

JON YAAKOV GORR - FRANCHISE INTERVIEW GUIDE

A substantial part of any franchising program is the work done to abstract the successful workings of the business being franchised such that it becomes a 'replicable unit' – that is, a business whose operation can be practically and effectively transplanted. In abstracting this knowledge, you need to collate the knowledge and experience you and your team have. This is what constitutes the operation of the business, and if you are going to train other people to operate it, you need to know what to tell them.

You'll be surprised at how much that seems obvious to you might need to be written down for others to understand. This comprehensive information will form the basis of your franchise operation manuals. Only a quality encapsulation of franchise operations will allow effective setup and support of the fledgling business.

However, the development of such a document contains these three challenges to the way your business currently operates.

- Are we actually operating as efficiently as we can?
- In describing how we do things now are we setting up the franchise to repeat our errors?
- Conceptualising the business this way is critical to being able to transfer it elsewhere, where others can be trained to perform its roles. This includes an analysis of each of the the main activity streams of the business – sales and marketing, orders and inventory, production, dispatch and administration. In particular, you need descriptions of performance standards for the business. The end product of this phase was a detailed table of contents for the manual, and an estimation of the amount of work involved to do the actual writing.

With this in mind I have designed the following interview guide. these are the questions I will ask when we first meet and they will form the basis of the franchise manual.

1. What makes the business must be successful, distinctive and replicable? Mention the points of difference which make your business stand out from competitors. How can it be shown that your business is already well established in the mind and eye of the public?
2. Has the business been pilot tested - e.g. with company-owned and operated outlets? How was the pilot test designed? How was it monitored? What were the results? In particular, extrapolate from the results the following:
 - what the roles of the employees in the business are
 - what the main processes or activity streams of the business are
 - the tasks that are performed by employees of each role in each stream
 - the performance standards that attach to the tasks and to the activity streams
 - what the mechanisms for process management and improvement are.

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3. If there has not been a pilot test, you can't rely on the proposition that the fact that you're running a successful business means that anyone else can run it. You need to make sure it will still operate at arm's length - basically with someone else running it. This will act as a test of the franchise system. It's up to you how many pilot sites/outlets you run, but at least one is essential. This needs to be operating for at least six months, longer if there is a seasonal element to the business. Lessons you learn from the pilot operation will need to be included in the operations manual. They may also make you reconsider whether franchising is the right way forward for your business.
4. Franchisees may be new to an industry and may require detailed training. What training do you offer?
5. At any stage of the operation of a franchise, the Franchisees may require detailed support, for example in the case of product upgrades or legislative change. What support do you offer? Do you for example have field operational staff?
6. The Franchisee is paying licence fees and royalties in part to ensure the continuing assistance from the Franchisor. What assistance do you envisage giving on a regular basis and how will that be delivered?
7. How do you intend to keep developing the Franchise and maintain standards?
8. Many franchises charge a marketing levy. How will you spend this money to ensure that marketing, advertising and PR is first class;
9. Generally the advantages of a franchise to a buyer is that the Franchisee will usually need less capital than they would if they were setting up a business independently, or marketing it, because the Franchisor, through their pilot operations and buying power, will have eliminated unnecessary expense. In your case, how do we demonstrate that? For new franchises, you'll need to point to the size of the franchised network.
10. Can you negotiate better rates of finance, or more favourable conditions, for Franchisees with financial institutions?
11. Let's assume that you have a knowledge base developed from your own experience. Is this written down in any training manual? Do you have continuous research and development programs designed to improve the business and keep it up-to-date and competitive?
12. Will you offer defined territories of operation within the Franchise can help protect the Franchisee from competition.
13. Will you offer round-tables for a Franchisee to speak to either you or a fellow Franchisee to discuss their business challenges or problems - peer mentoring and review?
14. If you rely on actions that capable employees take in some circumstances on their own initiative, set out the parameters of responsibility and circumstances in which it is to be exercised.
15. How will you review operations?
16. What health and safety policies do you have in place in your current business? What sexual harassment, anti-discrimination and other regulatory policies? What policies for refunds, credit, discipline? Are any of these written down?