



Field Manager Week 2009

Proceedings from Mini-Forum topics

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Topic 1: “Staying healthy and well”

The role of a field manager contains its own unique demands and pressures. Here are some key ideas on how to burn bright without burning out.

Identify stressors and pressures

Think about the factors in your life that could be causing you stress. Some relevant ones for field managers might include:

- Pressures at the coalface such as dealing with difficult franchisees, travel, and balancing demands from the company versus the franchisees
- Conflicting demands between home and work
- Dealing with your own high self-expectations such as wanting to be everything to everyone, or feeling the need to solve all of your franchisee's problems

Warning signs and symptoms of stress

Some signs that stress and the pressures of work are getting the better of you:

- Suffering from poor sleep or feeling tired all the time
- Feeling cranky or irritable for no real reason
- Feeling nervous and anxious much of the time
- Feeling sad and down for abnormally long periods of time
- Feeling isolated from others
- Changes to your normal thinking patterns e.g. persistent dark thoughts, not able to easily “switch-off” from thinking about work
- Changes to your normal habits e.g. sleep, eating, self-care

Ideas for winding down

- Regularly schedule in activities that you love e.g. spending time with family, friends and pets; music; reading; sport etc
- Create strategies that separate work and home life (e.g. set specific work hours)
- Make sure you take a holiday – whilst some people prefer to take a long break, several short breaks a year can be just as refreshing

Avoiding negativity

It's easy for negative thoughts to take over when you are stressed and working hard. Try some of the following:

- Focus on your positive achievements
- Recognise and reward both big and small wins
- Surround yourself with positive people and don't be sucked into other people's negativity.
- Use motivational audio tapes or books
- Manage your environment by adding in good stuff to offset the bad e.g. visit a positive franchisee after visiting a difficult one
- Manage your work expectations and expectations of self (e.g. be realistic, use positive self-talk)

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- Take action when you are feeling negative – be proactive in turning yourself around such as listening to some upbeat music, call your best friend etc.
- Keep focused on your own learning and development
- Have someone close to you act as a “sounding board” to call time out if you become too stressed or negative

The franchisor’s role

Colleagues and bosses can help by:

- Acknowledging that stress is an issue, and recognizing the need for a work/life balance
- Providing further education on dealing with stress (risks and strategies), and how to be healthy and well
- Providing some exercise options, perhaps through salary sacrifice (e.g. yoga, gym, dietician)

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Topic 2: “Keeping in Touch Between Visits”

Methods of communication

Emails:

- Great for recaps
- Confirmation of meetings/actions
- Can be sent at anytime
- Prioritise which emails are most urgent to read and respond to
- Skype/Bluewire

Phone calls

- Save time by making calls whilst driving
- Use voice activation features whilst driving
- SMS reminders; video calls; conference calls

Face to face meetings

- Face to face contact is important in building and maintaining relationships
- Make sure you have a plan and agenda to make the most of your time in meetings

Newsletters

- Good for communicating from Head Office
- Good way to wrap up past week's sales, achievers, focus for next week, marketing, feel-good items etc

Video messaging and video content

- Can be an alternative to face to face meetings that are more personal than phone conversations

How to stay organised

- Keep a diary with scheduled follow ups between visits, as well as action plans
- Record important events (e.g. birthdays, sports days, Christmas card list etc)
- Have a spreadsheet that tracks when calls should be made
- Create a weekly routine of when you will make calls, do administration work, and be out in the field

Communication tips

- Be proactive, not reactive e.g. don't put off making a call
- All communication should have a purpose and outcomes should be recorded
- Identify what communication methods each franchisee prefers so you can get the best response time e.g. phone, email, or SMS? This will depend on the context of the conversation

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Topic 3: “Managing conflict”

Preparing for difficult meetings or conversations

If you know a conflict is likely to occur during a conversation or meeting, take steps to prepare:

- If it's a face-to-face meeting, choose a neutral location
- Do some research into the franchisee's history and try to determine what their objective is
- Where possible, gather facts, data and examples to support your position
- Understand the different personality types to predict how they will likely handle conflict
- Gain head office support for how you will handle the conversation

What to do during the conflict

- Investigate what the key issue is - it's best to address the real issues and not let them fester
- Find out what sort of person they are – do they see the issue in black or white, or shades or grey? Age and gender may affect how people react to conflict
- Communicate your desire to work together, not against each other
- State that you want to have an honest conversation focused on being productive and fixing the issue
- Show respect e.g. don't take phone calls
- Make sure you maintain focus on your bottom line – protecting the brand
- Make them accountable inline with their business plan
- Try and align a resolution with their goals e.g. expandability criteria
- Get them involved in coming up with realistic solutions to the conflict
- Conclude the conversation with a focus on how you can best work together in the future
- Keep a paper trail of the process and outcomes

How to handle yourself during the conflict

- Listen and allow 'vent' time – but don't confuse venting with conflict
- Agree with the franchisee where possible to calm the situation
- Be objective and don't become emotionally involved
- Use their language
- Show empathy and understanding for their position – but also reiterate logic and fact
- Be clear and concise – don't exaggerate or waffle

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If the conflict can be resolved...

- Find out their goals for moving forward
- Draw up a list of issues, with agreed upon actions and follow-ups
- Talk about how you can better work together in future

If things are not working...

- Know where to draw the line if there is no resolution in sight, it's okay to disengage and set another meeting.
- If they cannot align with the brand, it may be time to consider moving them on

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Topic 4: “Adding value to high performers”

Review key operational activities

Make sure high performers have got basic operational activities running smoothly. For example:

- Customer service
- Training
- Staff development
- Internal systems and everyday procedures
- Review KPIs to identify gaps and ways to improve
- Work on a balanced score card to identify operational areas to improve on (e.g. customer service, financial management etc)

Build a good working relationship

To act as a mentor, it is important to build a solid working relationship. Some tips include:

- Communicating your belief in their ability
- Creating a “no limits” mindset and approach
- Give constructive criticism

Set plans for future success

When key operational activities are running smoothly, it's time to move to the next level. Look at the bigger picture, and ask what they think is the next step now that they are at the top.

For some this might be further wealth creation. For others, it may involve creating an exit strategy and working out ways to increase sale value. Other relevant goals may include focusing on become more competitive, or achieving greater growth. Benchmarking against the system may help in goal setting.

Recognise and reward high achievers

Experiences of success motivate further successes. Some ways to highlight and reward top franchisees include:

- Having a high performance forum at state and national level to acknowledge, educate, stimulate and further encourage them
- Utilise their skills in other areas e.g. coaching and mentoring other franchisees
- Engage them as trainers for new franchisees
- Have outsourced business coaches come in, with the aim to challenge them
- If possible, provide them a direct link to department heads for different and new business perspectives
- If possible, reduce fees
- Set up a mentoring program
- Tailor reward and recognition programs to individual franchisee wants and development needs

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Topic 5: “Using compliance specialists – Does it work?”

Advantages of using compliance specialists

There are many potential advantages to using compliance specialists, including:

- Consistency in monitoring and assessing KPIs
- Creates clear expectations around compliance issues
- A third party audit may be taken more seriously by franchisees
- The responsibility of compliance checking is removed from the operations department, providing extra resources and allowing the field team to focus on other issues such as strategic development and business management
- They are an independent person with no relationship with the franchisee, hence the franchisee should have no personal influence with the consultant
- It could be used to dangle a carrot to franchisees of a rebate if they are compliant
- They are specialists in role so can identify warning signs, and then allow you to dig deeper

Concerns regarding the use of compliance specialists

It is important to both the franchisor and franchisee that the compliance specialist is credible. Also, be aware of the potential of crossed lines of communication between the third party and the field manager.

Making it work

- Ensure communication for third-party auditors is agreed upon and all parties know what is happening
- Perhaps use one person for conducting checks – this ensures brand consistency across the board. Or, develop a system to follow that is the same for all stores (e.g. tick and flick ‘Yes’ or ‘No’ sheets)
- A mystery shopping program could be used as an external audit
- The auditor needs to be briefed extensively on compliance requirements or it might not work. In particular, external auditors should attend franchisee induction training course to understand all aspects of the business system such as:
 - Operations
 - Financials / KPIs
 - Customer service style
 - Licence / legal issues
 - Product

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Topic 6: “Time management and personal organization”

Decide on your priorities

Before you can get organised and manage your time effectively, you need to determine your priorities. Some things to consider include:

- Your KPIs
- What the timeframe is for meeting your commitments
- Your personal plan
- Red flag stores, and who or what needs the most urgent attention

Tips for time management and getting organised

- First deal with the bad stuff that you least want to do
- Delegate tasks to others where possible
- Use a schedule for deadlines and meetings e.g. Outlook, diary, PDA, Blackberry
- Have a monthly planner and block out time to do the important things – don't answer the phone or emails during this time
- Draw up goals and have a three month plan, especially when you are working across multiple states
- Put an autofilter on your emails so you can filter what's important versus what can be done later
- Make phone calls when you're on the road. Use office time for admin tasks
- Keep your workspace clean and organised
- Plan and prepare for meetings – set an agenda and tell your franchisees your expectations for the meeting e.g. will be there from 9-11am.
- When in a field meeting, begin with the key business builders and end with three positive outcomes
- Set yourself time boundaries and don't exceed them
- Encourage your franchisees to be more autonomous and separate what's urgent from what's not

Common time wasters

- Not being able to say no when you need to and hence becoming side tracked with other people's requests
- Procrastinating and not taking action at the appropriate time
- Holding off from making decisions
- Not making a plan
- No clear job description therefore not sure what you are meant to be doing
- Too long spent reading and replying to emails
- Too much technology – don't become a slave to your Blackberry, iPhone, PDA etc. These tools are meant to work for you, not the other way around!

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How to recognise when you are wasting time

- Time based goals are not being met
- You are not meeting your own or others expectations
- You are putting off an important but unpleasant task in favor of less important but more pleasant tasks

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Topic 7: “Business planning with franchisees”

When to begin the planning process

Ideally, the planning process should commence prior to the franchise being granted and a business plan should be submitted prior to opening. It's important for the franchisor to understand each franchisee's expectations of their business. This should be addressed during the application process.

Multi-site applications should include the business planning process for existing sites, and the franchisee's current ability to meet KPIs e.g. sales targets, mystery shops etc.

Reasons why franchisees might avoid business planning

Some franchisees will try to avoid the process of business planning. Some common reasons for avoidance include:

- Perceived lack of time
- Perceived lack of knowledge/skills to complete
- Scared of accountability
- Don't understand the need for or value in business planning
- Feel it is too hard or complex
- Unsure of where to start
- Lack of experience or bad past experience

Tips for getting franchisees engaged and involved in business planning

- Link planning to a personal goal or vision of the franchisee so that it is relevant and important
- In particular, longer term/more experienced franchisees are not interested in new business planning processes so the plans/template must be kept very simple
- Use a template so it does not seem so big and scary
- Give training on how to complete the template
- Invest time in discussing the value and getting them started
- Show them what a “good” business plan looks like
- Keep it simple
- Be passionate about the need and value
- All business partners must be involved in the discussions and planning

Methods and Tools to use during business planning

- Business plans generally include group/organisational details; vision/mission for the business; goals; financials – budgets vs. actuals
 - Franchisees need to have a very clear understanding of what their breakeven point is, and the business plan should be developed from there
 - Provide a template to make the process as simple and straightforward as possible
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- Provide training on how to write a plan (and field managers should be properly trained on how to develop and read business plans)

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- Hold sessions in a neutral area without distractions
- Take the big picture and break it down into specific and achievable action related steps. This should include a quarterly breakdown of goals
- Targets should be set in simple/real terms so they're directly related to the business e.g. unit sales
- High level budgets need to be tied in with specific franchise (single unit) budgets/goals
- Set performance benchmarks
- Use an online tool like the Franchise Relationships Institute's Performance Enhancer
- Use project management software

Keeping franchisees on track with their business plan

There is no point developing an excellent business plan if it never gets used. After the challenge of creating the business plan comes the challenge of supporting franchisees in using their plan. Some top tips:

- There should be two-way accountability: both the field manager and franchisee need to follow up on action items
- It must be a living, breathing document so set milestones and monitor/track them (e.g. Outlook reminders)
- Use group sessions and get them to be accountable to each other. You could try facilitating sessions to get them to report back in open forums
- Organise a study tour of top performers to set new benchmarks for other top performers

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Topic 8: “Working with demotivated franchisees”

Signs that a franchisee is losing motivation

Look out for the early warning signs that a franchisee is losing motivation. Common ones include:

- Lack of interest in improving themselves or the business
- Lowered engagement with the system compared to in the past
- Avoiding meetings/calls
- Verbal or email negativity
- Sloppy standards
- Customer complaints
- Decreased sales figure
- Loss of confidence

Get to the real issue that is affecting motivation

It's crucial to determine the real reason for low motivation. The first step is to tell them you have noticed a drop in motivation and ask them why they think this has occurred. Now is the time to be brutally honest and spell out the potential consequences of remaining in a demotivated state. Once you know the real issue, you can move onto making a plan to change the situation.

Make a plan to improve motivation

If the franchisee is committed to change and wants to turn the situation around, a plan for improvement should be developed. Suggestions:

- Revisit the initial reason the franchisee bought into the business, and their original goals. It may be that these goals have been forgotten, or perhaps they are no longer relevant and a fresh start is needed
- Agree on an appropriate goal – be it improvement, taking on another store, or exiting the system
- Develop an action plan with realistic goals (small ones to start with). Make sure it directly addresses the key reason for lack of motivation. For example, if the franchisee feels they are sacrificing too much of their personal life, work on developing a plan for time management and organization
- Many franchisees have trouble articulating their goals or knowing what they are. Everyone is driven by something – find it and use it as a driver/motivator
- For some franchisees, it may simply be time to leave the system. In these cases, an exit plan may be best. Where franchisees are “coasting” along waiting to sell, highlight any discrepancy between desired and actual selling prices and use their target price as a motivator to continue to drive and grow the business to achieve this price

Tips for helping franchisees to improve their motivation levels

- Work through the action plan you have developed and regularly follow-up on progress. Hold them accountable for achieving their agreed upon goals

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- Get franchisees involved in a buddy/mentor system
- Focus on sales targets and the measuring of metrics (these could be used as evidence of improvement and hence further motivation)
- Keep them focused on what they can control
- Link them to support networks (other positive franchisees)
- Recognise and reward small improvements, perhaps suggest an incentive plan
- Work together side by side with them, roll up your sleeves!
- Empathise and communicate your belief in them, change can be long and difficult
- Demonstrate your positivity and remind them why they are here

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Topic 9: “Working with KPI’s”

Identify relevant KPIs

For franchisees to be engaged in the process of developing, measuring and monitoring KPIs, they must be seen as important and relevant to their business and goals. Some tips:

- Identity KPIs that are truly important e.g. financial performance, compliance, marketing performance etc. They should be directly linked to business success
- Set KPIs that are in line with franchisee goals (i.e. work backwards from their goal)
- Keep it simple e.g. break down into daily/weekly \$
- Analyse the store and what stage the franchisee is at to ensure the KPIs are relevant and set to the appropriate level
- Prioritise the KPIs which are weak or have the greatest room for improvement
- Review KPIs regularly to ensure they are effective measures of business performance
- Some common KPIs include units of sale, average sale, profit, shrinkage, service standards, food/health safety

Communicate the benefit of having KPIs

Franchisees must understand the benefit of having KPIs for them to be used effectively. Some benefits include:

- Regular KPIs are an instant snapshot of business performance and whether they are meeting minimum standards
- Not meeting KPIs can quickly flag potential issues and action can be taken to rectify any issues
- KPIs can be used to assess the product strategy and identify further business opportunities
- People who don't have KPIs don't really know how well their business is going

How to keep franchisees on track with their KPIs

Once a KPI system has been developed, you need to ensure franchisees stay on track with their progress. Ideas for keeping franchisees on track include:

- Setting up clear expectations about KPI reporting from Day 1. This sets the tone for open communication for the future
 - Don't just collect figures – analyse them and provide feedback. This might include explaining the findings and helping to design future plans and actions in line with the results
 - Show how KPIs relate to profitability – they tell a story of the business and are more than just numbers on a page
 - Benchmark performance against similar businesses
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- Use the KPIs of similar businesses to set goals. Gather competitor KPIs where possible

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- Publish territory averages. This may also spark healthy competition
- Set up buddy meetings to share information and allow franchisees exchange ideas
- Keep them focused on their goals, and link these to results

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Topic 10: Managing Franchisees at Risk

Warning signs of a franchisee at risk

Warning signs that a franchisee is taking a downward turn in their performance:

- Non-payment of fees/royalties or money owing to suppliers
- Decline in sales
- Working long hours/ tired or stressed
- Lack of communication
- Lack of involvement in the wider system
- Customer and staff complaints
- Missing financial reports
- Low or decreased store standards
- Not meeting KPIs
- Making negative remarks about support staff, blaming others for their shortcomings
- Removing themselves from the business
- Feedback from suppliers that problems are occurring
- Lack of interest in reinvesting in the business
- They are new to the system and having trouble adapting or coping

Gathering further information on the problem

To fully understand the problem(s) facing the franchisee, you may need to seek additional sources of information such as:

- Performance against KPI's
- Use systems (e.g. accounting and rebate) to identify if a franchisee is in financial problems
- Look at P&L statements and review balance sheet/creditor situation
- Assess their compliance with franchisor standards
- Conduct a break even analysis
- Cashflow forecast preparation
- Speak to finance to determine how long e.g. line of credit can go
- Look back over the store history
- Think about external factors that might be impacting their performance
- Assess franchisee actions to date
- Operations review
- Review marketing plan effectiveness
- Employment practices review
- Back to basics review of training
- Once you have identified the problem area seek advice from relevant sources e.g. if legal speak to legal team; if IT speak to IT department

Taking action with a franchisee at risk

If an intervention is required to bring a franchisee back on track, it's first essential to identify the real issues. A meeting should be scheduled to do so. Tips for a constructive meeting:

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- Have a face to face meeting but call first to ensure a constructive meeting
- Pick an appropriate venue where the franchisee is comfortable
- Take an open and honest approach
- Reduce defensiveness by stating you want to help, and this will be a team approach to resolving the problem together
- Be timely with organizing the meeting – don't let problems fester
- Consider the seriousness of the issue and whether someone more senior (e.g. Operations Manager) should also attend. Map out an escalation plan if things are not moving forward

Helping the franchisee get back on track

Based on your own research and the meeting with the franchisee, together develop an action plan for getting back on track. Some things to consider in developing a plan:

- Determine if the franchisee has the motivation to overcome the situation
- Determine what level of assistance is appropriate
- Understand the franchisee's goals - do they really want to be in the business and where do they see themselves?
- Ensure the franchisee understands the risks and consequences and is committed to improving
- Determine external influences (such as personal issues) that may impact the plan
- Bring in subject matter experts to help with specific needs (e.g. training needs)

Tips for managing the franchisee at risk

Tips for working with franchisees at risk:

- Have regular communication with them, get in store and conduct audits and measure compliance
- Show compassion and empathy, they are probably anxious and upset
- Create trust and respect through being professional
- Be positive and show them that you will help get them out the other side
- Be commercially minded and realistic, emphasise that the problem is serious and needs to be solved

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Topic 10: How to help franchisees stay positive and survive these tough economic times

Improve franchisee confidence – highlight the positives

- Highlight how it is good to be a franchise community right now, and that there is security in being part of a brand
- Most businesses find a positive – you just have to look for it
- Now is a good time to recruit better quality employees
- Be open, honest and positive in your communications with franchisees
- Explain to the franchisees what actually happened to cause the global economic crisis
- Keep a positive message
- Some companies are experiencing increased interest in franchises due to redundancies – people being paid out, out of work, and those looking for new business ventures
- Take franchisees through what the franchisor is doing e.g. marketing; in-store promos; communicating growth and results

Now is the time for improving operations and internal systems

- Focus on improving basic fundamentals such as customer service, business plans, marketing
- Concentrate your focus on what you can change or grow
- Show franchisees what the initiatives for improvement are within the company
- Review trading hours
- Upskill team members through education and training

Tips for saving money

- Use the leverage and purchasing power of the franchisor
- Now is a great opportunity to renegotiate on leases, merchant rates and supplier arrangements to get costs down

Tips for franchisees to boost sales

- Highlight how this is the time to drive business further while others are pulling back
- Increase local marketing spend - need to convince franchisees that still have to spend money to make money
- Have the mindset of “Every opportunity counts”
- Concentrate efforts on growing local market, competitive advantage
- Focus on existing customer base; average spend; upselling; conversion rates etc
- Have sales forums to generate new ideas to boost sales
- Diversify product range or bring in specials such as kids eat free or \$5 meals
- Keep tracking sales leads
- Direct mail outs to suburbs to notify of their services
- Focus marketing on Generation Y, who are still spending disposable income
- Improve marketing and business plans

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Tips for franchisor and field managers

- Elicit the help of external specialists to assist with different areas of the business
- Watch franchisee financials more closely
- Develop some royalty and levy payment plans for struggling franchisees
- Field managers should focus on fundamental areas of business with franchisees i.e. bottom line, cost cutting
- Adapt a store watch program to identify franchisees at risk
- Develop incentive programs for excellent performance
- Be proactive not reactive
- Minimize royalties e.g. 5% down to 2%
- Focus on quality service at a great price
- Address areas that need development
- Back to basics with training; presentation of store and uniforms; customer service; stay on top of expenditure; marketing
- Sharing positive stories from other stores
- Showing figures and sharing these with one another may assist in combating the tough times
- To focus on morale, get the field team out into stores to work side by side with franchisees

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