Best Practices

Accelerating From Good to Great

February 28, 2006
Best Practices-
Accelerating From Good to Great

• Presenters
  – Melanie Bergeron, Two Men and A Truck International, Inc.
  – Mike Bidwell, The Dwyer Group.
  – Linda Burzynski, Liberty Fitness.

• Moderator
  – Barbara Moran, Moran Industries, Inc.
“Best Practice From”

Presented By
Mike Bidwell
Chief Operating Officer
What Are “Best Practices”?
Books: Dr. Deming by Rafael Aguayo
The Loyalty Effect by Frederick Reichheld
Dr. Deming’s Theory of Management Is a Different Way of Thinking.
Management Is Prediction
What Does “Best Practices” Mean for Your Business?

✓ Minimization of Waste
How Do You Determine “Best Practices” in Your Business?
A Case Study

End of Day Processes in Z-Ware

1. From the Z-Ware Main Menu, click the 'Inventory' button.
2. On the navigation screen, in the 'INVENTORY' box located in the upper, right side of the screen, click the 'Order' entry.
3. In the 'INVENTORY' box, click the 'Order' entry for which you want to adjust inventory levels.
4. Click the 'Edit' or 'Review' button...
5. Using the arrows, move the pointer to any invoice number in the 'Invoice' column, and click with the right mouse button or press the 'F9' key.
6. Click the 'F9' button located in the top left of the screen, labeled 'F9'.

7. In the 'INVENTORY' field located at the bottom of the screen, enter the number of items displayed, and continue with the process if applicable. Modify the data.
8. Click the 'Print' button located at the bottom of the screen.
9. Finalize the inventory, and print the 'INVENTORY' report when complete.
10. After completing the changes, click the 'Review' button, and complete the review by clicking the 'Review' button. Save the changes and continue with the process.
11. Complete the 'INVENTORY' process by clicking the 'Close' button.

End of Day Process.

End of Day Process.

End of Day Process.

End of Day Process.
## TARGET STEP
### FRANCHISEE TERMINATION

**OBJECTIVE:** To terminate the franchisee-franchisor relationship after all other alternatives have been exhausted.

**REQUIRED RESOURCES:**
- Computer with access to Pivotal Relationship Database
- Franchisee's permanent file
- Documentation regarding franchisee

**RESPONSIBLE PERSON:**
- President and/or Chief Operating Officer
- Contract Compliance Administrator
- Designated Legal Department staff

<table>
<thead>
<tr>
<th>#</th>
<th>TASK DESCRIPTION</th>
<th>PERSON RESPONSIBLE</th>
<th>DEADLINE</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Upon receipt of the Request for Termination signed by all appropriate parties, the designated legal department staff will send out an &quot;Intent to Terminate&quot; letter stating the grounds for termination and giving the franchisee at least 10 days to contact the Contract Compliance Administrator to work out a suitable plan to cure any breach and avoid the termination. At this point in the termination process, the only acceptable cure is full compliance. Legal Dept. Staff notes the intent information into the Pivotal Database.</td>
<td>Paralegal</td>
<td>Within 1 week of receipt of Request for Termination with complete information</td>
</tr>
<tr>
<td>2</td>
<td>The legal department staff will calendar the response date.</td>
<td>Paralegal</td>
<td>Immediately</td>
</tr>
<tr>
<td>3</td>
<td>If the legal department is not notified in writing that the matter has been resolved by the appropriate date, a second letter will be sent notifying the franchisee of the termination of the franchise agreement and demanding immediate compliance with the post-termination provisions of the franchise's franchise agreement. This letter will give the franchisee a final opportunity to contact the Contract Compliance Administrator within 10 days in order to comply with the post-termination provisions.</td>
<td>Paralegal</td>
<td>10 - 30 days after intent to terminate letter sent (depending on the specific state requirements)</td>
</tr>
<tr>
<td>4</td>
<td>Legal Dept. staff notes the date of termination into the Pivotal Database. The franchisee's file will be removed from the legal dept's active franchisee cabinet and moved to the terminated cabinet for an interim period.</td>
<td>Paralegal</td>
<td>30 days after termination</td>
</tr>
<tr>
<td>5</td>
<td>If no further action is required, the franchisee's file will be removed to the warehouse.</td>
<td>Paralegal</td>
<td>30 days after termination</td>
</tr>
</tbody>
</table>
Target Steps

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3. If the legal department is not notified in writing that the matter has been resolved by the appropriate date, a second letter will be sent, notifying the franchisee of the termination of the franchise agreement and demanding immediate compliance with the post-termination provisions of the franchisee’s franchise agreement. This letter will give the franchisee a final opportunity to contact the Contract Compliance Administrator within 10 days in order to comply with the post-termination provisions.
What Are Key Components to Success in Implementing “Best Practices”.

1. Leadership Sponsor
2. Education
3. Enrollment
4. Participation
5. Eventually Becomes “Culture”
You Have to Be Committed to Measuring Results.
To Achieve Sustainability, the Methodology Has to Become Culture.
“Best Practices From”

TWO MEN AND A TRUCK
“Movers Who Care”

Presented By
Melanie Bergeron
President/COO
What Does “Best Practices” Mean for Your Business?

• We must be able to deliver as a System our Mission Statement, which is basically exceeding Customer’s expectations.

• As a System, we feel Core Values keep us in the mind set of good to great.
How Do You Determine “Best Practices” for Your Business?

– We are a Customer Driven Organization—it drives our decision making in every way.
– In order to be Customer Driven, we need to have an Information rich culture—it needs to be shared on all levels.
  • Sharing of numbers….
  • Technology as a form of support helps us to capture and share information to better serve our Customers.
  • On-going education at all levels to better serve our Customers.
What Are the Key Components in Your System That Should Be Looked at When Reviewing “Best Practices”?

– Confront brutal facts:
  • Constant, honest, input and feedback—answer the question, are we on the right track?
  • Leadership, employee development: using outside resources when needed.
How Do You Stay the Course?

- Operate through a culture of discipline.
  - Employees that are self disciplined. A flat organization with very little bureaucracy.
  - Lack of fear.
  - Formal courses of discipline:
    - Strategic Planning (SWOT analysis) work with facilitator quarterly.
    - Annual SWOT analysis
How Do You Stay the Course?

- ISO 9000 certification
- What is ISO 9000?
- You must have measurable goals to certify, ISO must see improvement.
- What are the internal and external reasons for becoming ISO certified?
- How much does it cost?
“Best Practices From”

Liberty Fitness
Women’s Health Club

Presented By
Linda Burzynski
CEO
• Communication is key to positive growth and quality within every organization.
What Does “Best Practices” Mean for Your Business?

• Involvement and buy in what you want to accomplish and who from:
  – Home Office Team
  – Franchise Partners
  – Board of Directors
  – Alliance Partners and Suppliers
  – Others Who Can Support the Dream (family, friends…)
How Do You Determine “Best Practices” In Your Business?

• First by setting the company
  – Vision
  – Mission
  – Code of Values
Our Vision
1,500 locations within the next five years throughout the United States.

Our Mission
To be the worldwide leader in women’s fitness by enriching women’s health through fitness, nutrition, and wellness in a safe and friendly environment with the highest standards of quality and care.
Our Code of Values
ENRICH

- Encouragement: We will look for the best in everyone by inspiring them to achieve their very best.

- Needs: We will stand committed to the needs of our members, franchise partners and associates.

- Respect: We will follow the golden rule to treat others in the way we would like to be treated. We will respect each other: time, opinions, ideas, and reputation. (refusal to initiate to participate in gossip.)

- Integrity: We will use the highest degree of values, ethics, and standards in all relationships. We will honor commitments. We will be truthful, accountable, responsible and honest.

- Customer Focus: We will demonstrate a passionate commitment to our customers’ well-being. All else is secondary.

- Have fun!: We will have fun in the process, for we realize it is essential to foster a spirit of fun, a sense of humor and to enjoy the adventure.
How Do You Make The Changes Necessary To Accelerate?

• Ask for help
• The best ideas on how to fix and improve will come from franchise partners.
• Give credit.
• Accentuate “we” and remove “I” from your vocabulary.
• DO the next right thing.
How Can You Tell If You Are On The Right Track?

• Communication starts with the CEO and it must be a daily focus
• Daily H.O.T. (Home Office Team) meetings each morning
• Weekly one on one scheduled times with each H.O.T. member
• A live voice answering the phone as much as possible
• Easy access: office, e-mail, cell phone, home
• Weekly live and recorded webinars with franchise partners
• E-mail
• Monthly Action Calls
• Field Visits
• Franchise Advisory Counsel
• Special Project Committees: Convention, Products and Services
How Do You Stay The Course?

• “None of us are as smart as all of us together.”

• Best practices are taking place among our franchise partners every day…we need to listen, refine, learn, and pass it on. It all comes back to communication.
Best Practices
Q&A Time
With Melanie, Mike & Linda