

THE 3 FACTORS MOST IMPORTANT FOR FRANCHISES IN



Business is full of unknowns, and 2017 is likely to be no exception. The pressures and uncertainties franchisors may face include the growth of competition, technological advancements, rising construction costs, a new political administration, and much more.

As the Chief Operating Officer of one of the fastest growing early education franchises in the nation, I believe success comes from building a performance-based organization through focusing on our people and their passion. This simple philosophy points to three important factors franchisors must consider to create a sustainable business model set on a trajectory of growth, despite external forces and shifts in the macro environment.

PEOPLE

From the beginning of time, investing in a turnkey solution has been the appeal of franchising. However, individuals who have full-time jobs but are seeking

investment diversification represent a growing segmentation of the franchise world. That's where the first of the intangibles comes into play: supporting the people behind the performance.

Franchisees are learning that there is no such thing as a hands-off owner/investor if optimum success is the goal. While technology can provide a financial dashboard for every key initiative and alert owners from afar of concerns as well as highlight strengths, there is a human element that creates differentiation. It is through engaging tools and corporate team members offered by brands that enable offsite owners to remain hands-on without micromanaging by communicating with staff and other franchisees and, beyond

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those into all initiatives through constant connectivity and shared best practices to drive and support this movement. Businesses that focus on family, values, and strong principles will attract both top franchisees and talent in the coming years.

PERFORMANCE

Money is not a dirty word, as performance drives revenue and creates profit. Profitability is what gives permission to reinvest back in the business to focus on other aspects important to the growth of our company. For our business, as with many, technology is a consistent reinvestment area, as the ROI achieved as a result helps to drive performance.

Technology is often a key factor in a franchisee’s determination to invest in a system. Many come from the business world and are already immersed in some of the leading technologies available, thus they expect investment to match expectations. Although it would seem technology is ubiquitous in the franchise world, all industries have not advanced with the ever-changing topography to meet the diverse needs of franchisees, and ultimately, the end-user (customer).

For example, the national food & beverage sectors’ POS (point of sales) systems have become highly sophisticated and allow for efficiencies and data mining capabilities that increase sales and customer satisfaction. However, many unique segments either lag behind in implementation, are not taking full advantage of the broad range of software options / power of the product, or are ill-equipped with a rollout plan. Implementation timelines, testing and manpower to execute, and rollout of the new technology need to be thoroughly thought out and vetted, as do objectives for the usage.



Andrew Alfano

I believe in the power of technology throughout all channels, but I also believe in segmentation. At our company, we have invested heavily throughout the years, led our sector technologically, and made our largest capital investments during the recent economic downturn. Through consistent technological investments in the overarching brand, the franchisees, and the consumers – although each have different objectives – our entire ecosystem continues to strive forward as a result.

Building a performance-based business focused on people and passion must be done intentionally. It is a balance of the “now” – respecting the foundation and the journey of the company – and having a vision of the ultimate destination to create a path that is followed on purpose and not by accident. With motivated people and passion driving the business forward, a glowing performance in 2017 and beyond is achievable.

As Chief Operating Officer of The Learning Experience, Andrew plays a critical role in leading the company’s growth and people into the future. He is a graduate of the Culinary Institute of America and spent more than 25 years in the hospitality/restaurant industry. He most recently served as the Senior Vice President to the U.S. business for Starbucks Coffee Company. Andrew also sits on the board of directors for the United Way, NYC as well as the Society of Fellows at the Culinary Institute of America.

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that, have an open dialogue with corporate.

In addition, it’s essential to “stay small” for the people of the organization, even as the company continues to grow. Ensuring the development of the people who help to build the brand will inevitably support the growth of the company.

PASSION

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Franchisees do not simply want to be part of a system; they want to be part of a movement. It is critical for a company to have clear values and principles and weave