

HOW TO IMPROVE FRANCHISE NETWORK PERFORMANCE

Objective: Maximise Fee Income/Revenue from Your Franchise Network

Maximising revenue from franchise operations is vital for all franchisors – especially so if franchisees operate in ‘exclusive’ territories. But franchisees can underperform for all sorts of reasons and it is essential that franchisors establish the reasons and fix them as soon as possible. However, we understand the day-to-day issues franchisors have to deal with that can get in the way of focusing on ‘under performance’. We can help you with the ‘sensitive’ issues that need to be addressed, for instance...



- Which of your franchisees are demotivated, and why?
- How’s your relationship with them?
- Are they doing enough of the right kind of marketing?
- Do you communicate effectively with them?
- Have they become complaisant?
- Are they ready to retire?
- Are they compliant with your system?
- Would you still recruit them if they applied now?

Even franchisees that are doing OK could almost certainly do better. With some skillful and well-directed input from the franchisor, most franchisees can be fired up and re-energised to improve their performance.

Here’s how The Franchise Company may be able to help you. We could...

- Review/appraise all the various elements of your franchise system to ensure it conforms to established franchising best practice and gives you the best chance of success.
- Help implement any remedial work required.
- Work with you to identify any poorly performing franchisees and where appropriate visit them to review their performance against the key performance indicators you use to gauge overall performance, including:-
 - Business plan
 - Financial position (sales, P&L, cash flow, balance sheet, working capital)
 - Marketing activity (what, where, when, costs, results)
 - Customer satisfaction/retention
 - Conformity with your franchise system
 - Motivation/commitment
 - Satisfaction with their franchisor and the training and support provided
- Develop a recovery plan for any poorly performing franchisees and gain their commitment to this. This may comprise developing a working business plan, additional training and support, revision of territory, additional marketing, etc.
- Work with you to identify franchisees that should be sympathetically managed out of the network.
- Develop a standard basic business plan template (comprising 3 year sales targets, marketing plan, P&L and cash-flow forecasts).

- Devise and implement a plan to introduce business planning across the network and set out the KPI's for you and each franchisee so that improvements can be easily monitored.
- Encourage all new and existing franchisees to actively and sufficiently promote their business as per their marketing plan.
- Identify and work with key franchisees that could act as mentors and/or provide support to new and/or struggling franchisees.
- Develop a structured ongoing training/support plan and visit schedule for every franchisee, to review performance, identify ongoing support requirements and demonstrate your continued commitment to them.
- Ensure that communication with your franchisees is effective and sufficient.



We've seen remarkable success amongst franchisors using this structured approach to franchise network performance management.

You might of course be thinking that all this is something you should be doing yourself as a franchisor, not farming it out to a third party – and you'd be right! But in reality having an experienced, impartial and emotionally detached mentor work with you to help identify and address these issues can work wonders.

We may also be able to help you become a better franchisor in various other vital areas, such as:

- Franchisee profiling
- Franchise territory analysis
- Franchisee recruitment
- Franchisee training
- Franchise operating manuals
- International franchising
- Upgrading your franchise agreement
- Developing and implementing a social media policy and strategy.

We'd be happy to meet with you to talk this through – without any strings attached of course! Give us a call and we'll be happy to arrange an initial exploratory meeting.