



Ten Golden Leadership Nuggets for Building a Powerhouse Brand and Franchise System

ONE ▶ LEADERSHIP OCCURS AT EVERY LEVEL OF A FRANCHISE SYSTEM

Franchisor CEOs and founders should have an undying devotion to the brand. Does that undying devotion extend beyond the CEO to all levels of the franchisor management team? Does it further extend to the franchisee and individual employees in the franchised locations? Franchise systems with brand enthusiasm and leadership at all levels will be highly successful on a sustainable basis and deliver an unmatched brand experience to customers. The challenge to every franchise system is to move the “undying devotion to the brand” needle at every level. This emotional intelligence component of leadership goes beyond the franchise system’s products or services. It separates highly successful franchise systems from those that struggle.

Opportunity to make a difference

Take two measurable actions to engage different players in your system in a meaningful “undying devotion to the brand” transition.

TWO ▶ SYSTEM CHANGE MUST FOCUS ON UNIT-LEVEL ECONOMICS

Franchisors who include franchisees in system change conversations will not overlook the impact that system-wide change will have on unit-level economics. This approach does not mean franchisors cede all decision making authority (you should not give up that authority), but rather they include franchisees in conversations and listen so that franchisees feel their voices are heard. Highly effective franchisors obsess over franchisees’ bottom lines. They require franchisees to submit financial statements, and review and use those statements to improve performance. A CEO should stay involved in any decision that impacts the franchisees’ pocketbooks.

Opportunity to make a difference

Identify two ways to make more meaningful use of the requirement that franchisees must submit financial statements, and then do it. Don’t just think about it.

THREE ▶ THE RESULTS YOU ARE GETTING ARE EXACTLY THE RESULTS YOU’RE DESIGNED TO GET

To get different results, do something different. Doing something different does not mean doing more of what is already not getting the results you want. For different results, aspects of your overall organizational design must change. Take a critical look at how you include franchisees in the process of system change. Do you have an attitude of collaboration or one of confrontation? Are you driving more resonance and less dissonance?

Opportunity to make a difference

Check with your franchisees to see if they feel they have a voice in system change. Go beyond your Franchise Advisory Council, and then make meaningful improvements. Everyone can improve.

FOUR ▶ DESIGN A CULTURE OF INSPIRATION AND ACCOUNTABILITY

Too often, tradition keeps franchisors from making change (i.e. “That’s not the way we’ve done it in the past.”). The blame game keeps team members unaccountable or the franchisees resist change from the franchisor, so the franchisor relies on the language in the franchise agreement to “force” system change. Breaking through that paralysis requires the franchisor to inspire change within the system by holding people accountable for their commitments at all levels and respecting the key role that every stakeholder in the system plays in order for the system to be sustainable and successful.

Opportunity to make a difference

Make one change to get beyond the “That’s not the way we’ve done it in the past” attitude that may be standing in the way of innovation and change.



FIVE ▶ CULTURE BEGINS WITH THE FRANCHISE DEVELOPMENT PROCESS

Highly successful franchisors design a franchise development process that includes managing franchisee expectations and conversations about system culture and system change. A process that focuses on selling (getting as many deals done as possible) will result in unmanaged expectations and franchise relationship challenges in the future. Also, consider some form of mentorship program for new franchisees. If franchisees are not the right fit, utilize a franchise resale program to make a change.

Opportunity to make a difference

Revise one aspect of your franchise development process where a gap exists on managing expectations (and a gap does exist). This gap may be in your franchise resale process.

SIX ▶ ATTITUDE IS EVERYTHING

Leaders can't dictate attitude or blame others for system failures. At the same time, leaders are responsible for instilling a passion and attitude throughout the entire system.

Opportunity to make a difference

Make a commitment to follow through on the 10 Golden Nuggets.

SEVEN ▶ FIRE "THEY"

Fire "they" immediately at your business. Shortcomings are too often blamed on the indefinite "they," which is unproductive and unrealistic. Examples are "I didn't get my work done because 'they' didn't do theirs," or "It's 'their' job to get that done, not mine."

Opportunity to make a difference

Eliminate one gap in the way you and your team do things when you "fire they."

EIGHT ▶ FILL YOUR PEOPLES' PASSION BUCKETS

Leaders inspire through filling and refilling team members' and their franchisees' "passion buckets," which are the areas where individuals get energy and inspiration. Empty passion buckets impact people, the brand and customer experience. Listen to your people, inspire them to identify what they're passionate about, and work with them to keep their buckets filled. In order to do that successfully, leaders need their passion buckets filled by others as well. You can't fill the passion buckets of others if yours is empty.

Opportunity to make a difference

Identify to ways to fill people's passion buckets within your organization.

NINE ▶ COLLABORATION MATTERS

The power of franchising lies in collaboration between the franchisor and franchisees to protect, enhance and evolve the brand. That doesn't mean the franchisor and its franchisees will always agree, but it is the franchisors who are dedicated to leadership that will thrive today and in the future. The energy of the franchise system ought to be focused on beating the competition – not beating one another.

Opportunity to make a difference

Identify two changes to the structure or design of how you and your team interact with franchisees in the spirit of collaboration.

TEN ▶ THE IMPORTANCE OF LISTENING

Franchise relationships fail if franchisors and franchisees do not adequately address breakdowns and collaborate to find solutions. When parties stop actively listening and communicating with one another, they resort to litigation or legislation. At times, litigation is inevitable and necessary, but more often than not litigation will not produce the desired outcome. Or, if it does, it comes at an incredible cost to the brand. No franchisor or franchisee should want a court or legislature to determine the outcome or direction of the franchise system.

Opportunity to make a difference

Design one process or step where you and your franchisees listen to one another as part of franchisor/franchisee interactions (i.e. field support visits).

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