IFA 2018 Convention
Together We Are Franchising
Creating a Positive Culture
<table>
<thead>
<tr>
<th>Name</th>
<th>Company</th>
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<tbody>
<tr>
<td>Evan Hackel</td>
<td>Ingage Consulting/Founder &amp; Principal</td>
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<tr>
<td>Roger McCoy</td>
<td>Direct Energy/Franchise Business Consultant</td>
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<tr>
<td>Paul Pickett</td>
<td>Wild Birds Unlimited/Chief Development Officer</td>
</tr>
<tr>
<td>Dan Steward</td>
<td>President &amp; CEO/Pillar to Post Home Inspectors</td>
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OBJECTIVES FOR TODAY’S SESSION:

● Understand why franchise organizations are even more dependent on a positive culture than other business models

● Learn how your franchise mission statement, vision statement, and core values contribute to your company culture

● Take away practical ideas, tools, and tactics for creating and maintaining a positive culture that drives profitability
What is Culture?

Company culture is a blend of values, beliefs, symbols, rituals, and myths. All companies develop over time. (Entrepreneur.com)

Culture according to the experts:

- Culture is how organizations ‘do things’.
- In large part, culture is a product of compensation.
- Organizational culture is a civilization in the workplace.

Robbie Katanga, Alec Haverstick, Alan Adler
Why Culture Matters in Franchise Systems

Negativity &
THE BOTTOM LINE

19% increase in operating income
33% decrease in operating income

HIGH-LEVEL ENGAGEMENT

28% increase in earnings growth
11% decrease in earnings growth

LOW-LEVEL ENGAGEMENT
Why Culture Matters in Franchise Systems

- Increased engagement

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- Increased performance
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- Makes compliance more likely
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- Increased engagement
- Increased performance
- Makes compliance more likely
- Consistent behaviors across the organization (because they WANT to)
CORE VALUES

Why do they matter?
1. Start fresh with no preconceived notions.
SEVEN STEPS FOR DEVELOPING CORE VALUES

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2. Meet with leadership team and brainstorm 25-75 core value ideas. Where are you & where do you want to be?
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6. Personalize- focus on what's important. They should inspire and be valuable to employees.

7. Continually retest.
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COMMUNICATING, MANAGING & MEASURING
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- Tactics for communicating your organization’s core values more effectively.
- (How) do you actively manage & shape culture?
- Quantifying to observe effects.
WHY WE ARE HERE
To empower, strengthen and celebrate the women in our world through fashion.

WHAT WE DO
We help women look and feel their very best so they can be the most confident version of themselves.

WHERE WE’RE GOING
To be known as leaders in making a positive impact in women’s lives and the world in which we serve.

HOW WE GET THERE
We build relationships with our customers—cheering them on through successes and struggles—inspiring them to better serve their families and world.

OUR VALUES
INTEGRITY / HONESTY
We act with honesty and integrity. We don’t compromise when it comes to the truth.

COMMUNITY
We are leaders in our communities, and continuously look for ways we can help and improve the communities where we live and work.

CONTINUOUS IMPROVEMENT
We are innovative and courageous entrepreneurs. We show pride and dedication in everything we do. We consciously improve our businesses and boutiques, and are accountable to our fellow franchisees and home office.

CONTINUOUS LEARNING
We are on a journey to better ourselves, and we leverage the skills of our fellow franchisees to help us achieve our goals. We are genuinely open to constructive feedback that will help us along our journey.

QUALITY PRODUCTS
Our boutiques showcase unique products with exceptional quality. We are proud to have a repeat customer base that raves about our products.

PASSION FOR THE CUSTOMER
We are passionate about delivering an exceptional customer experience. We take the time to understand and know our customers, their likes, needs and wants.
COMMUNICATING, MANAGING & MEASURING

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Performance Evaluation

Employee Name: 
Department: 
Reason for Review: 
Date employee began present position:  
Date of last evaluation:  
Scheduled evaluation date:  

Title: 
Performed By: 

For employee to fill out:

1. In your own words, what is the company’s vision?

2. How do you help achieve the vision?
COMMUNICATING, MANAGING & MEASURING CORE VALUES/CULTURE:

- Tactics for communicating your organization’s core values more effectively.
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THE LOOK OF A TOXIC CULTURE

- negative values
- negative beliefs
- pessimistic staff
- destructive
- lack of integrity and values
- fragmented

Toxic

Staying School Culture

“BROKEN” CULTURE/TIME FOR CHANGE
Steps to fix issues & create a more positive and productive culture.
DEVELOPING MISSION STATEMENTS
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- How are you different from your competitors?
DEVELOPING MISSION STATEMENTS

● How are you different from your competitors?
● How would you describe you and your employee's roles?
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● What's special about your products or services?
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● How would you describe you and your employee's roles?
● What's special about your products or services?
● How do you define your customers?
DEVELOPING MISSION STATEMENTS

- How are you different from your competitors?
- How could you describe you and your employee's roles?
- What's special about your products or services?
- How do you define your customers?
- How do you want your company seen by your potential customers?
DEVELOPING MISSION STATEMENTS

- How are you different from your competitors?
- How would you describe you and your employee's roles?
- What's special about your products or services?
- How do you define your customers?
- How do you want your company seen by your potential customers?
- What's your commitment to customer service?
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- What's your commitment to customer service?
- What role will technology play?
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● What are your underlying beliefs?
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- What are your underlying beliefs?
- Why are you in business?
DEVELOPING MISSION STATEMENTS

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- How would you describe you and your employee's roles?
- What's special about your products or services?
- How do you define your customers?
- How do you want your company seen by your potential customers?
- What's your commitment to customer service?
- What role will technology play?
- What are your underlying beliefs?
- Why are you in business?
- What questions must you answer to best identify the underlying culture and nature of your business?
GROUP EXERCISE (30 minutes)

• 10 min: Each person shares your company mission and/or vision statements with the table.

• 10 min: Use criteria to analyze your statements.

• 10 min: Share back with group: Go around the table, do you plan to make changes? Do they hold up?

• Then back to the whole group for wrap up.
1. Positive culture is the top priority.
2. Core Values specific to the organization.
3. Values support & differentiate the brand.
4. Core Values guide all decisions.
5. Ignore the “little stuff.”
6. Align franchisor, franchisee and team members’ goals.
7. “Live” the core values.
8. Practice openness and respect with all.
9. Celebrate successes and communicate challenges.
10. Continually communicate.
11. Team members feel valued.
12. Continually monitor.
CONCLUSIONS:

● Create and share your Mission Statement & Core Values.

● Culture (good or bad) matters.

● Core values aren’t just a decal on the wall.

● If your culture is broken, fix it.