



IFA LEGAL SYMPOSIUM

Global Expansion in a Stay Home World: How Franchise Systems Expand Internationally Today



Speakers

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Cassels

Are you Ready to Expand Internationally?

1 Does it fit the corporate goals?

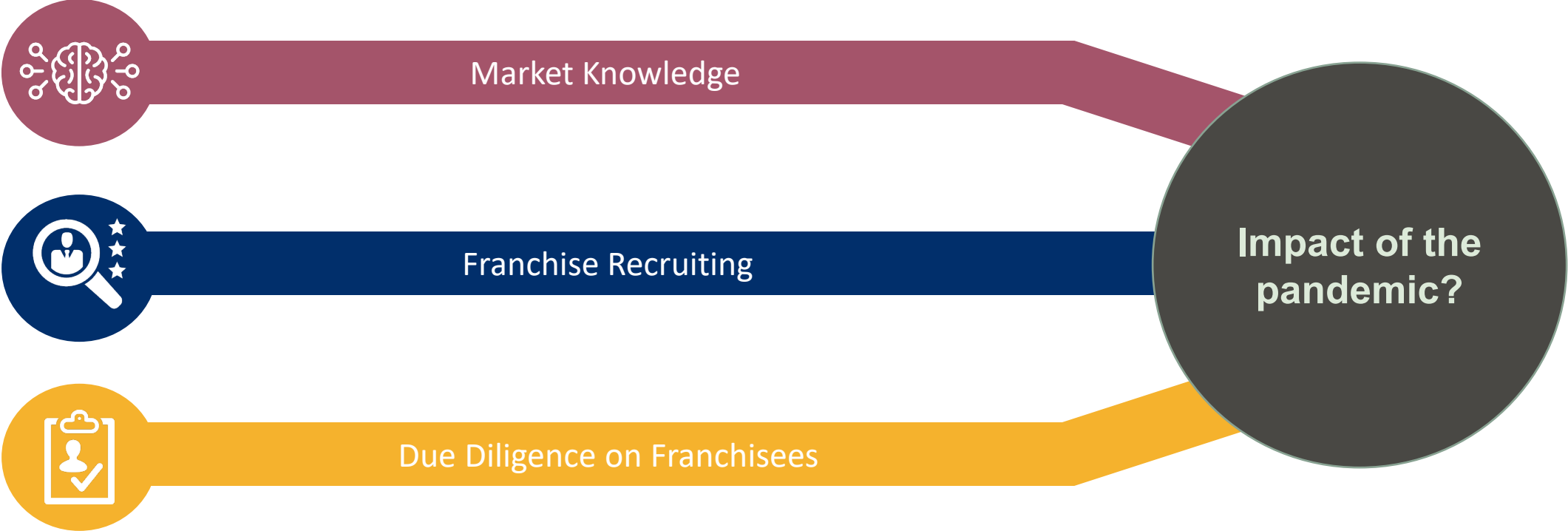
2 Does the franchisor have the right resources and people?

3 What is the competitive landscape?

4 Do you have the proper supply chain?

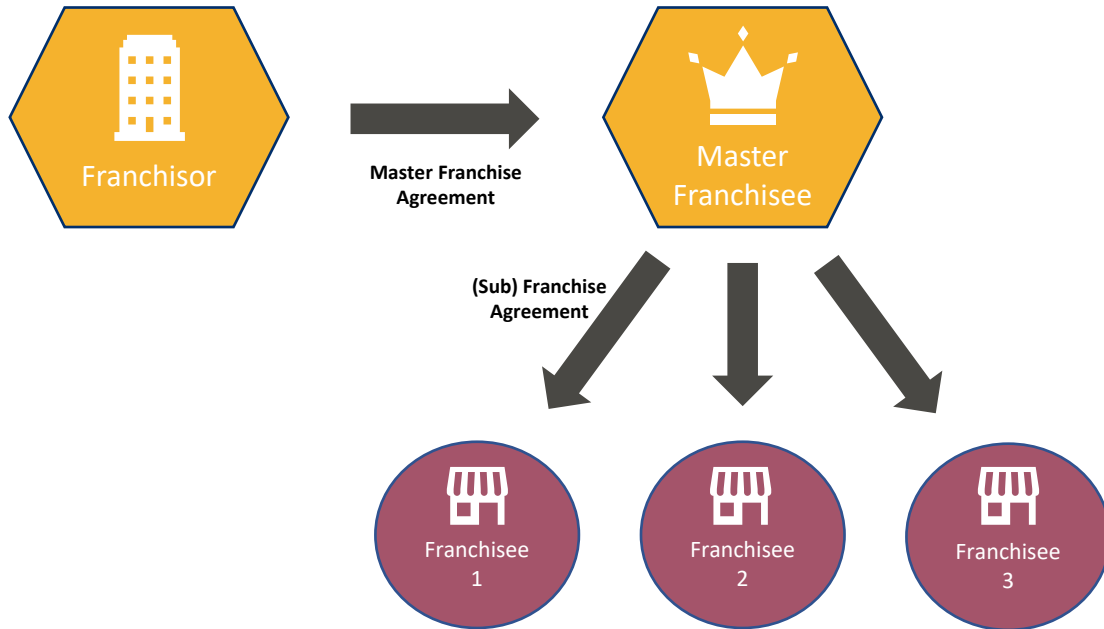
Impact of the pandemic?

Considerations for Market Prioritization

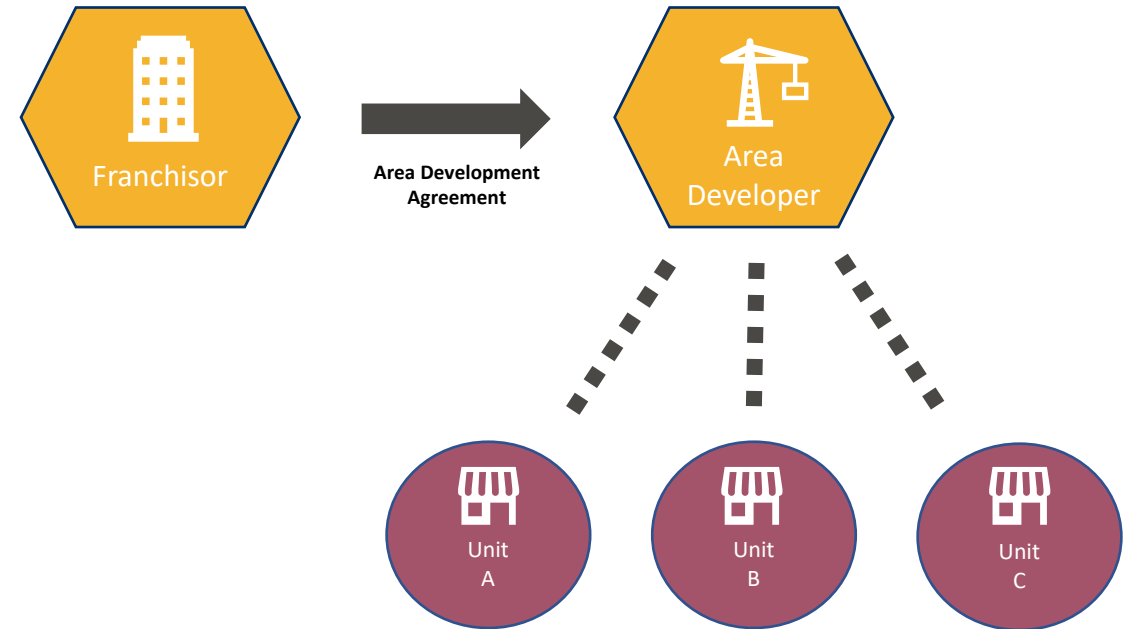


Structural Models for Development

Master Franchisor Model



Area Development Model



Other Models: Joint Venture, Unit Franchise, and Area Representative

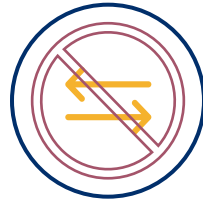
Key Business Issues & Negotiations



Fees



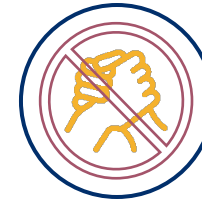
Scope of Territory



Transfer Restrictions



Termination Rights



Non-Compete Covenant



Development Schedule



Impact of the pandemic?

Foreign Franchise Laws



Disclosure Laws



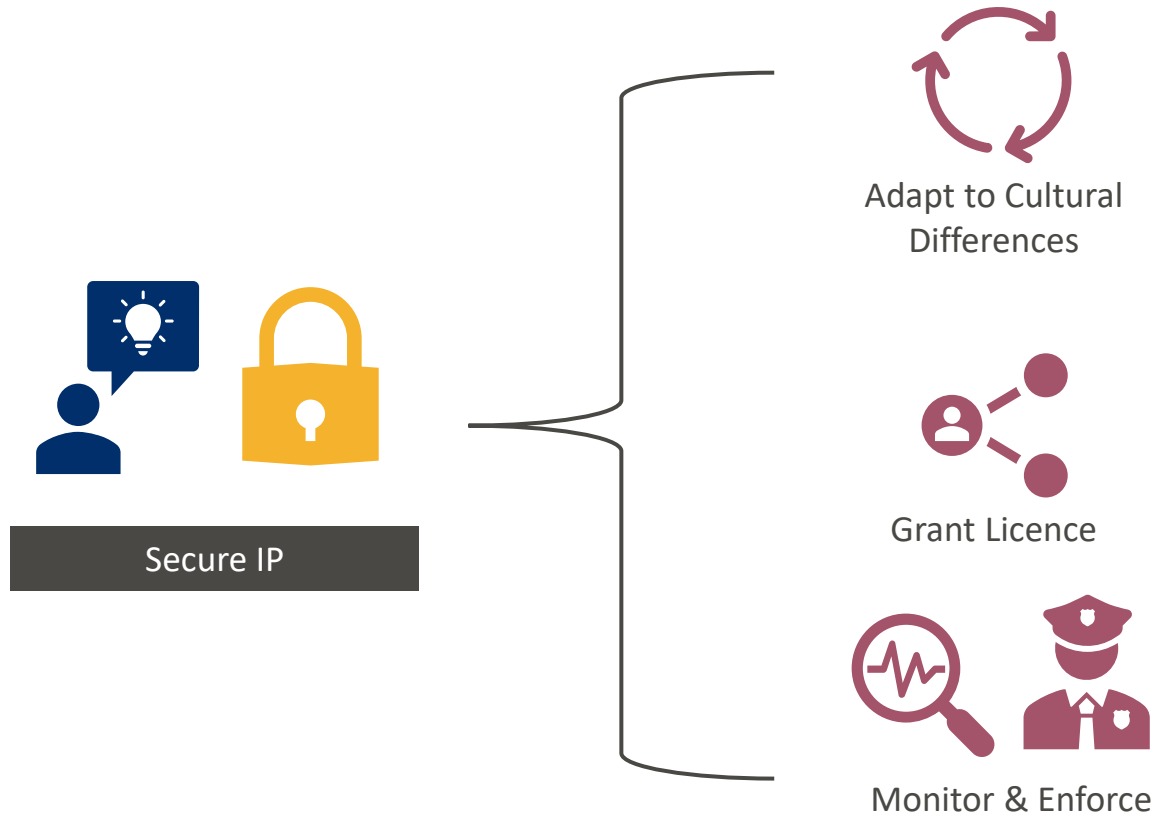
Registration Laws



Relationship Laws



Intellectual Property Concerns



Other Local Laws




 Quarantine & public health


Religious concerns 

 Imports, duties, customs & exports

Dispute resolution and venue 

 Local ownership laws

Competition and antitrust laws 

 Personal guaranties and LOCs

Indemnification 

Extra-Territorial Application of U.S. Laws

Anti-corruption laws

Anti-terrorism laws



Anti-boycott laws

Anti-money laundering laws

Franchise laws

Case Study

Texas Chicken's Entry into **Cambodia** (during the pandemic!)





Case Study: Expanding During a Pandemic

Everyone knows international franchising is a “**people**” business, so....

How do you...

- 1 Visit franchisee candidates?
- 2 Visit suppliers to set up a supply chain?
- 3 Train the franchisee?
- 4 Approve the first site?
- 5 Monitor brand compliance?





Case Study: Expanding During a Pandemic



Vientiane, Laos



Kuala Lumpur, Malaysia



Bangkok, Thailand



Singapore



Jakarta, Indonesia

It helps to have experience (and a team) in the region...

- Had other very cooperative and friendly franchisees in Malaysia, Indonesia, Laos and Singapore willing to support the new Cambodia franchisee.
- Had employees & independent contractors in Singapore, Indonesia, Thailand, and Hong Kong.

Could we have gone to Cambodia in 2020 as our brand's first foray into Asia?

✗ ✗ ✗ **ABSOLUTELY NOT!** ✗ ✗ ✗



Case Study: Expanding During a Pandemic

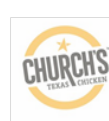
1

How do you visit franchisee candidates if you can't travel?



- For *Texas Chicken* we were lucky because we had visited in Vietnam with this franchisee candidate before COVID lockdowns.
- International development team would not have moved forward with a 2020 opening if they had to approve the franchisee without an in person meeting.





Case Study: Expanding During a Pandemic

2

How do you visit factories to set up a supply chain if you can't travel?



- Fresh, not frozen chicken: main product has to be sourced close to the restaurants, usually in-country.
- Leveraged supply chain in Thailand. Without that it is not clear that we could have opened in Cambodia in 2020.
- Ongoing Quality Assurance visits to supplier in Thailand are being handled by in-country contractor.





Case Study: Expanding During a Pandemic

3

How do you train the franchisee if you can't travel?



- Franchisee's General Manager was able to get his restaurant training at the Malaysian franchisee's restaurants.
- General Manager was an experienced QSR operator





Case Study: Expanding During a Pandemic

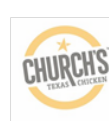
4

How do approve the first site if you can't travel?

- Normally require site visits by corporate of all new franchisee restaurants before approving them (especially the first few opened by a new franchisee).
- Generally do a “walk of the street” and trade area.
- New Cambodia franchisee has his own real estate professionals and they stayed in contact with ours in Atlanta.
- Relied on maps, aerials, traffic pattern studies, videos, pictures and Zoom calls.



Google Maps



Case Study: Expanding During a Pandemic

Before...

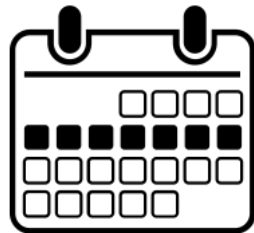




Case Study: Expanding During a Pandemic

... and how do you prepare for the Grand Opening if you cannot travel?

Weekly Teams calls with Marketing and Operations teams for franchisor and franchisee to prepare for a successful grand opening.





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...During...





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Ready for Action!



Street 51 corner to 302, Boeung Keng Kang 1 district, Phnom Penh, Cambodia



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5

How do you monitor brand compliance if you can't travel?

We normally do a Operational Excellence Review or “OER” using a Restaurant Visitation Tool (or “RVT”) App on a mobile phone.

RVT APP (VERSION 2.10.4) NOW LIVE!

The latest update of the RVT app (version 2.10.4 live), which gives access to the **LTO Readiness Visit**, is now available.

If you are an IOS user, you do not have to do anything, as it will be an automatic update and the app will be pushed to your device.

If you are an android user, please update your RVT with the link below.:

Please click and hold the link to copy and paste the link *directly* to your web browser.

- **Here is the link for Android:**
<http://cdn.technologystudios.com/Churchs/RVT/RVT2018v2.10.4live.apk>





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5

How do you monitor brand compliance if you can't travel?

“Like a FaceTime walk around”

Church's CHICKEN *Join Us Live!*

We'll be answering all your questions about the upcoming Remote OER!

Special Guest...OEC Daniela Maldonado!

OPEN TO ALL CHURCH'S CHICKEN TEAM MEMBERS! **LIVE**

THURSDAY • DECEMBER 3, 2020 JOIN THE FACEBOOK LIVE EVENT:
5:00PM ET / 4:00PM CT / 2:00PM PT [FACEBOOK.COM/TRAINING.CHURCHS](https://www.facebook.com/training.churchs)

TD TRAINING & DEVELOPMENT





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5

How do you monitor brand compliance if you can't travel?



CICIS IS INITIATING A RENEWED TURNAROUND STRATEGY



WAYBACK BURR PROVES IT CAN IN ANY ENVIRONMENT

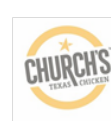
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How Church's Protected Brand Standards During a Pandemic

The chicken brand is conducting remote visits, and getting more efficient than ever.

FAST FOOD | DECEMBER 8, 2020 | DANNY KLEIN





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Soo sdai!



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First day sales were \$3,201 from 346 transactions!



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