

12 tips to create solid support for franchise networks

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By incorporating an efficient franchisee support structure in your network, you will ensure that franchisees are more motivated, open to change and build stronger relationships. Here are 12 tips for creating solid support for franchise networks.



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1. Communication is key

- Effective two-way continuous communication is critical for the success of the franchise network
- The franchisor can communicate through various methods, eg. site visits, telephonically, email and through an online communication portal

2. Training is critical

- It is critical that all franchisees have the necessary initial training when they start out as a new franchisee of your network. It is important to remember a new franchisee is an untrained person who has no experience operating the specific model; they need to be taught to operate the business independently according to the franchise operations and procedure manual.
- Training modules and programmes need to be developed for ongoing training. Even though franchisees know how to run the business, refresher/ongoing training is essential to make sure standards are maintained.
- In the current economic conditions, it would be valuable to incorporate a training programme on how franchisees need to adapt their business pro-actively, read the market and implement changes when necessary.

3. Marketing

- When a franchisor provides national marketing, you expose your entire franchise network; this provides a different type of indirect support where the brand gets promoted and potentially attracts new and continuous business to their outlets
- Marketing initiatives can include but are not limited to; market research, brand development and promotional activities
- By providing local marketing templates, you will assist franchisees to promote their business in their area. This allows franchisees to focus on selling products and services and not writing creative content that may be time consuming – they can be more focused on what is important.

4. Frequent and regular site visits

- Field service consultants are the mentors and business coaches for the franchisees.
- A field service consultant should call on franchisees and visit stores regularly (at least every month)
- Site visits should be very structured with a clear outcome – they ensure that standards are maintained and identify and resolve issues before they become serious.
- These site visits will include reviewing financial statements, administration, equipment, marketing initiatives, staff and more importantly quality evaluation and in-store training

5. Benchmarking

- This is an essential part of monitoring the performance of your franchise network and will assist you to act accordingly ie you will be able to see if a franchisee falls below the average benchmark, this will prompt investigate and additional support

- This also assists franchisees to compare their business to others in the network, and motivate them to work harder if they can see what others are achieving or vice versa if they are below the average that something is wrong and they need help

6. Be aware of the expectations you set to franchisees

- It is very important to assist franchisees with drafting annual business plan. This will assist them with strategic vision and goals for their business as well as financial projections for the year. It is important for franchisees to know where their business heading. When they can envision the results, they will be more productive and work harder to achieve their goals ie be more motivated and productive



7. Build strong relationships

- Building strong relationships with franchisees all starts with trust – if a franchisee trusts you they tend to be more engaged.
- Franchising is all about the relationship and connection between the franchisor and franchisees, and the relationship needs to work for the franchise to be a success.

8. Recognition, praise and rewards

- It is very important for franchisees to know their efforts and hard work are being noticed
- Generally, we have noticed in some franchises only the struggling franchises get recognition and additional support – we know that the underperforming and struggling franchisees require urgent attention but it is just as important to keep the other franchisees in mind as well
- Your field service consultants will be able to identify the top performing and struggling franchisees. It would be your responsibility as franchisor to contact these franchisees to give them recognition, praise and constructive feedback as it falls due
- When you have a well-established franchise network, it would be a great idea to host a franchisee award ceremony or congress. Smaller networks can implement franchisee of the month or year awards.

9. Create opportunities for growth

- Multi-unit franchising is a great opportunity to grow your franchise network without increasing the risk due to the fact that you are awarding a current franchisee an opportunity for growth
- If franchisees are performing extremely well they can qualify for an additional outlet. This keeps them motivated and more involved in the business operations. Franchisees who have been running an outlet for a long period tend to get bored and need new opportunities to stay motivated

- In addition, this will reduce the pressure on your support structure as you only support one individual who knows the business model and is in a more mature stage of the franchise relationship

10. Supply channel – approved and available

- As a franchisor, you would have the capability to negotiate a designated supply channel to franchisees; this can include extended credit, special deals and discounts.
- It is important to create strict controls on the supplies used for products and services as this greatly affects the quality.
- You might be able to negotiate favourable prices for supplies for the network, which will benefit the franchisees
- It is important to note that according to the CPA you cannot force a franchisee to purchase from you or a specific supplier – but you can motivate the benefits and quality control issues that might arise if they do not use the exact suppliers

11. Developed systems

- By continuously developing and improving the model through research and development you will be assisting the franchisee to perform better and stay ahead of the competition
- This is what makes you different from other franchises, why would they want to be part of your network – by keeping the model “fresh” and “trendy” so that they won’t stagnate or decline in economic conditions

12. Franchisee support or representative council

- Franchisees are only human and may relate and confide more in their peers (franchisees) with certain aspects of the franchise. Therefore, it is important to have a franchisee council where the franchisees nominate a representative that will have the responsibility to communicate with the franchisor
- It is important for the franchisor to welcome input and suggestions from the franchisees as they will see this as willingness to listen and support them
- The council needs to have strict bylaws to indicate the scope and functions - you do not want franchisees to cause unnecessary havoc and take time away from what is truly important supporting and growing the network.

ABOUT THE AUTHOR

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