



**FRANCHISING
INTERNATIONAL
QUEST** _____

F r a n c h i s i n g I Q

Franchising Your Business

A World of Opportunity

GROWTH OPPORTUNITY

**You imagined a great
business...and built it!**

You cultivated clients, established systems, and implemented marketing strategies. You worked through setbacks by redesigning, reengineering, and refocusing your strategies - continuing to forge ahead. You defied the odds. **You succeeded!**

But you want more...



FRANCHISING PROVIDES A SOLUTION

Franchising provides the capital and the staff needed to open new locations, and the ability to reach untapped markets.

Franchising rapidly expands your brand, increases market awareness of your business, and gains market share through highly motivated business owners - locally, regionally, nationally...even internationally.

THE DECISION TO FRANCHISE

The decision to franchise your business is one of the most difficult, yet rewarding, decisions you will face as a business owner. It is highly subjective, and requires an exhaustive analysis of many intangible factors.

Understanding the advantages, disadvantages, and requirements can make the decision less problematic.

FRANCHISING ADVANTAGES

- **Rapid Expansion**
 - fast market entry
 - quickly gain market share
- **Increased Brand Awareness**
- **Economies of Scale**
 - greater buying power
 - better financing & discounts
- **Reduced Capital Exposure**
 - often less expensive than a new location
- **Local Knowledge**
 - competitive advantage
 - established networks
- **Highly Motivated Owners**
 - given initial and ongoing investment, motivated to succeed
- **Recognition & Prestige**
 - increased status of your company in the eyes of customers, suppliers & lenders

FRANCHISING DISADVANTAGES

- **Pressure to Accelerate Growth**
 - short-range decisions might be contradictory to long range goals
- **Less Control**
 - franchisees do operate as independent businesses
- **Increased Costs**
 - initial & ongoing filing cost may increase legal & accounting costs
- **Innovation Challenges**
 - it is a more formal process to change the model
- **Less Per-Unit Revenue**
 - franchisee retains the majority of revenues from operations

FRANCHISING YOUR BUSINESS

Three Major Goals of a Successful Franchise Launch:

- Complete the registration process without major delays;
- Implement a method to train, track and support the franchise network; and,
- Establish a strong market for the franchise business after the registration.



**FRANCHISING
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Franchising IQ

We can help you
achieve these
goals.



The Process

Once you've decided to franchise your business, the elaborate preparation process begins.

Strategic Planning

Refine objective, anticipate risks, and formulate a strategy to achieve the desired results.

Corporate Development

Establish the formal franchise business structure that acts as the foundation for organizational development, and insure intellectual property is protected.

Manuals and other Training Systems

Build the training systems that provide operational standards to avoid discontinuities in the franchise system.



The Process- cont.

Software Integration

Create a software ecosystem that improves sales, increases efficiencies, tracks franchise data, and provides ease of access for customers.

FDD Prep. & Submission

Prepare a regulatory compliant document that ensures proper presentation of the system and protects the model.

**Upon State approval,
Begin Granting
Franchises!**

Building Your Franchise System

Training new business owners on your model will require development and documentation of training systems, standards, and operations; of royalty tracking, reporting, and compliance procedures; and, require creating records management and purchasing programs as well as establishing a rapid, easy access, knowledge transfers systems for franchisee benefit.

Building your system to achieve accelerated growth is a key factor for your franchising success!



The Workspace

(for future franchisees to replicate)

- **Sort**
 - Remove unnecessary items (clutter)
- **Set in Order**
 - Create a workspace anyone could use
 - Streamline workspace
 - Everything labeled clearly
 - Visual controls
 - Common sense approach
 - easy-to-use locations
- **Standardize**
 - Name files in a manner that makes them easy to find
 - Prepare schedules & instructions for tasks (SOPs)

Being "Lean"

Yes, your business is profitable. But, your model's gross revenue is about to be impacted. Royalty and other fees (6 to 9%, or more) are paid to you-as the franchisor- each month. These "franchisee" fees are most often calculated against gross revenue.

For the benefit of your franchisees, we encourage you to take a deeper look into your business model as you begin the journey of franchising your business. Refine your model to be the most efficient and effective business possible. **Removing "waste" increases efficiency and profitability.**

The efficiency of your system is expressed in your Operation's Manual

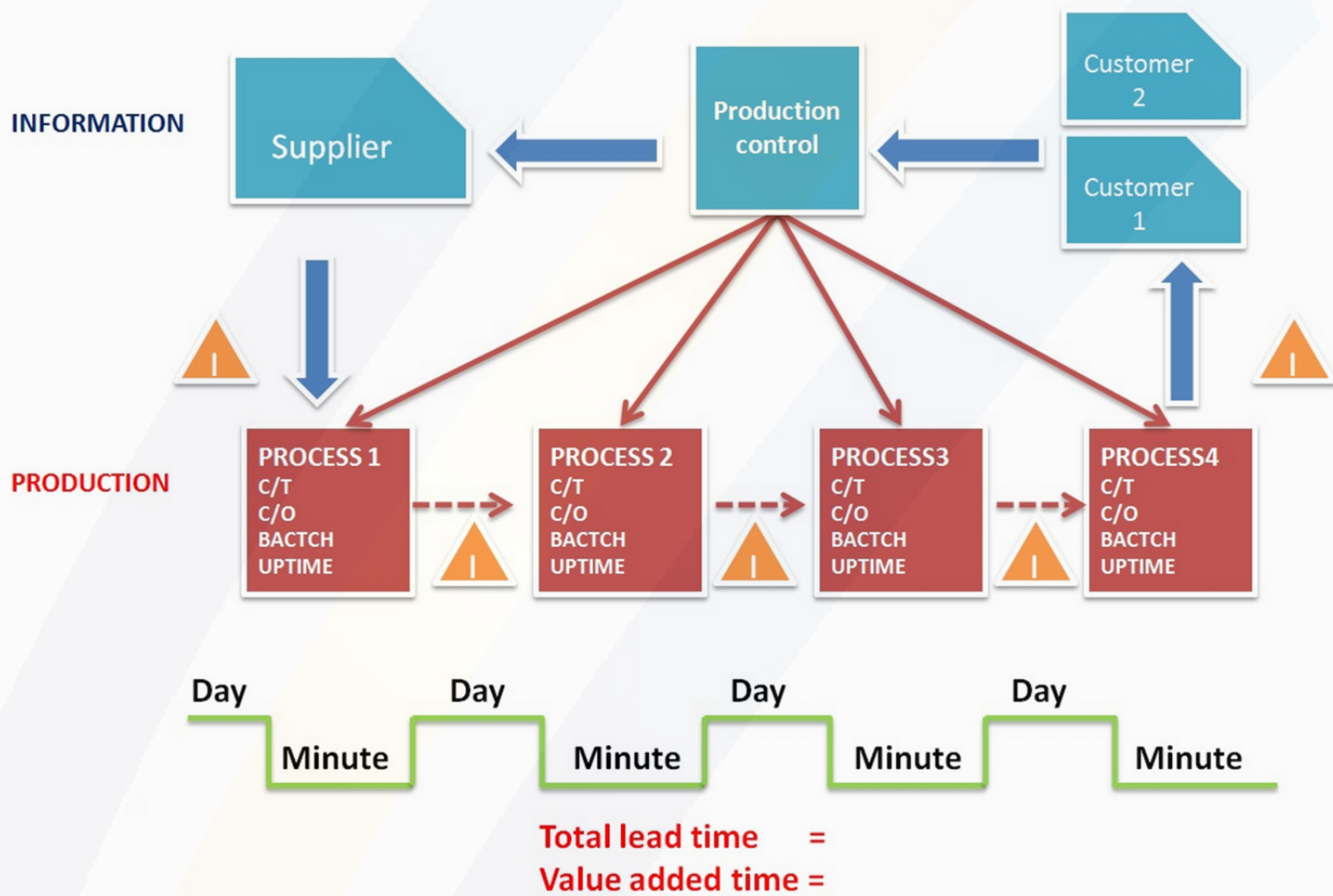


Examples of Waste

- Unnecessary functionality
- Delay in development/delivery process
- Avoidable repetition
- Circular workflow processes
- team/stations not properly located for efficient communication or work hand-off
- Process delays between departments



Value Stream Mapping



Track your specific product or service from beginning to end. Experience the "value stream" by going through the process **exactly** as a client would—each step in sequential order. Create a "map" of the current process, identifying each step in the process; and, record the time it takes for each step. Review the map to find delays, bottlenecks, and constraints; and, amend the process for efficiency.

Exploiting Technology

In this technology driven "digital age", integrating the proper software systems are necessary for the growth and success of your franchise system. These systems should help you garner a competitive edge as well as provide a single source of truth for your data.

Thankfully, it does not have to be an expensive proposition - you can build over time.

Commonly used platforms like Google Drive, and a few other fully integratable technologies, provide the tools necessary to train many people quickly and efficiently-both initially and on an on-going basis.



Rapid Knowledge Transfer

Franchising provides you the opportunity to open multiple locations simultaneously. And as a franchisor, you will be providing training and support throughout the life of each franchisee. Integrating the proper technology will provide the means to rapidly transfer your business knowledge and expertise to your franchisees.



Monitoring Franchisees

Today's ever-changing market conditions highlight the importance of frequently engaging with franchisees, and monitoring and understanding their performance.

Effective use of technology provides the ability to monitor franchisees on a "real-time" basis, and manage the franchise network by providing a high-quality analyses of franchise operations for which to benchmark franchisee activities and performance.

Tracking & Compliance

Effective use of technology provides a means for proper governance and oversight.

This monitoring provides the ability to proactively coach franchisees for success as well as helps avoid negative outcomes for the franchisees, including a bad brand experience for customers, strained vendor relationships, or, even worse, the shutdown of a franchise in an important market area.

Building Your Team

Secure the best members of your team to train franchisees for success.

Back office activities are important for operations, but it's your front line team's engagement that will improve the franchisees' performance - by combining their personal skill-sets with your extensive experience and expertise in both the business model and the business field.

Your team will help the franchisees create a more successful business throughout the different stages of growth by promoting the model's systems.

Coaching Your Team

As the leader of a new Franchise system, it is important for you to "coach" your team on franchisee operations that are important "at the corporate level":

- **A**ssets - is the franchisees' business showing a strong balance sheet?
- **T**echnology - is the franchisees' business utilizing the technologies being provided by the franchisor to their benefit, and their employees?
- **C**ost-effective Management - is the franchisee's business being run "lean"-is it frugal?
- **O**perations - is the franchisee demonstrating strong emotional intelligence competencies?
- **R**eturns - is the franchisee's business generating returns necessary for a strong ROI?
- **P**enetration - is the franchisee's business competitive in its market?

Positioning Your Team

Your team should be well positioned to determine the business needs through high-quality analyses of franchise operations, and then provide the appropriate coaching to dramatically improve the franchisee's business effectiveness.

Rapid Knowledge Transfer

Benefiting Franchisees

Your team will provide a real benefit to the franchisees. Their efforts will increase efficiency and productivity and help franchisees:

- Achieve profitability and success by increasing their knowledge;
- Enhance business functionality;
- Improve leadership capabilities through continuous learning;
- Maintain their competitiveness in your industry; and,
- Increase business credibility within their market.

A "Learning Organization"

You hold the business wisdom Franchisees seek. Initially, your team will provide a lot of data & information to franchisees. Over time, your team will help them convert it to operational knowledge. And hopefully, through coaching and operational experience, they gain the wisdom originally sought.

Throughout all the network interactions, you will be building a comprehensive "knowledge management system" based on knowledge known & knowledge created collectively.

Your "learning organization" will produce network improvements that benefit everyone! (Including you - by enhancing your intellectual property)



Marketing Your Franchise

Your marketing efforts are key to your success. Like any new venture, your initial marketing efforts will likely include engaging friends and family.

In addition, most new franchise businesses' marketing efforts involve discussing the opportunity with certain key employees seeking to branch out on their own.

A well planned marketing campaign will set the foundation for confidence in your system.

How to market effectively...?



Storytelling

Tell a great story! Your story, and the success of your brand, has the ability to evoke desires of owning your franchise business-and being a success.

Your prospects will contact you because they have a dream of owning their own business, and being successful! Help them visualize achieving that dream through your business model.

Strongly consider videos, or even podcasts, for great content marketing.

And of course, written content - blogs, posts, news articles, press releases, etc.- remains necessary. Prospects will still conduct internet research.

And, all this material can be linked to your CRM.



A Good CRM System

The marketing landscape continues to evolve, and your future franchisees have more ability to conduct a considerable amount of research on their own.

A good CRM system can educate prospects about your business through campaigned content; can provide answers to frequently asked questions; and, can reveal the efficiency and effectiveness of your sales process.

A good CRM helps motivate future franchisees to proceed forward with a discovery day.

Your marketing materials accelerate the research process.

Why is a Good CRM System so Important?

The reality is, most franchise broker networks seek to work with established franchisors. That means, until you have more than 10 franchises who have been operating for over a year, marketing collateral for brokers to use, and franchisees to be "ambassadors" for your brand, franchise sales will primarily be conducted "in-house".

Now, don't think too negatively about the franchise marketing network.

When you are prepared to engage with them, they will be able to provide an accelerated lead flow. They just want to ensure you are ready to handle the influx of new prospects, and will close their deals. After all, that how they make a living...by you closing the deal.



A Clear Value Proposition

Each potential franchisee has a "value" they seek from the business.

In addition to addressing the "value" sought, it's important to address the other values your business model provides. Its:

- Differentiator;
- Training & support system;
- Infrastructure; and,
- Market position

How your franchise business will benefit the potential franchisee should be addressed, and answered, before the "Discovery Day".

Your Ideal Candidate

Your marketing is multi-channelled. Who you select should be specific.

Define your ideal candidate; and, equally important, define the "red flags". Franchisees are long-term relationships. Be "strategic" when granting others the right to represent your brand!

We hope the information provided has been helpful for planning your business's future.

**There are only
two directions
in business:
growing or
shrinking.**

**Businesses don't have a
neutral.**

**Don't cede any more
market share to your
competitors!**

What's Your Next Step for Growing Your Business?

If you have questions about the franchise process, or seek to discuss the possibility of franchising your business...we'd be happy to speak with you.

Click below, to
[Contact Us](#)