



TAKING CARE OF BUSINESS

What a franchisor should do
for franchisees

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A large, realistic hand is shown from the bottom left, holding a grey, rectangular block. The hand is positioned as if it is about to drop the block. The background is a light, hazy cityscape.

Many entrepreneurs who are considering franchising their business think they will sell territories, make millions, and sail into the sunset. Reality sets in when I point out the value they must offer in order to make a sale and meet franchisees' expectations in terms of systems and support.

Owning a successful local business and being a successful franchisor are very different things. I remind my clients that their own business is no longer the most important thing. Making those franchisees successful is job 1, job 2, and job 3, and their business comes further down the priority list. One major factor that is common to unsuccessful franchisors is this failure to switch the priority to the franchise system from the original business. The new franchisor should have the following in place for franchisees:

“The new franchisee should never have to ‘go figure things out.’”

HUMAN RESOURCES

To keep the day-to-day operation of the original business going and provide appropriate support to franchisees, human resources need to be available. Some of these resources can be outsourced and then brought in-house as needed as the system grows.

TRAINING PROGRAMS

It’s vital to have training programs and operation manuals that cover every aspect of the business ramp-up, from signing the franchise agreement through grand opening. Those materials should also cover all aspects of running the business day-to-day from the time the franchise opens for business in the morning until it shuts down in the evening.

PROFESSIONAL BRANDING

A major reason people invest in franchise businesses is to take advantage of existing branding and ongoing marketing and advertising strategies. This includes vendor relationships for signage, website management, social media, search engine optimization (SEO), and printed materials.

LOCATION SUPPORT

For many businesses, the location is crucial. The franchisor must understand the target demographics and other factors affecting site selection: traffic patterns, parking requirements, zoning, and competition, for instance. The franchisor will need to have the tools in place to do this analysis. If the franchise is brick-and-mortar, the franchisor will need to have resources in place for real estate searches, lease negotiation, store design, and construction services.

SUPPLIER RELATIONSHIPS

The franchisor will need to have relationships, and hopefully discount pricing in place, for items such as tools and equipment, inventory, and vehicles.

A PROVEN SYSTEM

The new franchisee should never have to “go figure things out.” After all, he is paying a fee and royalties to receive a system without any guesswork. Being able to follow a proven system increases the chance for success versus trying to do the same business on your own.

Geoff Batchelder has been a franchise consultant and franchise development expert for the last 10 years after spending 25 years focusing on business development in the high-tech industry. Contact him at 1-877-222-3722 or geoff@compassfranchisegroup.com. Visit www.compassfranchisegroup.com.

