



2016 Smart Ideas Project



Hello!

Since 2005, Franchise Business Review has been on a mission to help franchisors drive franchisee satisfaction and performance. Through our research and advising, we have been fortunate to work with over 900 brands and countless franchise professionals – empowering them to strengthen their systems and achieve greater success.

Along the way, we have collected many ideas, best practices, and resources to help franchisors get it right when it comes to franchise performance. As part of our on-going commitment to the franchise community, we're pleased to present you with this inaugural issue of *FBR Insights*.

This is just the first in our new series of reports designed exclusively for franchise professionals. Each issue will focus on topics ranging from franchise performance, operational best practices, and franchise relations, to the latest trends and research impacting franchising.

Stay tuned for more *FBR Insights* coming your way soon!

A handwritten signature in black ink, appearing to read 'ES', with a stylized, cursive flourish.

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FBR Insights

Issue No.1

Spring 2016

Insights that Drive Franchise Performance

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Spotlight: Sandler Training

FIVE WAYS SANDLER TRAINING ACHIEVES FRANCHISEE SATISFACTION

by Dave Mattson, CEO of Sandler Training | 16

SMART IDEAS PROJECT

Earlier this year, we launched the **Smart Ideas Project** to ask franchisors to share the innovative ways they are moving the needle in franchise performance. Our goal was simple, to gather the collective brainpower across top franchise brands and share as many smart ideas as possible on ways to improve business performance.

What Makes a Smart Idea?

Maybe a tip to increase customer satisfaction, a best practice in franchisee relations, or a small tweak to your business model that boosted unit sales. No matter how big or small the idea, as long as it has a positive impact on franchisee performance, **it's a smart one!**

We've compiled the most practical and innovative ideas your franchising peers are using successfully for you to consider, share, and implement in your own organization.

Training & Support

Technology

Advertising & Marketing

Operations & Systems

Development

Leadership & Culture

Interact Directly with Franchisees Via a Field-Based Support Team:

“As a relatively young franchise, we are continually growing and evolving. One of the most beneficial additions to our brand in 2015 was a field support team. In the early years it was easy for HQ staff to visit each location and be directly involved in the field operations. As time passed by and exponential growth occurred it began to be increasingly difficult to visit everyone and be as directly involved as we all wanted to be. Eventually the field visits were impossible.

Early in 2015 we implemented a field support program that took some of the most successful owners in a given market and placed them in a leadership/coaching role for the other locations in their area. By providing an additional resource, we have been able to have more direct supervision and support with our franchisees. We have seen direct improvements in both morale and in monthly sales. This has also helped to distribute the workload that otherwise would have all been taken care of by the HQ staff. Although this is not necessarily a new initiative in the industry, it was new to us and has been a game changer.”

-- **Drew Brashier**, Director of Ops Support
9 Round 30-Minute Kickbox Fitness

Reduce Franchise Start-Up Costs with Regional Training Locations:

“As our brand continues to grow, Regional Support Managers are now field-based in core markets. Also, we regionalized franchisee training locations to reduce start up costs.”

-- **Kyle Smith**, President
Nothing Bundt Cakes

“As time passed by and exponential growth occurred, it began to be increasingly difficult to visit everyone and be as directly involved as we all wanted to be.”

Implement a Revenue-Focused Training Program:

“Last year, we implemented a training program for our franchisees and their employees that has helped participants take better advantage of a revenue stream that yields a higher return than the traditional revenue stream for most of our offices.

The 10-week intensive program is led by one of our veteran franchisees, whom we pay for his time. Participants are charged a low fee to attend and those who complete the assignments and report regularly to the online sessions receive a certificate of completion.

Several participants increased their sales in this new revenue stream by following their training, some even before completing the course. We are continuing with the program this year.”

-- **Kendra Gemma**, PR
Help-U-Sell Real Estate

Institute Rotating On-Site Meetings for Franchisees and Field Staff:

“The CFW clinics medical franchise network in Kenya (www.healthstore.org) instituted a schedule by which all franchisees in a certain geographical area visit one of their peer’s franchised CFW clinics each quarter, together. The franchisees and relevant field staff member discuss the clinic in detail. This has led to a marked improvement in performance of some CFW clinics.”

-- **Greg Starbird**, CEO
CFW Shops

Use Multiple Approaches to Help Franchises Determine Greatest Areas of Opportunity:

“Three-level measurement of operational performance with Field Visits, Mystery Shops, and the addition of a Guest Experience Monitor for a more comprehensive evaluation in order to assist our franchisees in determining areas of greatest opportunity.”

-- **Kyle Smith**, President
Nothing Bundt Cakes

Help Franchisees Manage their Business More Efficiently and Control Costs:

"In 2015, we created our own proprietary auto-mated mobile platform, which allows our franchise owners to easily schedule and dispatch all of the work for the business to their employees. It also allows them to track their employees physically (through GPS), keep up with the employees' time on jobs, and provide the employees with 'checklists' for all repairs in the field. The system automatically communicates with the homeowners once a job is completed.

It has allowed our franchise owners to manage their business more efficiently and control costs with respect to their employees. It has been a huge success."

-- **Tom Swift**, President & COO
America's Swimming Pool Company

Make It Interesting:

"We use media – podcasts, videos, and group text chats – for training, knowledge transfers, and franchise partner support."

-- **Chantelle Jones**, Franchise Development
WOW 1 DAY PAINTING

Leverage New Platforms to Reach More Customers:

"We launched a technology-based platform revolving around Career Management and Networking. This has enabled us to help and utilize the 98-99% of the working population that most recruiters simply ignore based on their experience and/or career path."

-- **Thomas Johnston**, CEO
SearchPath / MyHuntPath

Connecting Customers to Franchisees and Franchisees to Corporate:

"Create a technology and POS platform that connects consumers to the franchisees – and franchisees to corporate – in a real-time manner. For Meineke, this is delivering online estimates/appointments and vehicle repair tracking for consumers; repair load planning and performance tracking for franchisees; and system-wide forecasting, trend-spotting, and business management for corporate."

-- **Jose Costa**, Group President,
Paint & Collision Division
Driven Brands

Market Strategically Via the Web:

"Retargeting or remarketing to our website visitors with display ads has dramatically reduced our overall cost per lead. After visiting our website, a cookie is downloaded on the visitor's computer. Then, as they visit other websites such as news portals or other places with advertising, our ads appear. They think we are everywhere, and are much more likely to actually contact us after seeing the ad blitz directed specifically at them."

-- **Bob Pifke**, CMO
Real Property Management

Offer Meaningful Discounts:

"In an effort to reactivate dormant accounts, at 6 months (from last purchase) we email customers an offer of \$50 off their next purchase, and at 12 months (from last purchase) we email an offer of \$75 off their next purchase. It has had a significant impact on the dormant account rates."

-- anonymous

A Great Picture is Priceless:

"If a picture is worth 1,000 words... a great picture is priceless! I've seen so many opportunities that franchise brands missed out on because they didn't have great photography to help tell their story. Understanding the difference between an average photo and great photo will dramatically increase the effectiveness of your marketing materials and media opportunities. Here are a few tips that will help:

1. If you are in the retail business, never hire a photographer to shoot an empty restaurant or store. Host a party and pack the place with happy, smiling people. Show candidates and customers that your business is really exciting and fun!
2. Get your logo in all photos as much as possible. Employee uniforms, products, signs, etc. should all include branding that is positioned for the camera.
3. Hire a professional photographer, as well as a professional stylists. They are worth every penny!
4. Shoot environmental portraits of all your franchisees showcasing their business. Photos should be taken in both vertical and horizontal formats to maximize future media opportunities.
5. Always provide the media with high resolution photos along with your press releases. This will significantly increase the odds of publication.

-- **Eric Stites**, CEO
Franchise Business Review

Streamline Communication with Franchisees to Increase Effectiveness:

“Our team has started ‘protecting’ our franchisees’ inboxes by sending out one main communication email the same day and time each week. This helps to cut down on the number of emails franchisees receive from corporate and puts all the good stuff in one spot so they know exactly where to find the info they need.”

-- **Brianne Rechy**, National Accounts Manager
Rainbow International Restoration

Change the Profile of Your Ideal Franchise Owners:

“As the auto repair business becomes more sophisticated, so must the business owners. This past year, Driven Brands led a shift from one-facility owners to multi-shop owners and multi-brand owners who deliver operational efficiencies, broader business management, and financial stewardship in an increasingly complex business.”

-- **Jose Costa**, Group President,
Paint & Collision Division
Driven Brands

Present Invoices to Franchisees in a Manner that Facilitates Prompt Payment:

“We significantly reduced the level of delayed payments from franchisees by changing the way we were presenting invoices. CFW franchisees are supplied by multiple suppliers, coordinated by the franchisor. We found that organizing the same information in a more user-friendly way led to franchisees more readily understanding each category of money due and paying it promptly. CFW also invented a simple, low-tech coding system to track all payments, which are made using a popular mobile money platform in Kenya.”

-- **Greg Starbird**, CEO
CFW Shops

Launch a Satellite Concept to Improve Customer Service:

“Automotive aftermarket businesses are capital, equipment, and labor intensive operations. For Maaco, they launched satellite locations in more retail settings to make it easier for consumers to drop off their vehicles – and easier and less expensive for franchisees to open storefront locations compared to centralize repairs at a traditional full-service shop.”

-- **Jose Costa**, Group President,
Paint & Collision Division
Driven Brands

Attract More High Quality Franchisees by Offering Different “Buy-In” Levels:

“We offered three separate “buy-in” levels with different royalties: This has allowed us to reach qualified groups and individuals who can add value to our network, but simply did not have \$100,000 liquid capital.”

-- **Thomas Johnston**, CEO
SearchPath / MyHuntPath

Build an Aggressive Referral Program:

“By offering substantial revenue sharing (both up-front and ongoing) with the franchisee who made the referral, we have been able to increase our engagement across our platform. Through our referral programs (franchise and career management) we have been able to offer a very attractive recurring financial effect to our owners.”

-- **Thomas Johnston**, CEO
SearchPath / MyHuntPath

#1: Consider Revising Your Operations Support Model:

“We created a new “Retail Ops Support Model” consisting of four different models of support with differing levels of engagement and accountability required for each model.”

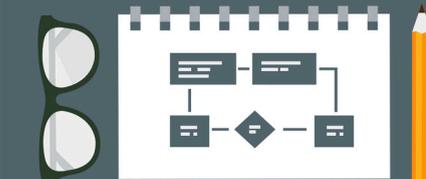
#2: Survey Your Franchisees:

“Over a decade ago, we decided that surveying with Franchise Business Review could be one of the best ways to understand how to be the best franchise system ever. And guess what, it worked!”

#3: Help Your Franchisees Create Effective Vision Plans:

“In 2016 our candidates will be required to submit and present a presentation to Franchise Support Center team on their vision statement, why they will be great members of our team, and what they hope to accomplish with their new business venture.”

-- **Paul Pickett**, Chief Development Officer
Wild Birds Unlimited



How to Design an Effective Franchisee Vision Plan Program
Vision planning is a powerful but under-utilized resource. FBR’s free eBook is a step-by-step guide to putting vision plans to work in your organization. [Download Your Free eBook!](#)

Record Validation Calls:

"I've started recording the validation calls my candidates have with our franchisees. The recorded calls are introduced to candidates earlier in the Discovery Process and helps them become more engaged and excited sooner. After they complete the appropriate steps, THEN they get their turn to speak with live franchisees. But, I've also found the recorded calls have cut down on the number of calls a candidate needs before they are ready to make a decision.

NOTE: *Speak with your attorney before you implement this strategy to ensure you are meeting the FTC guidelines.*"

-- **Kim Ellis**, VP of Franchise Development
Snip-Its

Invest in Reaching Candidates Online:

"We implemented a new CRM and will have a dynamic interfacing website 'go live' by the end of March. Considering such a large percentage of lead sources are online, we are excited about reaching the right audience for our brand."

-- **Heidi Belisle**, Director of Recruitment
InXpress

Implement a Content Marketing Strategy:

"We began the process of transitioning from online portals and print and shifted our efforts to content marketing and amping content to our target franchisee candidates on Facebook, LinkedIn, 1851Franchise and Twitter. We have generated a lot of qualified leads and have sold Boise, ID and the Country of Panama. This strategy has truly helped us sell more deals in without using a broker."

-- **Scott Thompson**, VP of Development
Premium Franchise Brands

Get a Read on Core Values:

"We read our core values to applicants who want to join our system, as the first question in the interview process and ask them their feelings about them. If the core values don't resonate with them, we know it's not going to be a good fit."

-- **Shannon Wilburn**, CEO and Co-founder
Just Between Friends

Seek Franchisee Input Prior to Setting Corporate Revenue Goals:

"We had each of our franchisees submit an annual budget, using the one format and that formed the revenue goal for the group. We were then able to put together our annual operational plan based on what franchisees were anticipating for growth and structure our business support and operations accordingly. It also achieved buy-in and we have a common goal to target!"

-- **Carl Griffenkranz**, former Vice President
Granite Transformations

Good Employees to Franchisees:

"We created an employee program where we provide a \$1,000 credit toward the purchase of our franchise for each year of service. For years 4 through 6, it increases to \$2,000, and \$3,000 for years 7 through 10. They can apply at anytime, as long as they are an employee in good standing.

This policy is intended to not only provide an incentive to retain good employees, but also rewards them for their years of service, enhance company loyalty, and act as a gateway toward franchise ownership."

-- **George M. Vodin**, President
Fancy Art, NFP

Recognize Top-Performing Franchisees:

"We implemented a special time of recognition for our Top Achieving franchisees a few years ago. This past year, we have implemented a special time, just for them, to brainstorm, network and get ideas from one another and share challenges and accomplishments in order to continue to grow their franchises. They LOVE it!"

-- **Shannon Wilburn**, CEO and Co-founder
Just Between Friends

Work with Franchisees to Identify and Agree Upon Brand Goals:

"We are focusing our efforts to have our brand use the culture tools/system we learned about from one of our suppliers. It has been an amazing journey but now the franchisees and franchisor are aligned on 4 Key Results (others might call it goals) for the brand. Anyone who tries to distract our efforts on achieving the Key Results are quieted. This results in 100% of the franchisees and franchisor working together versus fighting each other. Culture alignment will build any brand."

-- **Jack Butorac**, CEO,
Marco's Pizza



By **Dave Mattson**, President and CEO
Sandler Training

1 AVOID HANDCUFFING FRANCHISEES WITH LIMITED SERVICE OFFERINGS

Offer multi-tiered services: Unlike our competitors, Sandler offers sales training, sales management training, and training, not just one or the other. This allows us to differentiate ourselves from our competitors and our franchisees to attack the market place in all three areas.

The depth of our programs means that our franchisees are never priced out of the market. When times are difficult, and sales training budgets decrease, management training increases. When times are okay, budgets for both sales and management training are spent on an equal basis.

In addition, because we also have the technology to deliver long distance training, our franchisees can provide clients with options that don't involve travel or travel expenses on either the franchisee or client's side, which makes the options more affordable and time efficient.

Serve multiple markets: We serve two markets. The first is small to medium size business owners. The second is the Fortune 1,000.

2 WORK WITH FRANCHISEES TO ACHIEVE INNOVATION

Our full-time internal marketing group works very closely with our Marketing Committee, which is comprised of our franchise owners. A lot of the marketing ideas we implement come from owners, which is natural since many of them provide sales and management training

within the IT and marketing communities. Some of the things that we've done over the last few months include:

Author books: We co-authored a book with LinkedIn and offer free downloads of the e-book. We've provided these free downloads on how to use LinkedIn as a salesperson and a sales manager, thus providing brand awareness and link generation as well as leads for our franchisees since individuals must provide their contact information in order to download the book.

We encourage our franchisees to write books under the Sandler brand, which empowers them to leverage their industry expertise and experience self-actualization, while enabling us to put more content into our customers' hands. Currently our franchisees have sixteen books underway.

"A lot of the marketing ideas we implement come from owners, which is natural since many of them provide sales and management training within the IT and marketing communities."

Offer lead generating free webinars and conference calls: We recently began providing free webinars and conference calls to consumers. On our first run, we generated 3,000 registrants to participate in the beta test. We then push these leads to our franchisees.

Dominate the social media space: Sandler is number one as far as following and engagement in LinkedIn, Facebook, and Twitter. We utilize and leverage this position for introductions to our field.

Release new programs: We release a new program each year. This year's is Enterprise Selling.

3 SUPPORT NEW AND EXISTING FRANCHISEES VIA MULTIPLE AVENUES

Our extensive new franchisee support includes:

Initial training: New franchisees participate in an eight-day Initial Training program, which takes place at the Home Office.

Personal coaching: New franchisees are assigned a personal coach. Daily calls between a new franchisee and their personal coach focus on the behaviors the franchisee should be doing; what's going on in their mind; their mindset; and actual day-to-day activities.

Mentoring groups: New franchisees are encouraged to become part of a mentoring group with others who went through initial training with them.

Local support: New franchisees are assigned a local representative from the Sandler Franchisee Advisory Board whose role is to ensure their success.

Our support for all franchisees includes:

Annual international meetings: All franchisees are encouraged to attend the three international meetings Sandler Training holds each year. While there, they participate in “train the trainer” programs, as well as interaction with management and other franchise owners.

Annual regional meetings: Sandler Training hosts six regional meetings annually. The regional program attendees are comprised of all the other franchisees in their geographic area who get together to brainstorm and share best practices.

Course playbook: We create a playbook for everything we teach.

Scripts and audios of leading franchisees: Actually conducting the training, providing something to imitate.

4 REGULARLY SHARE BEST PRACTICES WITH YOUR FRANCHISEES

Via coaches: We disseminate best practices to our franchisees through our coaches, who speak with each of our franchisees on a daily basis.

Via bulletins: We produce the Sandler Network Communicator, a bulletin that is sent to the field twice monthly, in which we share best practices as well as information from the Home Office.

Via email: We issue situational emails to the field on an as-needed basis, but try to minimize the number of daily emails because they become overwhelming. We have also found that audio e-mails are preferred to written ones.

At annual conferences: We share best practices and new initiatives at our annual conferences.

5 IMPLEMENT REVENUE BOOSTING INITIATIVES WHENEVER POSSIBLE

Charge no royalty: Instead of a royalty system, we have a flat fee program. It enables franchisees to make as much money as they possibly can by allowing them to operate their businesses and produce as much as possible without having to figure out franchise costs.

Keep programs fresh: By keeping our programs current via updates, we are able to reintroduce products, as well as introduce products into new marketplaces. This has taken off at an incredible rate, because we're offering the Sandler concepts to different types of clients that we have not done business with in the past. We recently updated our Sandler Selling System and Sales Management programs. We also introduced, as mentioned earlier, a new Enterprise Selling program.

Embrace technology: We have pushed down costs with our technology, such as websites and tool subscriptions, to ensure our franchisees are in a position to be as profitable as possible.

***FBR note:** Sandler Training has worked with Franchise Business Review to survey their franchisees since 2008. Sandler's dedication to satisfaction is clearly paying off. 95% of franchisees say they respect their franchisor, and 92% of franchisees would recommend the franchise to others. Sandler added 17 new domestic franchises and one international in 2015. For 2016, their target is three additional international franchisees and 20 domestic.*

About Franchise Business Review

Franchise Business Review is the leading independent market research firm that specializes in benchmarking franchise performance based exclusively on ratings and reviews from franchisees. FBR has partnered with over 900 franchise companies to help them drive franchise performance and achieve greater success with our data-driven insights.

To learn more, contact us at: [866.397.6680](tel:866.397.6680) or tour.franchisebusinessreview.com

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