



Thinking About Franchising Your Business....What Smart Franchisors Know About Building a Successful Franchise System

By Marietta Snetsinger, Chief Solutions Officer, Ascend Franchise Solutions

The underlying success of any franchise organization depends upon their ability to build strong relationships with their franchisees. As you contemplate the decision to convert your successful business to a franchise system, look toward at the best practices of successful franchise organizations. Many enduring franchise brands share similar values around operating their business model and know the value of continually building relationships with their franchise partners. This philosophy is often well entrenched within their operating systems.

1. Understanding the Franchise Relationship

Getting educated about how a franchise model works is central to building a strong system and on-going strategy for growth. This is not a relationship based upon **parity** and this needs to be clearly communicated early on and as systems and process are documented. It is critical that the “emerging” franchisor understand the nature of this arrangement and business model well before they sign their first franchisee.

2. Keep the Lines of Communication Open

Communication within the organization may take on many different forms; however the underlying message ought to be **transparent** and **efficient**. Creating **effective** channels for communication to flow both ways is vital. Staying connected to franchise partners and being open to receive **input** from franchisees will go a long way.

3. Pinpoint Critical Success Factors

Building a franchise system is a lot of effort and takes time. Establish a set **critical path** which identifies the order of the decisions, tasks, and actions that need to take place, to best structure the franchise model. The path ways need to be **prioritized** and inclusive of **timelines**. This has been **proven** to increase the likelihood of a **successful** outcome.

4. Know the Unique Selling Proposition (USP) and Unique Franchise Proposition (UFP)

Showing **evidence** of how and what exactly makes a franchise concept **unique** is crucial. At the customer level or as a business opportunity, an organization must **articulate** how their needs can be met, in a way that is **unique** and **different** from the competition. A clear understanding of what makes your franchise concept different will facilitate better positioning for success.

5. Focus on Key Performance Indicators (KPI's)

Key performance indicators (KPI's) are **imperative**, and a culture or system that knows the **value** of numbers is far more likely to be successful. What needs to be **measured**, how it will be shared and more importantly how it the information will be **used** to make important business **decisions** are all part of the franchise's KPI management structure. Strong franchisors make sure this is engrained as part of the franchise system to keep everyone focused on **profitability** and the relationship to each number within this **equation**.

6. Adhere to Core Values

Know that your business can't be all things, to all people. It's wonderful to adapt and be innovative where it makes sense from a business perspective, but don't get so far off track that you forget your **original values** and mission. Know what is **sacred** to your entity. Preservation of high standards, **core values**, and performance that



franchisees find **compelling** is critical. This is at the core of any successful and long enduring franchise system. At the same time, this does not mean that you are unwilling to try new things but maintaining **alignment** to your core values and goals is paramount.

7. Be Prepared for Change

Maintain the ability to continuously renew and rebuild from within. It is crucial to adapt and transform in accordance with the times. Your corporate team is all but certain to change and evolve, just as those who make great franchise candidates in the early years may not fit the successful franchise profile in the future. Be adaptable and don't be afraid to make calculated changes within your organization. What's worked in the past may not work today, so always be ready and open to change

Ultimately, building strong franchise system takes considerable commitment, effort, and engagement. Managing the expectations of the franchise relationship is pivotal to strong and sustainable success.

There are no secrets to success. It is the result of preparation, hard work, and learning from failure.

— **Colin Powell**

About the Author:

With almost 20 years of experience in the Canadian franchise industry, Marietta Snetsinger is passionate about establishing solid operational systems and leadership within franchise organizations. She has played an important role in developing operational support tools and recruitment strategy with several well- loved brands including M&M Meat Shops and Baskin-Robbins. Marietta is committed to supporting Franchisors as they develop and grow their Franchise systems. Today she is the Chief Solutions Officer of Ascend Franchise Solutions and works closely with small and emerging franchisors, on a daily basis.

marietta@ascendfranchise.com 519 212 0309