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## *39 Practical Tips on How to Create a Healthy Franchising Culture*

Drawn from roundtable discussions at the 2019 Franchise Relations Summit organized by the Franchise Relations Committee

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These best practice tips are based on notes collected from facilitated Roundtable discussions in the 2019 Franchise Relations Summit, in response to the question *“What does your business do well to create a healthy culture?”*

Thanks to **Brian Schnell**, Partner, Faegre Baker Daniels, for outstanding moderation on the Summit, the Roundtable Facilitators for keeping discussions on track, the 300 participants who shared their tips, and the following Summit Panellists who warmed us up on the topic:

**Robert Branca**, President, Dunkin' Donuts of Worcester, MA

**Tamra Kennedy**, Franchisee, Owner - Taco John's Twin City TJ's

**Rob Price**, CEO, School of Rock

**Mary Kennedy Thompson** CFE, COO, Neighborly

Also thanks to round table scribes **Lynn Sousley, Rob Melin, Zac Bisonette, Naomi Hancock, Case Parker, Kristen Lucas, Dan Soper, and Lewis Ten Have** for sending through your notes so we could compile these tips!

1. **Ensure training materials are relevant and engaging.** Replace boring slides with videos which include frontline employees talking about how they create great customer service on a daily basis. This is a more real and engaging learning process and also creates brand champions from the people involved in the videos.
2. **Start meetings with each franchisee sharing three positives that have been going on for them.** This reinforces a solution focused culture and prevents meetings from slipping into gripe sessions. Stay with it as it may be slow and clunky at first, but it can soon become a habit.
3. **Include customer NPS scores as one of your network’s KPIs.** Because NPS measures your execution of the customer experience, this puts delivery of the brand promise front and center. Monitor, share and discuss trends, and use these to keep everyone focused on what matters.
4. **Include JOY as a core organizational value.** Have JOY signs throughout the Corporate Office and have Joy Jars where people can drop notes naming examples of colleagues who have shown acts of kindness and generosity. Every Friday, a Joy Committee can evaluate the stories and select weekly winners.
5. **Break down the Support Office silos.** Host monthly lunches where people in different departments can come together and discuss what’s working, what could be improved, and what’s happening.
6. **Commit to make a positive change in every customer’s life.** Every week, during team huddles, have employees share stories about what they did that week to bring a core value to life, such as making a difference to customers lives. (This tip could also be applied to franchisor Support Office talking about how they have made a positive difference to franchisees.)
7. **Create a Brand Development Council.** This combined franchisee/franchisor group is charged with bringing the brand to life by finding ways to promote the brand values in practice throughout the network.
8. **Encourage dialogue and discussion on tough issues.** Create a culture where it is okay to discuss differences of opinion in a respectful way. Teach people how to listen to each other and disagree constructively. Encourage people to “hold strong opinions loosely”.
9. **Encourage innovation and the sharing of ideas.** Create a culture where people are encouraged to share information and seek feedback, are not shut down for coming up with new ideas. Guard against the franchisor team getting defensive when franchisees give feedback.
10. **Use peer to peer communication as well as franchisor to franchisee.** People often need to hear an important message seven times before it sinks in. On important issues communicate to franchisees using multiple methods, including having franchisees share their perspective at regional meetings, e.g. a franchisee could be interviewed on how they are approaching a specific issue or adapting to a change.
11. **Always pilot test new ideas.** Get franchisees involved so they can iron out the bugs and use them to pressure test innovations. Ensure the pilot includes a mix of FAC members and other franchisees who adequately represent the various types of businesses in your network.



12. **Ensure core values are understood at all levels.** Create a process where people have the understanding and tools to train those they work with, from the top level all the way through the network. This includes franchisees educating their team on what the brand stands for and how it needs to be embodied through their attitudes and actions.
13. **Be strict with important standards.** But make it clear why these standards exist and how they protect the brand. Ensure field staff in particular understand this. If they can't explain the link between a standard and your brand values, maybe this standard is actually not all that important.
14. **When tackling problems stay future focused.** Discuss what a good outcome would look like for them, and explore what needs to happen to move towards this. This can be useful if franchisees are stuck in the past or a negative train of thought.
15. **Ask “What” questions to keep discussion solution focused.** Ask questions like, “What outcome are you looking for? What can we do to help? What do you think you need to do to get started? What’s been working?”
16. **Use the Founder or CEO to reinforce core values.** The Founder will usually have lots of stories and examples of why the values exist and how they can be put into practice. Use them in videos and conference sessions to communicate this in an honest down to earth way that franchisees relate to.
17. **Get the field team into the habit of seeking feedback.** At the end of each field visit or meeting field consultants can ask “What has been useful?” and “What can I do to make our next meeting more useful for you?”
18. **Show care, respect and appreciation.** Thank franchisees for their commitment to the brand and respect them as significant stakeholders in the brand. Let them know that you care about their success and how decisions are being taken to protect and improve their profitability.
19. **Encourage a solution focused approach at meetings.** Reward franchisees for being proactive and bringing solutions to meetings. Ask them what they would recommend as a good solution. Be open to their feedback and be prepared to shift your views in the light of reasonable evidence.
20. **Listen carefully to what franchisees are saying.** Respond to what they're actually asking, not to what you think they're asking. Clarify if necessary by paraphrasing their thoughts and feelings, and asking if this is what they are saying. Also share your honest point of view.
21. **Follow up on commitments.** If something has been discussed, let franchisees know what is happening so they feel they've been heard and you are taking the issue seriously. If you don't have an answer find out who does. And if you can't do anything about it, be honest and direct and say so. Don't create false hope.
22. **Have top people meet with franchisees.** Get the company President and the Head of Franchise Operations together as a team to talk with each franchisee at least once a year. This can be face to face or using a video conferencing platform. This is a powerful way to keep top leadership connected and to demonstrate to each franchisee that the company values them.



23. **Hold monthly live CEO updates.** The CEO can head up a video update to keep everyone informed on important initiatives and performance results. The call should include interactive chat throughout, and then open up to live questions at the end. Have a separate moderator to monitor questions and run the process side of the call, so the CEO can focus on the content. Keep presentations short and informative (no waffle), and respond to questions with specific, honest answers.
24. **Remember and remind people of the Why.** Be clear on the reason things are done a certain way and the deeper purpose behind this. Then talk about the How. And be open to compromising if the franchisee has a solution that is consistent with the Why.
25. **Hold people accountable to your Core Values.** Be prepared to “Beep” the executive team if they are not upholding core values, and ensure these are regularly discussed in meetings. This is particularly important for values associated with respecting others, e.g. do not tolerate disrespectful language about franchisees.
26. **Keep the Franchisor Support Office team connected to the front end of the business.** Get Support Office people out to physically visit franchisees in their business premises. Don’t just leave this to the field support team. Ensure these visits are planned so they are useful in some way for franchisees.
27. **Hold facilitated Q&A sessions.** Organise meetings with different segments of franchisees so their specific needs are met. For instance, larger, longer tenure or multi-unit franchisees may have different needs or questions. Open forums should be moderated by someone who can keep the meetings constructive.
28. **Use multiple methods to communicate.** Use newsletters, mini-meetings, video calls, webinars, videos, etc. Have a theme each month. With meetings, send out an agenda a few days in advance so people can gather their thoughts, enabling them to contribute more productively.
29. **Tread carefully with contentious topics.** If there is extensive pushback, tell franchisees you will take their concerns back to review. Then revisit it again at the next meeting after franchisees have had a chance to digest the issues and the emotion is reduced, and you have had a chance to review their concerns and make any relevant adjustments.
30. **Encourage healthy internal competition.** Share information across the network using monthly or daily KPIs. This can drive performance between regional groups in a fun way. Be careful not to use this data to embarrass people.
31. **Share performance data.** Share performance data on KPIs from all units on a regular basis. This type of transparency encourages trust, collaboration and commitment to performance improvement.
32. **Create multiple Touch Points for franchisees to connect.** These include Executive Advisory Council Meetings, Field Consultants, Performance Groups, regional meetings, and an annual conference. Ensure you allow adequate time for networking and idea sharing.
33. **Tap into the personal passion of people.** Use existing franchisees "who have a heart to help" as Franchise Business Trainers and mentors. Ensure they are recognized for their contribution.
34. **Get top leadership to make personal calls to every franchisee.** Also to make extra personal calls to congratulate franchisees on special achievements or outstanding performance.



35. **Use Intranets and Forums.** Create a closed intranet group for franchisees to share concerns. While it is useful for the franchisor to monitor the group it is better if it does not control or participate in the conversation. Ensure people are trained in how to use the group constructively and have agreed posting guidelines.
36. **Recognize and reward achievement.** Develop a range of awards that reward important behaviors and values associated with your brand and your culture. When giving out the Awards, use specific examples to explain why individual franchisees have won them. People like to hear real stories which bring the behaviors and values to life.
37. **Head off rumors by stating what you have heard.** If there are rumors, name them and clarify the truth. Explain what the real intention was as opposed to the perception and go back to what you are trying to achieve with the strategy.
38. **Manage the feedback process.** When asking for feedback, give evidence you have listened and commit to your next steps. If surveys have been conducted always close the loop by giving franchisees feedback on their feedback. If conducting town hall meetings, set the stage at the outset regarding the type of things you want to discuss, and have guidelines to keep questions and behavior constructive.
39. **Show franchisees you care about them as people.** Use handwritten notes and cards to acknowledge birthdays, milestones, and special achievements. If a franchisee has been through a difficult experience follow them up with a call and send your best wishes on behalf of the Support Office team.

