

Habit 5: Empowering Franchisees

FAEGRE BAKER
DANIELS

Typical Ways Franchisors Empower Franchisees

- ▶ Franchisee Advisory Councils
- ▶ Regional Advertising Cooperatives
- ▶ Various types of committees with franchisee and franchisor representatives

Empowering Franchisees

- ▶ *Don't Confuse Power With Control.*
- ▶ This is really a function of organizational effectiveness.
- ▶ Leverage intellectual capital of the network.

Golden Nugget

Empowering franchisees doesn't mean a franchisor has to give up its decision-making authority.

Power

- ▶ Access and opening to something someone has not seen before.
- ▶ The ability to do the things a franchisee wants within the system framework.
- ▶ Breakdowns of empowerment:
 - ▶ I don't understand the rationale.
 - ▶ I don't know what I will get out of this.
 - ▶ I don't have the resources.

Empowering Franchisees Within a Franchise System

- ▶ Franchisor makes critical decisions for the system and *should make* those decisions.
- ▶ Giving franchisees the power to get something done -- give them the "tools" to be effective.

Breakdowns

- ▶ If franchisees are not successful, the franchisor says they are not implementing the system, but they do not ask the “why not” questions.

Empowerment. What does it mean?

- ▶ Give franchisees something that will make them more successful and more effective.
- ▶ Give them resources to find new ways on their own to grow their own businesses.
- ▶ Create a culture of working hand-in-hand.
- ▶ Use Thought Leadership Committees.