____

_____

Long-Term Strategic Planning

1. Are you considering retrofitting your store to the current specifications? Yes ☐   No ☐

2. What is your budget? $_____

3. Are you prepared to upgrade/retrofit?

   a. ☐ Flooring

   b. ☐ Front counters

   c. ☐ Interior & window graphics

   d. ☐ Re-painting interior walls

   e. ☐ Van or truck graphics

   f. ☐ Retail display racks

4. When is your lease expiring? _____

5. Are you considering relocating?   Yes ☐   No ☐

6. Will you lose business if you move?   Yes ☐   No ☐

   a. How much? _____ % or $ _____

7. Will you increase business if you move?   Yes ☐   No ☐

   a. How much? _____ % or $ _____

8. How much of your business comes in the front door?_____% or $ _____.

   a. How is this determined? _____

9. How much comes in the back door? _____% or $_____.

10. Will you move to a commercial location?   Yes ☐   No ☐

11. How many square feet are you looking for? _____ Sq. ft. ☐

12. Are you planning to move into another retail location?   Yes ☐   No ☐

    a. Is it an A, B or C type location (circle answer)

13. Are you considering <u>adding</u> capacity with another location or warehouse? Yes ☐ No ☐

14. Explain what options you are considering. _____

   _____

15. Is your store currently for sale?   Yes ☐   No ☐

16. How long has it been on the market? _____

17. Will you carry a note?   Yes ☐   No ☐

18. Is it listed with a broker or with our franchise development department? (circle answer)

19. How long are you prepared to keep going before the store sells? _____

20. Do you have a well-defined exit strategy?   Yes ☐   No ☐

21. If yes, please provide a copy.

22. If no, would you like help establishing one?   Yes ☐   No ☐

Please attach a current photo of the location's interior, front windows, signage, and vehicle.

_____   _____

Franchisee Signature   Date of Visit

_____   _____

Franchisee Support Representative   Date of Visit

Franchisee comments and concerns: _____

_____

_____

_____

_____

_____

_____

_____

_____

_____

_____

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