



Amplify

EMERGING FRANCHISOR CONFERENCE

NOVEMBER 10-12, 2025 | NASHVILLE

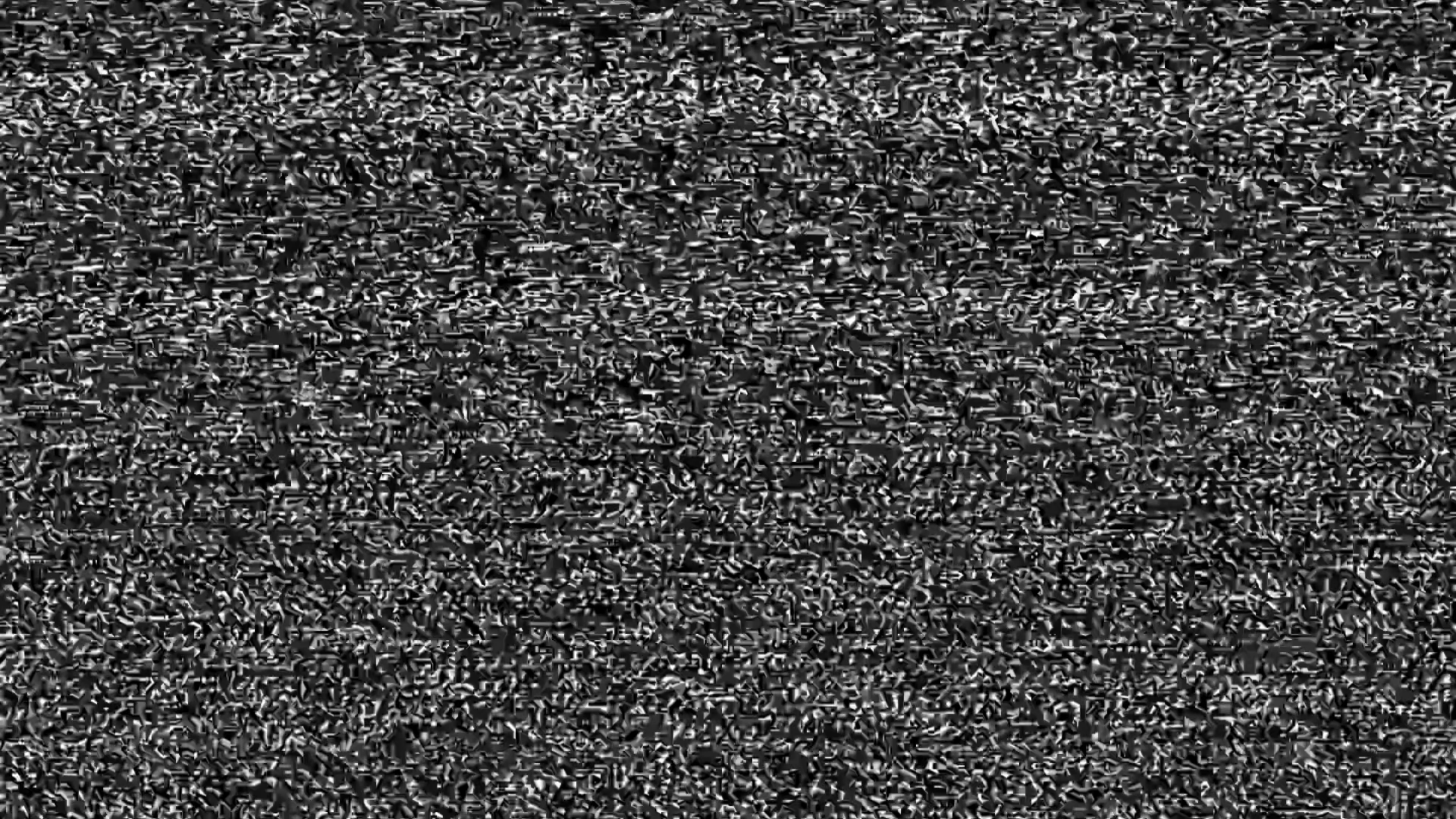
Amplify Your Brand

David Barr

Partner, Catalyst

Partner, Cornerstone Franchise Partners

iFA INTERNATIONAL
FRANCHISE
ASSOCIATION



Amplify Your Brand

Distinguishing Signal vs Noise





David Barr
DavidBarr@PMTD.com

Franchisor

- 1) Chairman, Pets Supplies Plus (\$1.5 billion pet supply franchisor)
- 2) Investor/Board Director of Capriotti's Sandwich Shop, Inc. (170 shops)
- 3) Board Director of Checkers/Rally's (franchisor of 750 units)
- 4) Board Director of Chicken Salad Chick (franchisor of 310 restaurants)
- 5) Investor/Board Director of Dogtopia (franchisor of 230 dog daycare units)
- 6) Investor/Board Director of College Hunks Hauling Junk and Moving (\$400 million franchisor of moving agencies)
- 7) Investor/Board Director of Rolling Suds, power washing franchise concept
- 8) Investor/Board of Directors of Tint World, automotive after market

Franchisee

- 1) Investor & Board Director Domino's Pizza – China (1,400 Domino's in China)
- 2) Chairman, PMTD Restaurants & Affiliates (37 KFC and Taco Bell restaurants)
- 3) Lead Director, OutWest Restaurant Group (78 Outback Steakhouses)



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Cornerstone Franchise Partners, led by founding partners Ryan Hicks and Ryan Combe, partner with franchisor founders to develop the brands by **focusing on franchise development processes**.



Led by Maddi Zook, Catalyst partners with franchise brands to align marketing, sales, and operations around performance, profitability, and strong unit-level economics. We design the frameworks, strategy and data systems that fuel sustainable growth, **turning *brand potential into market power***.

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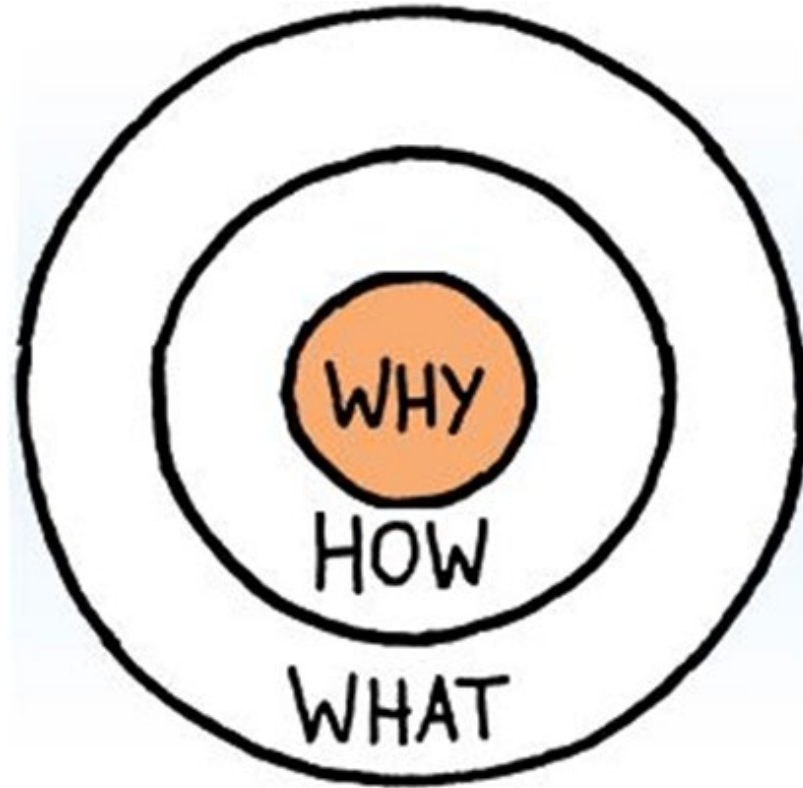
Distinguishing Signal vs Noise



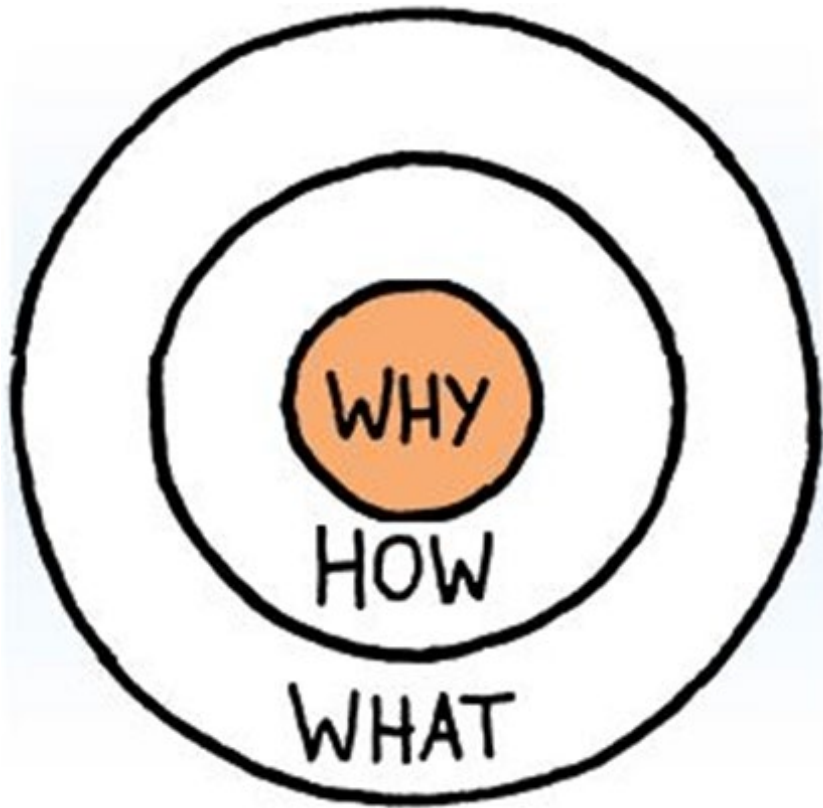
Presentation Goals

- Roadmap for Emerging Franchisors to Amplify their franchise system and their brand.
- How do we find the Signal vs Noise?
- Based on this what are the Critical Few to focus on in order to stay true to the Signal.

Your Mission Defines Your Frequency



Your Mission Defines Your Frequency



My company exists to _____. This is our Why!

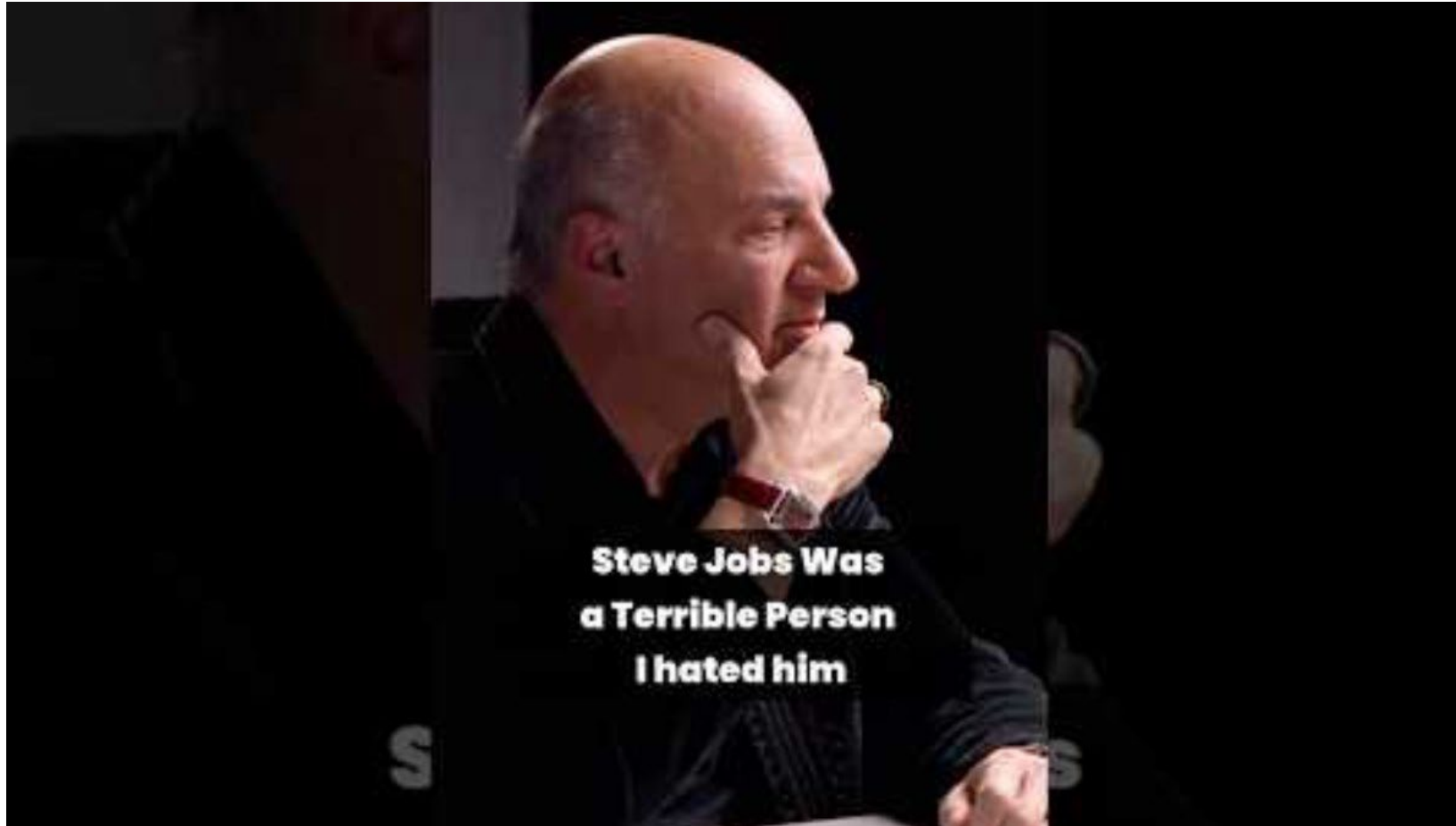
The specific actions, processes, and guiding principles that bring our Why to life are _____. This is our How!

The tangible product we sell or the services we offer are _____. This is our What!

If we Know the Frequency, How do we Distinguish Signal vs. Noise

- **Signal =**
 - that which keeps us clearly on path/track
 - is crystal clear and provides clarity, consistency, purpose
- **Noise =**
 - Not focused, distracting, confusing, dilutes the primary message (Signal)

Signal vs. Noise



Clarity in Execution: Signal Overcomes Noise

- Clarity provides a focus on the frequency/signal.
 - *Why, How and What*
- Once clearly aligned on purpose then focus on critical few to achieve.
- When growing a franchisor there is a lot of noise. Everything seems urgent and important, but usually only a few are critical.
- Part of the noise is that as an Emerging Franchisor, you are growing two businesses – the primary business and a franchise business.

So, Let's Start With a Definition of Franchising

Franchising is the licensing of a business model that produces predictable cash flows to an average franchisee, with average intelligence, with average work ethic on an average day.

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Franchisors Need to Provide a Value Proposition

Traditional Definition

$$\begin{array}{c} \text{V} \\ \text{(VALUE)} \end{array} = \frac{\begin{array}{c} \text{Q} \\ \text{(QUALITY)} \end{array} + \begin{array}{c} \text{S} \\ \text{(SERVICE)} \end{array}}{\begin{array}{c} \$ \\ \text{(COST)} \end{array}}$$

Franchisors need to provide a Value Proposition

Value Proposition for Franchisor

$$\begin{array}{l} \text{VALUE to a} \\ \text{FRANCHISEE} \end{array} = \frac{\begin{array}{l} \text{Brand Power + Support Services + Technology + Network} \\ \text{(National Accounts) + Probability of Success} \end{array}}{\begin{array}{l} \text{Cost of Royalties \& Fees} \\ \text{+ Resources to be Provided by Franchisee} \\ \text{+ Time \& Effort} \\ \text{x Variability of Outcomes} \end{array}}$$

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Distinguishing Signal vs Noise



AMPLIFY: A Model for Clarity and Scale

- **A** – Align on your Purpose (within Franchisor Context)
- **M** – Master your Critical Few (all signal)
- **P** – Passion for Franchisee Profitability
- **L** – Leverage the System (franchisee talents)
- **I** – Invest in Operational Excellence
- **F** – Focus your Marketing Voice
- **Y** – Yield long-term Trust

Master Your Critical Few

If you have more than three priorities,
you don't have any.

-- *Jim Collins (Good to Great)*

Why the Critical Few: The Static can Confuse the Signal

Clarity

- The early days of any brand are noisy—ideas, opinions, chaos
- Every franchisor should fight distraction
- Not everything that's loud moves you forward.
- Simplicity wins: predictable beats complex

Amplifiers of Noise

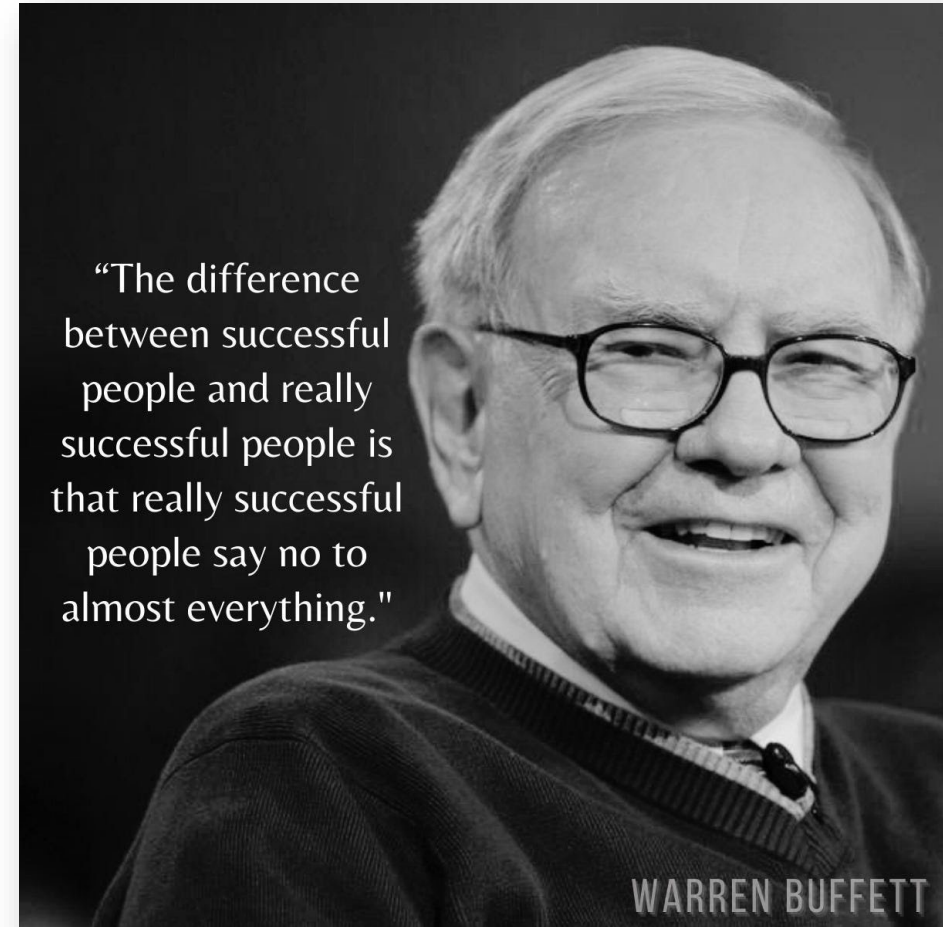
- Lack of Capital: Financial and Intellectual
- When you present franchisees with a vacuum, they will fill it

Focus also Requires the Discipline of Saying No

- Saying no preserves clarity
- Focus amplifies your strongest signal
- If everything is important, nothing is

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The Critical Few of Franchising:

1. Franchisee Unit Level Economics

- Predictable cash flow of units
- Cost to develop or ramp
- Return (IRR) to franchisees creates desire to build

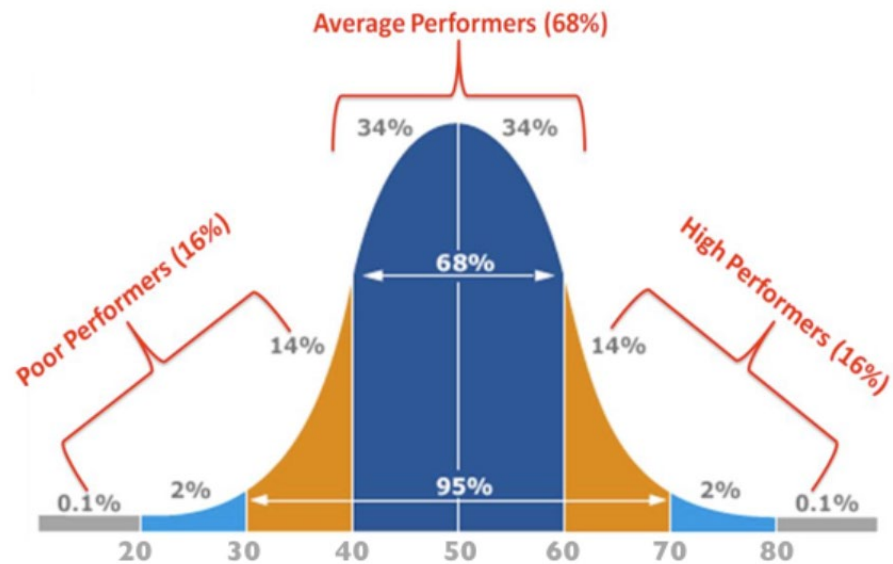
Franchisee Unit Level Economics:

Monthly Collection of P&L's
(mandated chart of
accounts, roll-up, slice and
dice by cohorts including
year built, concept design,
number of outlets, etc.)

		Unit 1	Unit 2	Unit 3	Unit 4	Unit 5	Total
Income Statement							
Gross revenue							
Less: Discounts							
Net revenue							
Less:							
Cost of Goods							
Cost of Labor							
Franchisee Management							
Salaried							
Hourly							
Total Labor							
Utilities							
Cleaning supplies							
EBITDAR							
Rent							
EBITDA							
Statistical accounts:							
Number of tickets							
Average order							
Total labor hours							
Year opened							
Square footage							

Likelihood of Franchisee Success

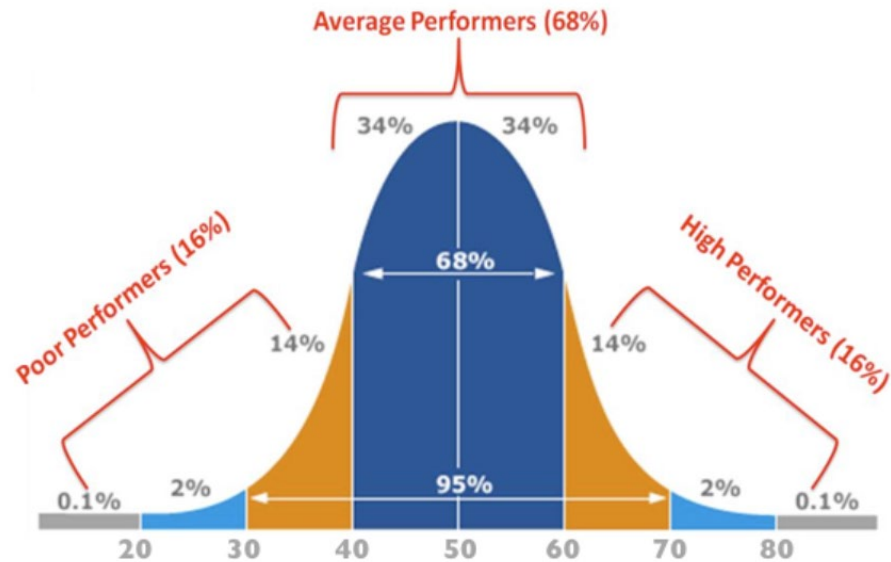
“Normal Distribution” and Lack of Variability provides Likelihood of Success



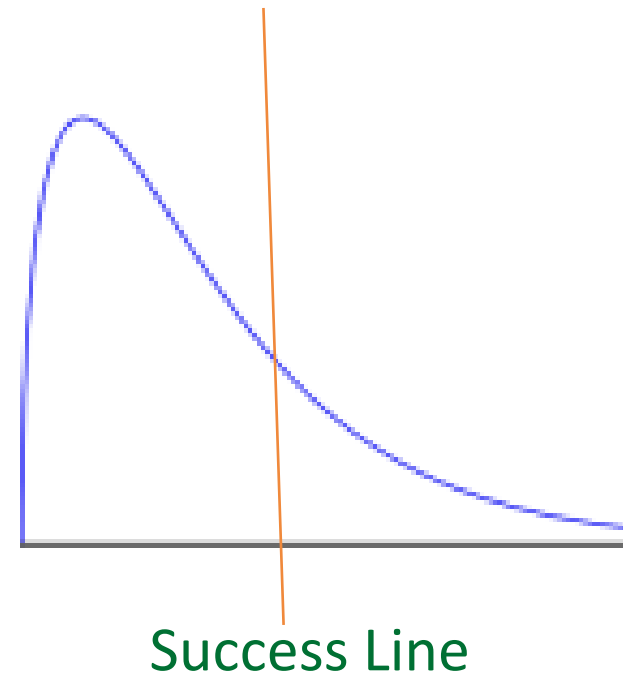
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Likelihood of Franchisee Success

“Normal Distribution” and Lack of Variability provides Likelihood of Success



Negative skew should not be Franchising



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Best Brands Take Strategy Out of The Unit

Fulfillment/Tactical

Strategic/Franchisor



*How are you making
the franchisee's and
general manager's life
easier?*

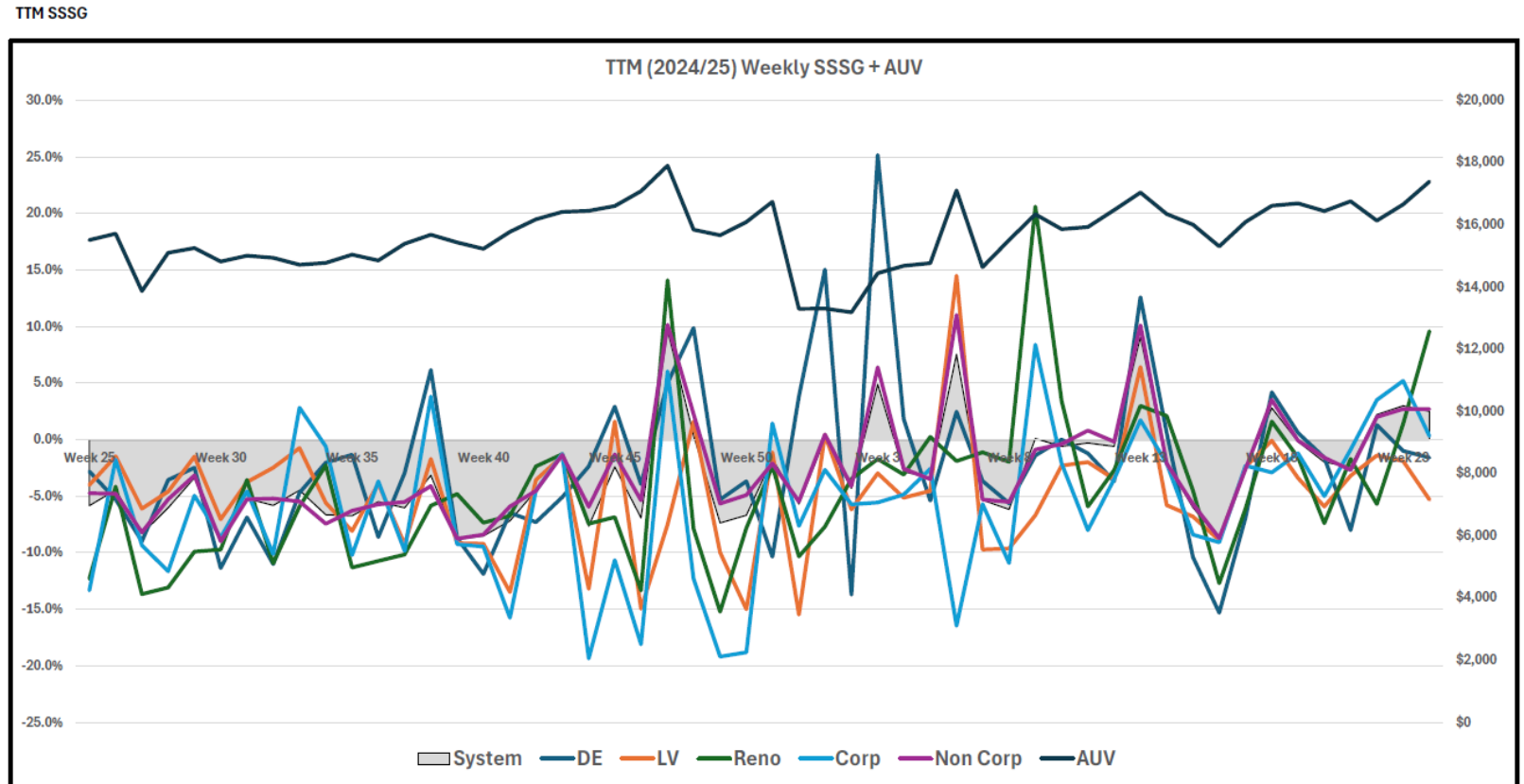
Strategic/Shared



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Franchisee Unit Level Economics:

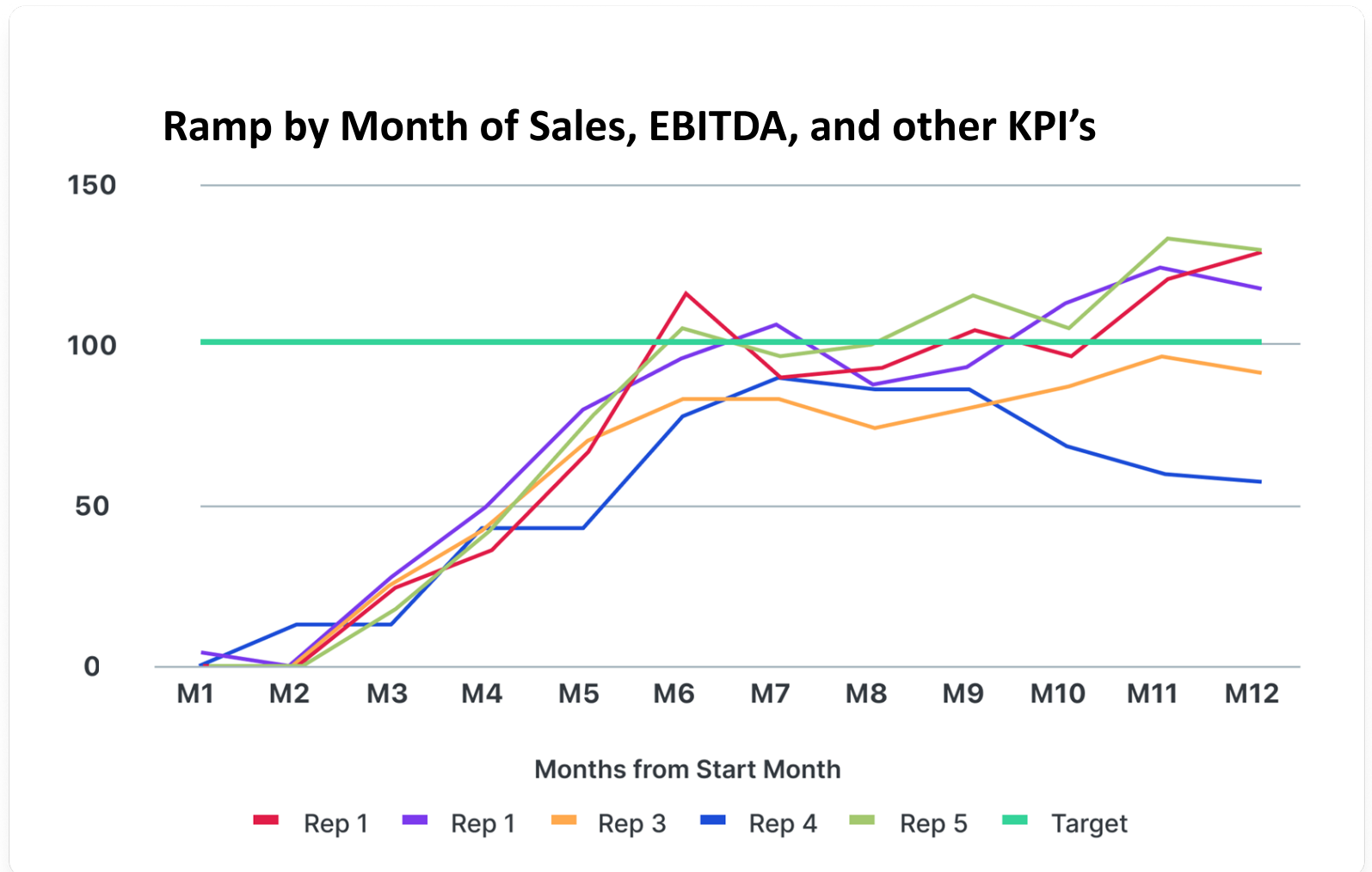
Same Store Sales
Growth % (year
over year) is
critical to show
health of the
system



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Franchisee Unit Level Economics:

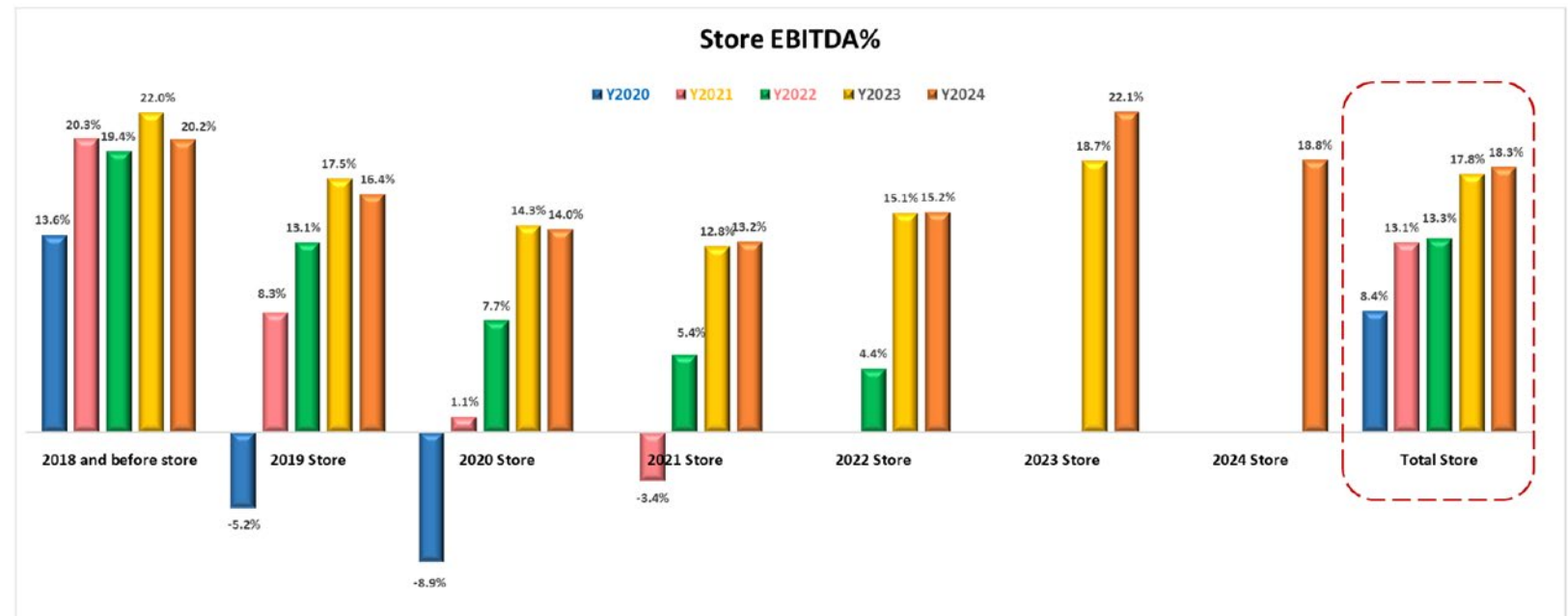
RAMP should be reviewed for all new units until breakeven. Best practice is to review at a minimum monthly Sales and EBITDA, but can also look at # of customers



Franchisee Unit Level Economics:

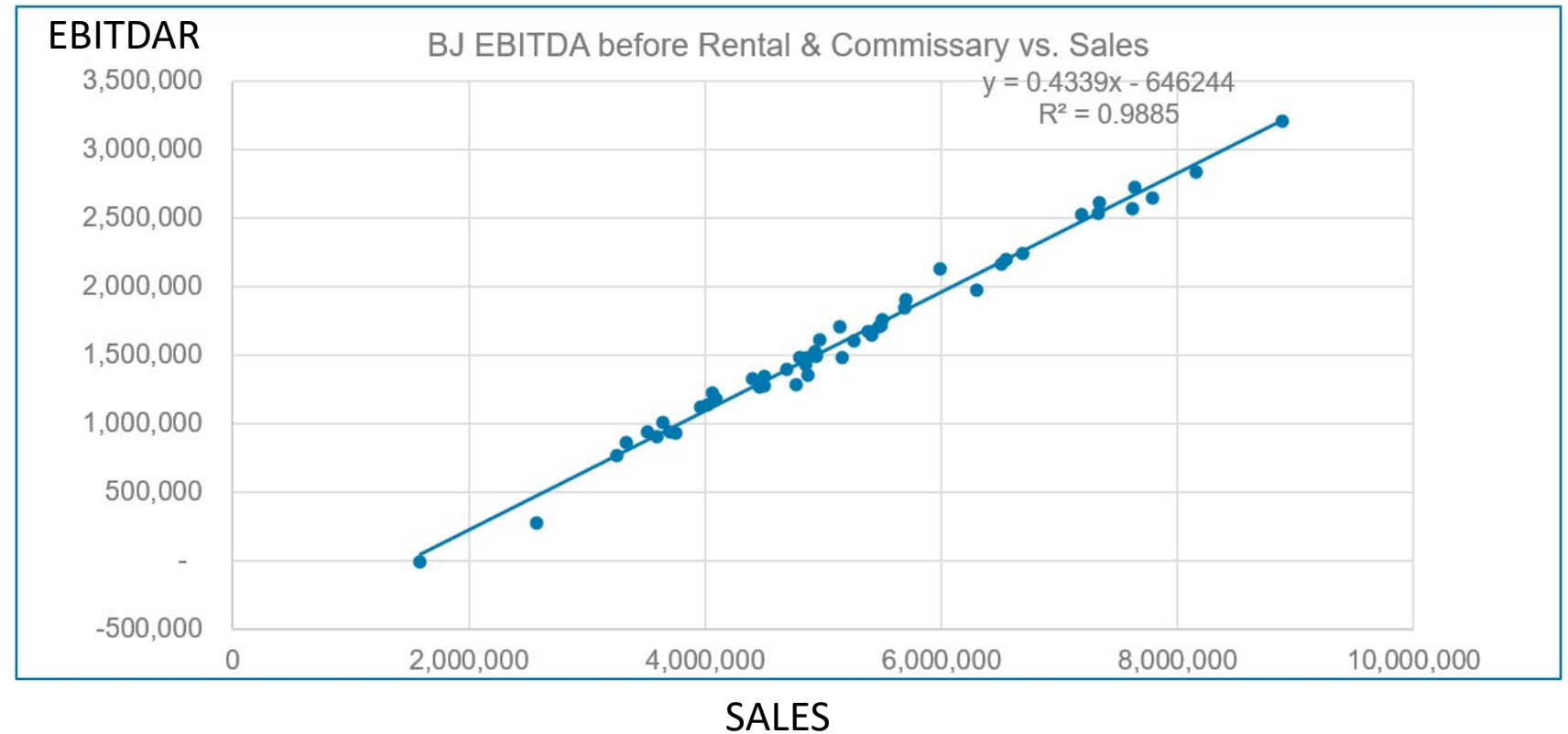
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Cohort Review on Monthly/Quarterly/Annual Basis



Franchisee Unit Level Economics:

Regression Analysis or Other Outlier Analysis on a monthly basis should be reviewed.



Franchisee Unit Level Economics:

Internal Rate of Return needs to be focus as that is the ultimate measurement of unit level economics

INPUTS:

- Initial franchise fee
- Cost to build
- Working capital burn
- Ramp of Sales and EBITDA
- Sustainable cash flow
- Exit valuation

OUTPUT

- Internal rate of return

Franchisee Economics is Indicative the Signal is in The Numbers

- Simplicity wins: predictable beats complex
- Profitable franchisees
 - do not create noise
 - amplify your brand

The Critical Few of Franchising:

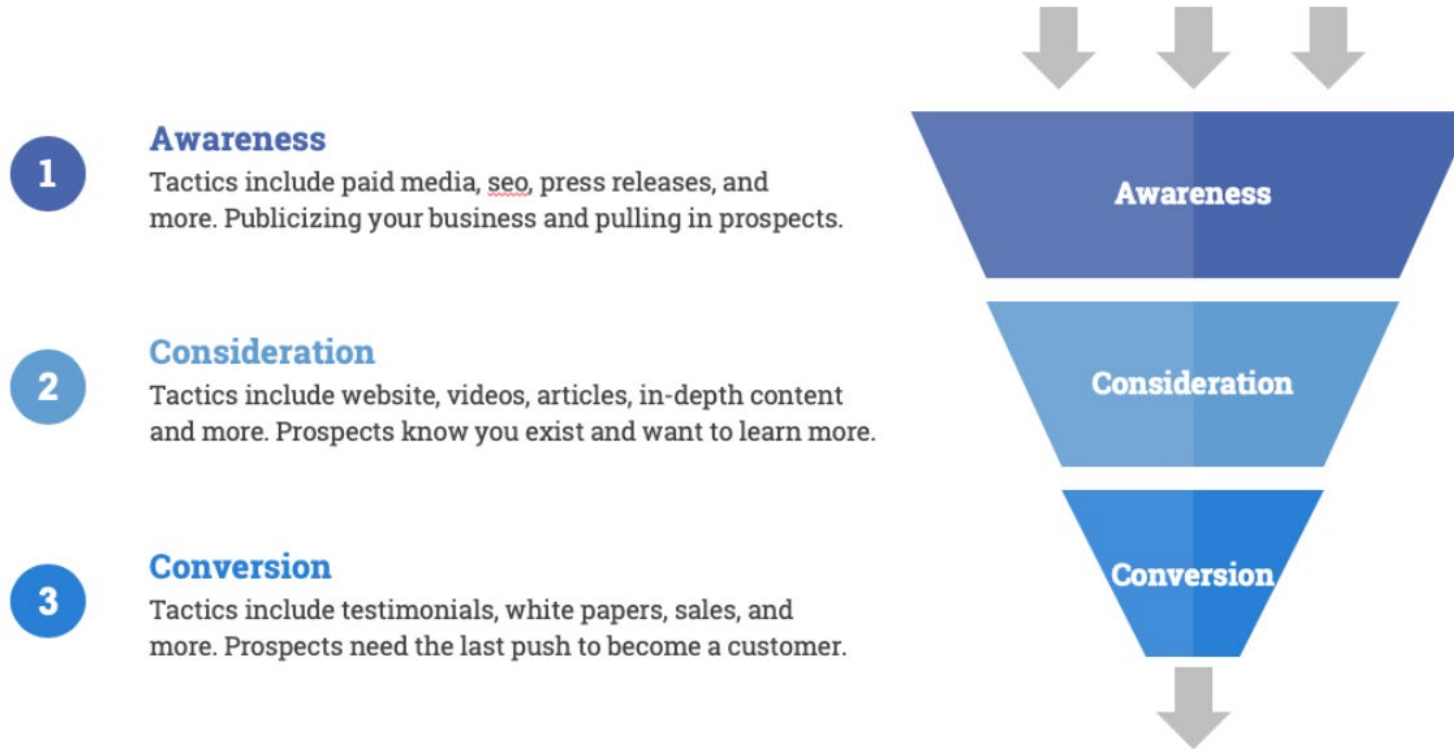
1. Franchisee Unit Level Economics

- Predictable cash flow of units
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- Return (IRR) to franchisees creates desire to build

2. Unit Growth to Build System

- Strategic development processes are in place
- Franchisee selection enhances predictable nature of model

Unit Growth (Franchise Development) Follows Typical Marketing Funnel



One Message, Many Channels

- Align field marketing, PR, and digital
 - Often times managed differently but message should be similar
- Keep tone and visuals consistent
- If your message differs per channel, it's just noise

For Franchise Development: Your Franchisees Are the Audio Speakers

- Franchisee stories carry more weight than ads
- Capture, package, and share success stories
- They broadcast authenticity

Unit Growth: Franchisee Selection is Critical

Franchisee and Management Selection Criteria should be an ongoing learning process.

9 Box Scoring Grid

		Not Meeting Expectations	Meeting Expectations	Exceeding Expectations
POTENTIAL		Dysfunctional Genius - Score 4.5 Seasoned professional capable of expanded role; May be experiencing problems that require coaching.	High Potential - Score 7.5 Does extremely well at current job with potential to do more. Give stretch assignments to help prepare for next level.	Star - Score 9 Consistently performs well in a variety of assignment. Superstar employee. Big picture thinker. Problem solver, self-motivated.
		Steady Performer - Score 4 With coaching, could progress within level; focus on stretch goals for this employee.	Core Player - Score 6 May be considered for job enlargement at the same level, but may need coaching in several areas, including people management.	High Performer - Score 7.5 Current role may still provide opportunity for growth; focused on tactical; focus should be on helping improve strategic thinking.
		Bad Hire - Score 1 May be a candidate for reassignment, reclassification to a lower level, or the exit the organization.	Development Coaching - Score 2 Effective performer, but may have reached career potential. Try to coach the employee on becoming more innovating, focus on lateral thinking.	Work Horse - Score 4.5 Experienced high performer, but has reached the limit of career potential. Still a valuable employee and can be encouraged to develop.
		PERFORMANCE		

Speed is Critical in Franchise Development

Speed is critical

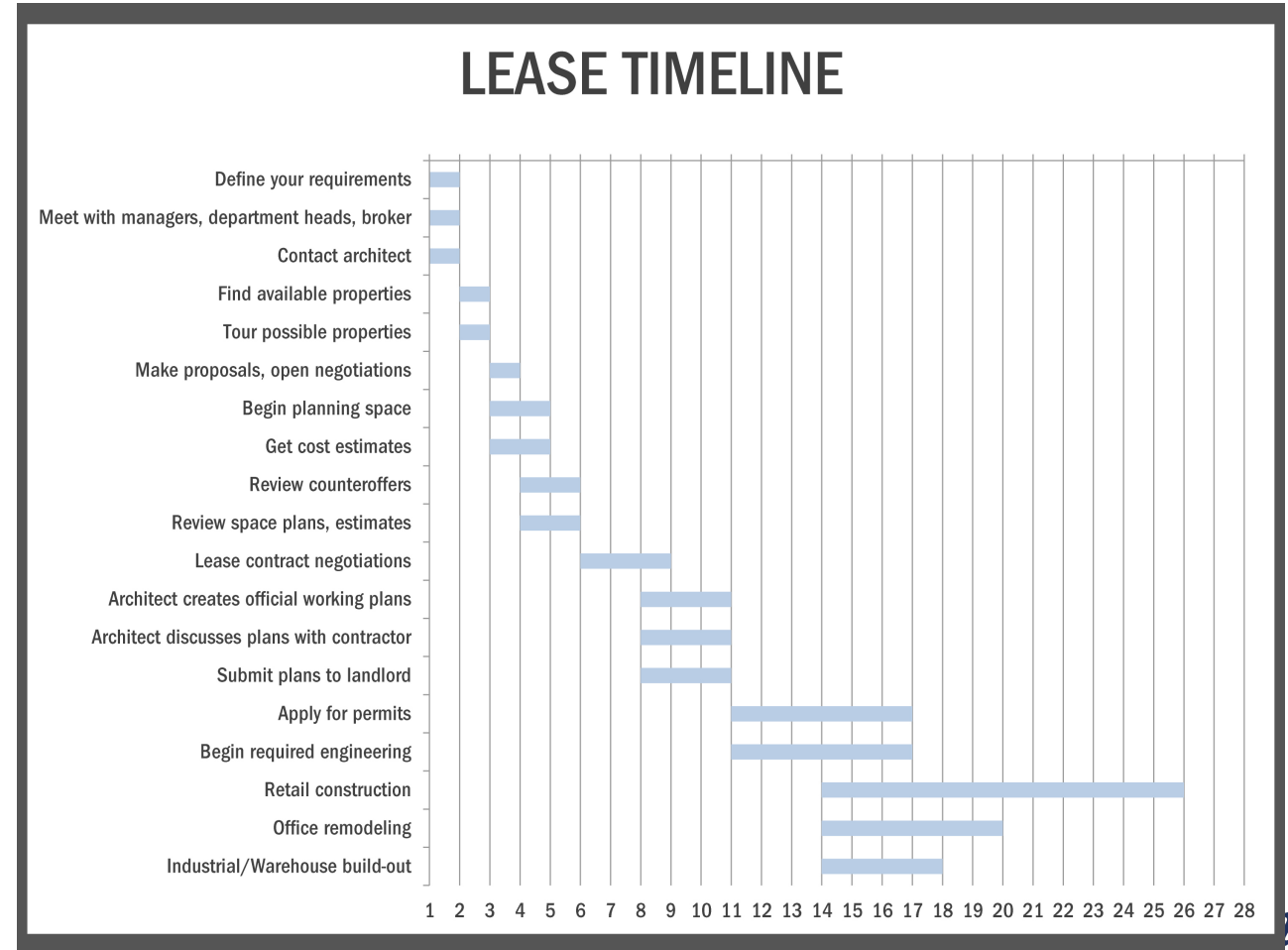
Time to sign license agreement.

Time to lease.

Time through training.

Time to open.

Time to profitability



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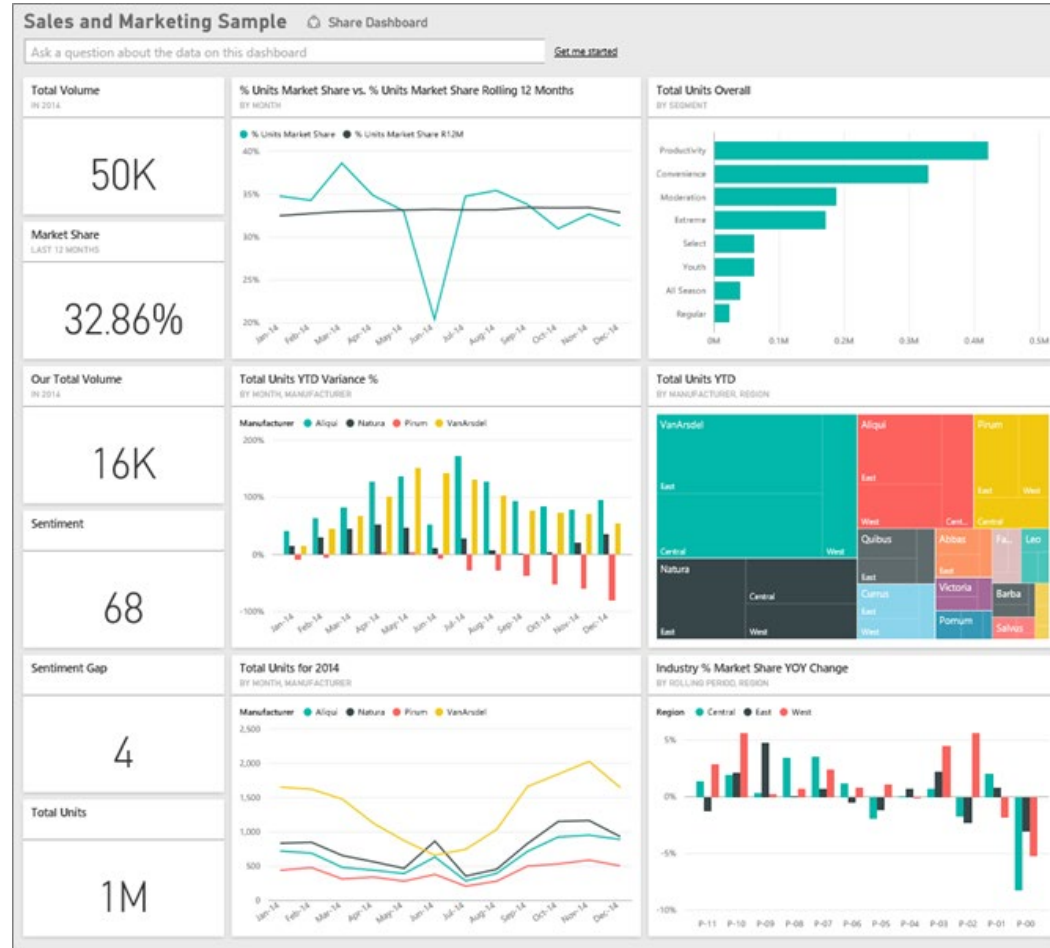
- Strategic development processes are in place
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3. Brand Halo expands as Number of System Units Grow

- Marketing provides same store sales growth
- Brand is enhanced with responsible and strategic development
- Provides faster ramp for each new cohort

Brand Halo Expands as Number of System Units Grow

Brand Halo is created by marketing (with more emphasis on digital) and amplified by unit count.



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For Brand Amplification: Guard the Hill You've Claimed

- Don't dilute with product creep
- Know your market space and own it
- Each decision should strengthen—not stretch—your story
- Clarity erodes when everyone's turning up their own volume
- Franchise development, operations, marketing, finance—all competing frequencies

Trust is the Ultimate Amplifier

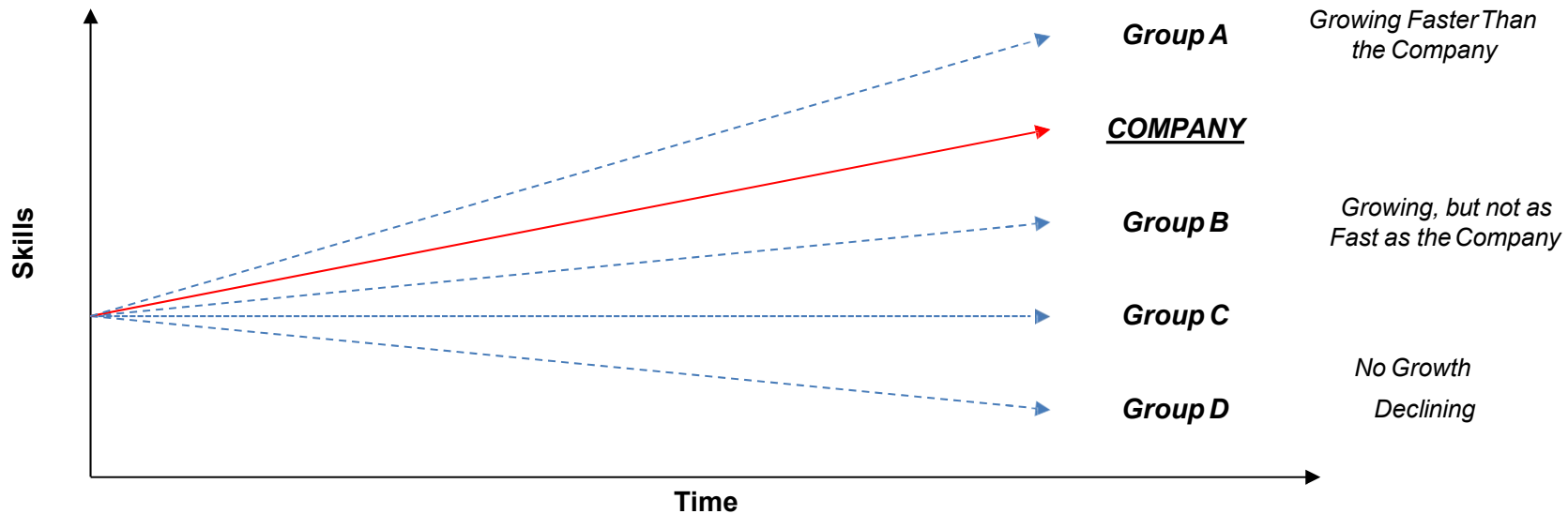
- Growth without trust is temporary volume
- Transparency and follow-through build reputation
- Franchisee testimonials = best marketing tool
- Your job isn't to shout—it's to be unmistakably heard.
- Your words, habits, and culture echo systemwide
- If leadership messaging is full of static, then system distorts further

Trust is Built upon Relationships

- Growing the people talent of an Emerging Franchisor is difficult
- Moving from Athletes to Specialists
- Culture is difficult to maintain when new leaders are brought in
- Intellectual Capital is just as important as Financial Capital

Leadership of Team - Maximizing Stars

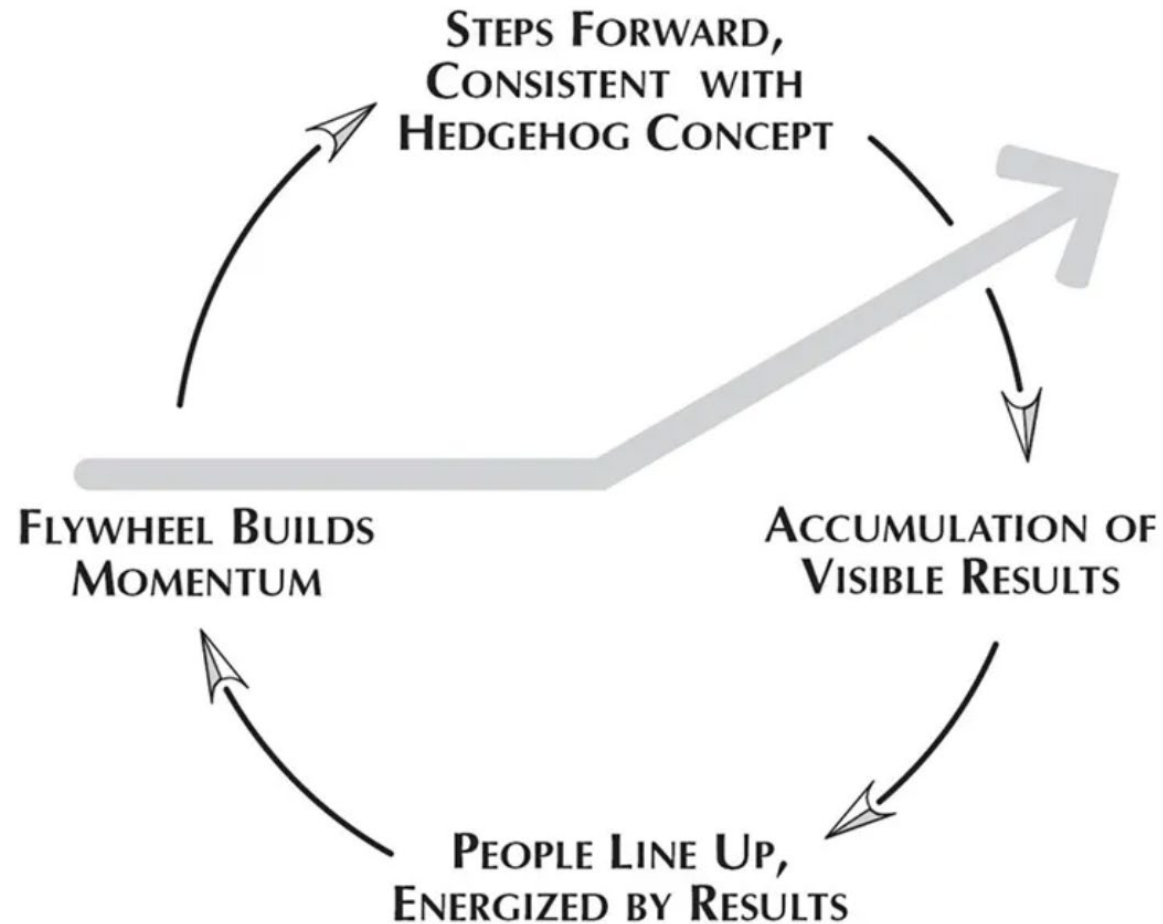
- Employees of an organization can be grouped into four major buckets
- The skills of employees in groups C and D either stay the same or decline over time
- The best organizations maximize group A employees while identifying and removing group D employees



- Most organizations keep the underperformers as they grow because they are loyal and prefer stability as onboarding new employees can be hard
- Organizations can outgrow their employees. You must consistently evaluate your talent

Focus on Critical Few to Achieve Escape Velocity from Flywheel

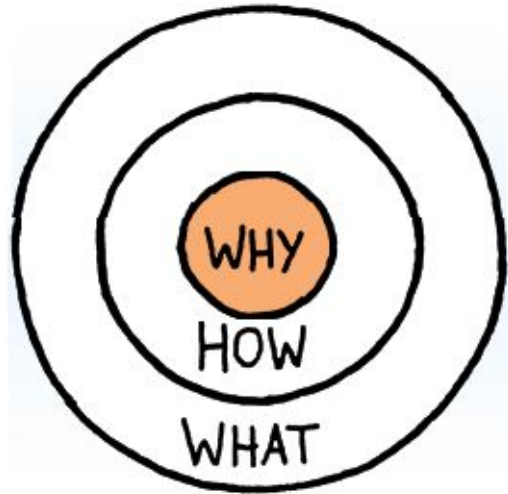
Franchisee Unit Economics creates **Unit Growth** which creates **Brand Halo** which is accelerated with **People Talent** which results in better **Franchisee Unit Economics** and leads to a virtuous cycle.



Source: Jim Collins

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Franchising - Building Blocks for Sustainable Growth



Define
Critical
Few

Crazy
Prioritization
of Critical
Few
=
Building
Blocks

*Results
In*

Sustainable
Growth

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In Summary -

Align on Your Purpose

Focus on the Critical Few (Franchisee Profitability)

Build Trust to AMPLIFY

**May you achieve your purpose and
dreams!**

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