



CFA **GUIDEBOOK** **SERIES**

FRANCHISE SUCCESS **ESSENTIALS**

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The Canadian Franchise Association (CFA) is the recognized authority on franchising in Canada. With almost 600 corporate members nation-wide, representing many of Canada's best-known brands, CFA is the indispensable resource for the franchise community and advocates on behalf of franchisors and franchisees in Canada to enhance and protect the franchise business model. CFA promotes excellence in franchising and educates Canadians about franchising, specific franchise opportunities and proper due diligence through its many events, programs, publications, and websites (www.cfa.ca | www.LookforaFranchise.ca).

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Franchise Matters

FRANCHISE BRAND MATTERS

When you think of a brand, you might think about its familiar logo, catchy slogan, or signature colour scheme. While all of these things can be included as defining aspects of a brand, a company's brand is much more than just that. It is the tangible, but it's also the intangible – how people think and feel about a company. This, of course, is more difficult to nail down.

When a prospective franchisee is investigating franchise opportunities, the franchise brand itself is one of the main components he or she will want to consider. What are the hallmarks of a strong brand and does this company's brand have them? How strong and unique is the brand? How is the brand supported and protected by the franchisor? What happens when the system wants to or needs to refresh its branding?

Read on for insight into the world of franchise brands.

Brand vs. Branding

A company is made up of people, offices, products and services. The company's brand is made up of the perceptions that consumers have about them. This also includes the perceptions held by internal stakeholders: the company's management and employees. How do people create these views and opinions about brands? That's branding – the ways by which a company or business generates awareness and conveys its values

to people. These are the activities that help shape the way people, both inside the company and outside, think and feel about it.

Because of this, great branding doesn't equal a great brand. Any company could spend a wad of cash on splashy branding, but without conveying the right messages to the right people at the right time, it would all be for naught. A cool logo, for example, does not make for a strong brand; more substance is required in order for people to react to a brand. A strong brand message should resonate throughout the company.

Branding, Franchising and You

Strong brands and strong branding are particularly important in the franchise industry, where franchise systems must be able to differentiate themselves from competitors in order to build the brand.

The branding should be able to tell you the system's unique aspects and offerings. It could be the same for both franchisees and consumers – for example, a proprietary blend of coffee that can't be found anywhere else. Or, in the case of a cleaning service that uses environmentally friendly products, the unique benefit to the consumer is fewer chemicals used in their home, while a franchisee might see the benefit of a proprietary operating system and products.

When evaluating a franchise's brand strength, consider first the look and feel of the brand and branding instead

of more quantitative aspects such as how many units it currently has or how long it has been in business. Zero in on its unique features – what makes it different – and how well they are imparted to others.

Strong brands are built from the inside out, so one of the easiest ways to spot a strong brand is to speak with those who are charged with nurturing, growing, and maintaining it. These people should consider themselves ‘brand ambassadors’ and be able to easily convey the brand’s message.

A prospective franchisee should also reflect on how the brand and branding are being managed. Consistency is vital to both branding and franchising; it is important that this is monitored so everyone’s investment is protected.

Rather than policing, franchisors should ensure brand buy-in among employees and franchisees and that everyone is aware of the consequences of inconsistencies. A good place to look for this is in the system’s training, as this is what will impart consistent operations and branding to each new location.

Before signing on, a prospective franchisee should be comfortable and confident in the franchise system’s established brand and branding, as well as the support provided to help franchisees stay within brand guidelines, such as marketing materials created by the franchisor.

Refreshing Brands

Part of maintaining a strong brand involves knowing when to update, change or refresh the branding in order to stay current in the marketplace. In a franchise system, this is important for franchisees to note, as it will impact them directly.

The ‘when and how’ of these updates should be outlined in the franchise agreement. They could include, for example, renovations to the bricks-and-mortar location or a redesigned logo. Ultimately, calculated updates can leave the system even stronger than before, provided that franchisees and employees view the refresh as an investment in its future and not as a burden.

When making a brand decision, whether it’s a smaller one, like where to buy your morning coffee, or a much larger one, such as joining a franchise system as a franchisee, an individual’s reaction to the brand plays an important role. As a prospective franchisee, examine the brand and branding of the systems under consideration and be wary of choosing the ‘sizzle’ over the ‘steak’; look for a strong, clear, consistent brand and branding that makes people want to align with it.

FRANCHISE HIRING MATTERS

As a new franchisee, surrounding yourself with the right people can make all the difference to your success. Your greatest resource, as they say, is the people who will be serving customers and clients at your location. Bringing the appropriate people on board through a comprehensive hiring process is the best way to ensure you’re setting your business up for success. Hiring can be a tricky thing, though – one false move could be costly.

Read on for tips and best practices to make your hiring process as smooth as possible.

What am I looking for?

Before you place a ‘help wanted’ ad, you need to know the kind of employee you seek. When you are thinking about what

you are looking for in a potential hire, you'll need to go beyond the job title. Be clear about who you are looking for, personality-wise, and the qualities or skills that person will need to possess. Does the position require someone who can be a team player or will the new hire need to be able to work well independently? Do you want a leader who can motivate and influence other employees? Knowing what personality type is needed can help narrow the field as you go through resumes and applications. You'll also need to be realistic – if you're looking for a cashier, finding a candidate with great interpersonal skills is likely going to be more important than looking for someone with an MBA.

What should I put in the job description?

Franchisees, in particular, have a distinct advantage when it comes to crafting effective job descriptions for available positions. The franchisor will have experience in hiring for these exact positions and know exactly what the job entails and what should be in the description.

Job descriptions should outline, in detail, all the technical and skill- and experience-based aspects of the position – the proficiencies that a candidate would include on their resume. When the prospective employee comes in for an interview, that's when you can start evaluating personality and culture fit.

Where can I find candidates?

While the internet plays a large role in today's hiring process, it may be better to diversify your approach to hiring.

Posting on the internet will reach a wide range of candidates, but can also

create an avalanche of applications for you to weed through.

Job fairs can be a good source of candidates as long as you lay some groundwork beforehand and do some promotion to make sure the people you want to target come.

If you already have some star employees working with you, ask them for referrals. This is helpful because the person is being recommended by a reliable source that already has a good idea of the type of person that would thrive in the position and in the business.

An important thing is to measure the success of each method you use to find candidates. That way, when you need to start the hiring process again, you won't waste time and effort on channels that didn't work well for you the first time around.

How should I structure the interview process?

Once you have received resumes from potential hires and narrowed it down to a shortlist of candidates, it's time to interview. Before you sit down with anyone, ensure you have a clear procedure in place for the most important part of the hiring process.

To help remove our own preferences and biases from the process, interviews should be conducted by more than one person. You can then discuss the pros and cons of each candidate together and find a consensus. This will aid in finding new hires that complement, rather than copy, the qualities and skill sets that you already have.

In addition to reducing the opportunity for personal biases to creep in, having other people helping you to interview candidates can reveal even more

about the person on the 'hot seat.' When one of the other interviewers is asking a question, you're free to focus on the person's body language. Are they comfortable? Do they seem less than confident?

Use the interview process to dig deeper into the candidate's mindset. Steer clear of close-ended questions; get interviewees to give you examples and ask follow-up questions. Don't be afraid to ask the 'tough' questions, either.

How do I choose which candidate to bring onboard?

The two things to keep in mind when evaluating candidates are cultural fit and technical fit. The former involves the person's personality and motivations. It's harder to train these things if they're not a fit from the get-go.

References are still one of the most important pieces of the hiring puzzle and can give you even more insight into the intangibles, such as work ethic. It's important that you go right to the top and speak with former supervisors and managers.

While it is illegal to ask a reference about certain subjects, such as the candidate's religion or marital status, there is one question that should always be on your list: "If you had the opportunity to hire this person again, would you?" If the answer to this question is anything other than a resounding 'yes,' it may be a red flag.

Once the new hire is on the job, is the process over?

You've searched, assessed, and interviewed. You extended a job offer and the candidate accepted. Now that they're officially your employee, your work is done. Not so fast: you need to

be paying attention to how they are fitting into the role and the business as a whole. While there will be a settling in period, if it becomes obvious that the new employee is not a good fit, it's in everyone's best interest to let them go sooner rather than later.

FRANCHISE CUSTOMER SERVICE MATTERS

As consumers, we are familiar with customer service – the assistance received from a vendor before, during and after purchasing a product or service. We've probably all experienced great customer service and not so great service at some point. And, usually, these experiences can shape the way we view the company or the person from whom we received the service.

Satisfied customers and clients are at the heart of any successful business. Creating relationships through excellent customer service keeps customers happy and keeps them coming back. With franchised businesses, customer service not only needs to be top-notch, it needs to be consistently excellent during every interaction at every location in the system.

Dissatisfied customers will tell people about the poor service they received, and with all the avenues available through social media and the internet, it's easier than ever for one person's opinion to circulate quickly.

In a franchise system, everyone is responsible for generating positive reviews of the company's customer service – in different ways. Head office is in charge of creating customer service standards to be followed. Franchisees are trained to ensure that they and their employees are meeting or

exceeding these standards at their own location. But how does a franchisee make certain that his or her employees are providing a consistent level of service? In a word: training.

When setting up a training program, the first place to look is to the core philosophies of the franchise – what is it that should be imparted to the end user, the customer?

There are so many variables and many different scenarios that a customer service person may have to deal with, so teaching the core principles first gives franchisees and employees a ‘compass’ to rely on in customer service situations. Once an employee has shown that they can navigate simple scenarios, the training should take them through ones where the ‘right’ way is less obvious or there are multiple ways of dealing with it that may be considered ‘correct.’

Once employees are trained and on the job, the franchisee, manager or supervisor can provide feedback. But even the most hands-on of franchisees or diligent of managers will be unable to see and hear every customer interaction that takes place. What happens when those people aren’t around?

One way is through outside assessment, such as a mystery shopping program, which sends anonymous reviewers into locations with a checklist of things to look for.

For example, if the training instructs in-store employees to offer customers a free sample as they come in, mystery shoppers who conduct a survey “mission” at that franchise’s stores will have to note whether or not they were greeted with a sample. During a mystery shopping mission, the shopper uses the

survey to evaluate different aspects of the shopping experience.

Once the data from the visits is collected from the mystery shoppers, franchisors are able to share the findings with individual franchisees and the system as a whole. This allows franchisees to compare their results with that of other locations and for the franchisor to identify any trends.

During the franchise investigation process, prospective franchisees should explore the franchise’s entire training program, not only considering the training they will receive but also how their future employees will be trained.

After all, in a successful franchise system good customer service is everyone’s aim. Well-trained franchisees and employees on the frontlines creating outstanding consumer experiences and receiving detailed feedback on how they’re doing – that’s the foundation for great customer relationships that will have people coming back again and again. ✦

Franchise Legal Matters

Franchising is often referred to as a mutually rewarding relationship between franchisors and their franchisees. While this is true, the franchise business model is also built upon contracts and other documentation, which makes the relationship that much more complex. Luckily, there is help for prospective franchisees in wading through the paperwork and fully understanding the rights and obligations of the franchise relationship that are outlined within.

FRANCHISE LEGAL COUNSEL MATTERS

Franchise lawyers are well versed in the ins and outs of the franchise business model. It is vital for prospective franchisees to fully understand all documentation involved in their franchise investment, particularly the disclosure document (a comprehensive summary of pertinent information about the franchise system, its officers, finances, etc.) and the franchise agreement. As a potential franchisee about to invest your time, effort and money, you'll want a complete understanding of the relationship you're about to enter into. This is where an experienced franchise lawyer comes in.

Though there are some common features found in franchise agreements, these can vary from franchise system to franchise system, and from franchisor to franchisee. Today, some provinces have franchise legislation that

prescribes the information that franchisees must receive prior to signing on the dotted line. Canadian Franchise Association (CFA) members are required by the CFA's Code of Ethics to provide this disclosure whether there is provincial legislation or not. This is just one of the reasons why retaining a lawyer who has experience with the franchise business model is a wise choice.

So, where can you find a franchise lawyer? Prospective franchisees can find a lot of the information they need online, through sites like the CFA's online directory of franchise support services members (www.cfa.ca/SupportCategories). Although the internet is a great source for some initial inquiries, prospective franchisees should speak and meet with lawyers first before retaining one.

When selecting a lawyer, there are a few things potential franchisees should consider. Look at the lawyer's experience – have they dealt with the franchise you're interested in before? How often have they acted for franchisors and franchisees?

Fees are another area that should be examined. Prospective franchisees should be comfortable with the costs and timelines, but should also look for quality services and a lawyer who understands your goals and your financial situation.

A large part of examining the franchise system is reviewing its disclosure documents and agreements. Clients are

advised when meeting with their franchise lawyer to bring in everything that they are being asked to sign, from the franchise agreement itself to any leases or other contracts. Usually these are standard documents, but each should still be looked at. It's also important for some documents, such as the franchise agreement and real estate lease, to be examined together.

The lawyer is looking for two main things: franchisee obligations and potential risk. If, upon review, everything is in order, the franchisee signs on the dotted line and moves forward with establishing their franchise location. But it doesn't necessarily signal the end for the relationship with the franchise lawyer, as once a good working relationship is established many clients will return with other legal work down the road.

Having an experienced franchise lawyer on your team is an asset both during and after your franchise investigations.

FRANCHISE DISCLOSURE DOCUMENT MATTERS

As part of a proper due diligence process, prospective franchisees should be collecting pertinent information on franchising and franchise systems. They should also be evaluating it against their goals, attributes, capabilities, and assets. During due diligence, some of this information (financial capacity, skills, passions) will come from the franchisee themselves, while other details will come from the franchise system. An important piece of this investigation puzzle is the franchise disclosure document. Here's how you can put these valuable resources to best use and glean as much information as possible.

What is a franchise disclosure document?

A franchise disclosure document is a written resource designed to provide franchisees with vital information that they need in order to make an informed decision about investing in a franchise opportunity.

A typical franchise disclosure document may include information such as:

- Background on the franchisor and the key players within the system, such as its directors and officers
- Any history of litigation, civil actions, convictions, bankruptcies, etc. of the franchisor and/or its directors and officers
- A summary of the trademarks and other intellectual property
- A summary of the costs and fees required to start and run the franchise business
- An outline of the training and ongoing assistance provided by the franchisor
- A list of current and former franchisees and their contact details
- Financial statements and other fiscal information

The disclosure document must meet requirements set out in any provincial franchise legislation. Currently, Ontario, Alberta, Manitoba, New Brunswick and Prince Edward Island have specific legislation on franchising. Members of the Canadian Franchise Association (CFA) pledge to provide disclosure documents to serious franchisee candidates in all provinces and territories, regardless of whether they are required by law to do so.

Prospective franchisees are given a minimum of 14 days to review the document prior to signing on with the franchise.

Will a disclosure document specify how much money a franchisee can make?

Franchisors can, but aren't required to, provide information on projected earnings. As a variety of factors can play into the success of a franchise location, it can sometimes be difficult – and risky – for franchisors to provide earnings claims that apply widely.

The financial information that franchisors will include in the disclosure documents is likely to include the franchisor's overall fiscal performance during the most recent year (which will show the assets, liabilities, and earnings of the franchisor itself) and/or possibly historical actual gross sales of anonymous individual locations. Franchisees are advised to review all financial statements with an accountant, who can explain the numbers and use them to extrapolate the financial viability of the franchise system and to help put together a solid business plan for the prospective franchisee.

No matter how the financial information is presented, though, the franchisor must be able to substantiate and justify the information.

Another way to find out more about earnings potential is to speak with existing franchisees.

When will a prospective franchisee receive a franchise disclosure document?

The timing of providing a disclosure document to a prospective franchisee can vary from system to system.

Just as a prospective franchisee will be evaluating the franchise opportunity, the franchisor will also be assessing whether the applicant would be a good fit for the system. Once the prospective

franchisee is considered a serious candidate, that is usually the point where the franchise disclosure document comes into play.

What should a prospective franchisee do with a franchise disclosure document?

When a disclosure document is provided, a prospective franchisee has a minimum of two weeks in which to review the materials. The franchisee should not sign any contracts or agreements until this period has passed. The two weeks should go by quickly though, as there is much to be done.

The first step is a full understanding of the information it contains. An experienced franchise lawyer can assist with this.

A franchise lawyer will be able to “translate” to the prospective franchisee all the essential rights, responsibilities, and obligations that the documents outline pertaining to both sides of the franchise relationship.

The lawyer will also point out anything different or unusual about the information or what the franchisor requires, and can often identify items that may be negotiated with the franchisor (and lead these negotiations when the time comes).

In addition to speaking with a franchise lawyer, there are others a prospective franchisee should consult during this time such as an accountant and banker, who may also want to review the disclosure document.

Prospective franchisees will also want to put that list of franchisees the disclosure document provides to good use by contacting current and former franchisees for their first-hand knowledge.

Franchise disclosure documents play an important role in a franchisee's due diligence. By consulting with franchise professionals, a disclosure document can help prospective franchisees make their investment decision with a better understanding of the franchise opportunity, as well as the rights, responsibilities, and obligations they'll be undertaking as a franchisee.

FRANCHISE LEGISLATION MATTERS

The franchise business model is a popular way to do business across Canada. Each year, thousands of Canadians go into business for themselves but not by themselves by investing in a franchise.

In certain provinces there is a legal framework that sets out how the relationship between franchisees (those who are investing in a franchise business) and franchisors (those who own the rights and trademarks of the franchised business and licence them to franchisees). The intent of the legislation is to help ensure that prospective franchisees are making an informed investment decision; once they have joined a franchise system, the legislation encourages franchisees and franchisors to deal with one another in good faith. Franchise law helps ensure franchisees receive certain information in order to make an educated decision about investing in a franchise business.

At the time of writing, franchise legislation exists in Prince Edward Island, New Brunswick, Ontario, Manitoba and Alberta. Future franchise legislation is being considered in British Columbia. In provinces without specific franchise legislation, the franchise business relationship is usually governed by common

and/or general business laws.

For prospective franchisees, there are the components of franchise legislation that will have the largest impact on them right away. Franchise legislation helps potential franchisees make more informed decisions by requiring franchisors to provide serious franchisee candidates with disclosure documents. A franchise disclosure document is a written resource designed to provide franchisees with vital information that they need in order to make an informed decision about investing in a franchise opportunity. Franchise legislation usually outlines what information needs to be included in disclosure documents and how they may be delivered to prospective franchisees. Under legislation, franchisees are prescribed a certain amount of time to review the disclosure documents, usually two weeks, and consult franchise professionals, such as a lawyer, accountant and banker, to go over the documents in detail.

A typical franchise disclosure document may include information such as:

- Background on the franchisor – history of the company, what it offers and how it is operated, how long it has been in operation, how many units/franchises it has, other brands it operates
- Background on the key players within the system, such as its directors and officers, and those one would deal with as a franchisee
- Any history of litigation, civil actions, convictions, bankruptcies, etc. of the franchisor and/or its directors and officers
- A summary of the trademarks and other intellectual property that are

- licensed under the franchise agreement
- A summary of the costs and fees required to start and run the franchise business
 - An outline of the training and ongoing assistance provided by the franchisor
 - A list of current and former franchisees and their contact details
 - Financial statements and other fiscal information

Franchise systems that are members of the Canadian Franchise Association (CFA) voluntarily agree to provide disclosure documents to prospective franchisees in any province, whether they are required by law to do so in that jurisdiction or not. Legal experts encourage prospective franchisees across Canada to request a disclosure document, as franchisors should be willing to share the information with serious prospects.

Franchise legislation also provides for rights for established franchisees, such as the right to associate and share information with fellow franchisees. ✳

5 Things Smart Franchisees Know about Support Services

When and why you should call in the pros during your franchise search

During the franchise investment process, there will be instances where you, as a prospective franchisee, will want to rely solely on yourself. You'll want to base your decision on whether (or not) to invest in a franchise opportunity, in part, on things only you will know or feel – your research, your conversations with the franchise system's staff and franchisees, how well it fits with your goals and aptitude, and maybe even the 'gut feeling' you have about the opportunity.

But there are a few points along the path to becoming a franchisee where it's usually recommended that you not go it alone. Here are some of the scenarios in which the best course of action may be for you call in a franchise professional to assist.

Scenario #1 Identifying which franchise will suit you best

There are many franchise opportunities available, so figuring out your franchise fit may seem like a huge undertaking. Franchise consultants can help you to identify your unique mix of skills, talents, and experience, as well as how those may translate in a franchise environment. They can also help you pinpoint what your ideal franchise would look like and sort out questions to ask

during the investigation process that will bring you closer to it.

Scenario #2 Figuring out how much money you have to invest

In addition to finding a franchise that fits your goals and skills, you also need to know if the opportunity fits your capabilities financially. An accountant who is well-versed in franchising can help you figure out your net worth, assets, and obligations. He or she can also provide advice and guidance on creating a business plan, which summarizes your current and projected finances for your venture, as well as how you will set up and operate your business. Not only is this a great way to map out your plans for your franchise, it's also an essential document that potential lenders will want to look at when you approach them about securing further financing for your franchise venture.

Scenario #3 Securing more money to invest

Once you know your net worth and have calculated how much money you have available to invest in your franchise, you may need additional funds to finance your new business. Many franchisees require financing from a business lender

to combine with the personal funds they will be investing. A banker with a background in franchise financing can help you select the banking products and services that will support your franchise as you open and grow your business, including business loans, lines of credit, and business accounts.

Scenario #4 Deciphering disclosure documents

A franchise disclosure document is a summary of information on the franchise system. This can include items such as background on the franchisor and its officers; fees, estimated costs, and total required investment; and the franchise agreement, which will outline the rights, responsibilities, and obligations of both the franchisor and franchisee. In other words, understanding the information contained in the disclosure document is a vital part of the franchise due diligence process. An experienced franchise lawyer will be able to guide you through the document, help you in understanding the material it contains, and, as he or she will have reviewed many similar files, will be able to spot anything that is out of the ordinary, a possible cause for concern, or items that may be open to negotiation.

Scenario #5 Protecting your new franchise location

As a franchisee, your franchise system can train you for the regular, day-to-day operations of the concept. A good franchisee is also equipped to handle the unexpected – the kinds of events or situations that you hope never occur. Luckily, there are ways to mitigate some

How to Find Franchise Suppliers and Support Services

When you're looking for a consulting, accounting, banking, legal, or insurance expert to help you in setting up your franchise location, it's important that he or she not only be knowledgeable in their respective field but also be well versed in the specifics of the franchise business model.

The Canadian Franchise Association's online Member Directory features support services and suppliers in 18 business sectors and disciplines. As CFA members, these professionals and organizations have expertise in and specifically offer their products and/or services to franchisors and franchisees.

Browse and search the full list of CFA support services and suppliers at www.cfa.ca/support-services.

of these types of risk. A business risk management plan will usually include a business insurance package. There is a wide range of policies, from more general ones that the majority of businesses may need to those that are specific to an industry, geographic area, sector, customer profile, etc. An experienced insurance broker who is aware of the needs of a franchise business will be able to assist you in putting together an insurance package that best protects your business.

While it is a good general starting point, this is not an exhaustive list of the experts you may wish to consult as you investigate franchises and start your franchise venture. As you grow your business, you may find the need or have opportunity to seek further advice from experts you've consulted previously and/or add other franchise professionals to your support team. An important point to keep in mind – though you may be tempted to get legal advice from your cousin who is a personal injury lawyer or ask your neighbour who works in accounts receivable for accounting guidance, resist that impulse. When it comes to your franchise business, it's always better to get help from professionals who are not only legal, accounting, banking, or insurance experts, but also familiar with the ins and outs of the franchise business model. Working with specialized support can save you considerable time, money, and trouble on your path to franchise success. 🍁

7 Habits of successful franchisees

With so many different opportunities in franchising – industries in which franchise systems range from accounting to pet care to food service, and everything in between – it may be tricky to make generalizations about Canadian franchisees. However, when you take a close look at the franchisees who are at the top of their game, some key similarities emerge. They may seem small, but these seven habits and best practices are consistently cited by accomplished franchisees as playing a large role in their success.

Work in partnership with the franchisor

Franchise relationships work best when the franchisee and his or her franchisor are working together. After all, they both have a fundamental interest in the success of the franchise's individual locations and the system in general. A mutually-beneficial relationship, with lots of two-way communication, is one of the cornerstones of franchise success. Franchisees should keep head office in the loop regarding what is going on at their location and, in turn, franchisors should make sure franchisees are well apprised of important news and developments happening within the system and their industry or sector. This communication can come through a number of channels, including phone calls, emails, or a franchisee-specific website, and can

vary in frequency, but the important thing is making sure the lines of communication are open and both sides are taking full advantage of opportunities to stay in close contact.

Reach out to fellow franchisees and/or get involved with an advisory council

Communication directly with the franchisor shouldn't be the only contact a franchisee has with the rest of the system. Franchisees are fortunate in that they have a ready-made network of peers. No matter what challenges you may face as a franchisee, chances are there is someone else in the system who has experienced something similar and can give you advice and best practices to overcome it.

Much in the same way, volunteering your thoughts, ideas and opinions, whether directly to the franchisor or serving on your system's franchisee advisory council (if one exists), is a great way to stay involved with your system. Taking an active role in your system's governance gives you an opportunity to meet your fellow franchisees, and provide input and guidance on the franchise's programs and initiatives, such as marketing and new product development.

Maintain an active role in your franchise location's operations

In addition to staying active in the system as a whole, you need to be "on the

frontlines” of your own location. When you invest in a franchise, you’re not just investing your money – you’re investing yourself. Working hands-on with your franchise location will not only allow you to learn the minute details of its day-to-day operations but will also help establish the groundwork for success. Investing your time and talents as you establish your franchise will ensure the proper procedures, operations, and best practices are in place from day one. This will also help you make sure your managers and employees have the skills and training required to allow your business to run smoothly when you are not able to be there.

Make consistency a priority

Consistency is one of the major hallmarks of a franchise system. Customers and clients expect that the level of service and quality of product will be held to the same high standard at every location within a

particular system. As with habit #3, maintaining a presence at your franchise will help guarantee that you are meeting or exceeding the standards set by your franchise system. Be sure you’re using system-approved suppliers and keeping to the requirements as set out by your franchise’s operations manual.

There may be times when you have a great idea for a new product or a way to improve service. This is where those open lines of communication with your franchisor will come in handy. Use appropriate channels to get your ideas heard; approach your head office or your franchisee advisory council with your thoughts before you put them into practice.

Reach out to the community

As a new business, there’s no better way to find customers than word-of-mouth. How do you generate this all-important buzz? By making your franchise location a key player in the community. Join the local chamber of commerce or business alliance. Sponsor a local team or group. Donate to worthy causes and fundraisers. Put your brand front and centre, let your neighbours know that you are ready and willing to support them, and, hopefully, they’ll support you, too.

Make use of all available resources

As a new business operator, make sure you take advantage of all the learning options that come your way. In addition to initial training, many franchise systems offer ongoing training and educational opportunities. These can come by way of head office or maybe from your suppliers and can take a variety of forms, such as seminars, webinars, conference calls, classes, web-based or hands-on instruction.

Another advantage of being part of a franchise system is that you have assistance in staying on top of industry trends or researching and developing new products or tools. Be sure to make the most of the competitive edge this gives you by keeping yourself in the loop.

Stay on top of your business and financials year-round

An important part of franchise success is to know exactly what’s happening in your franchise business at all times. You should have all the details of your location at your fingertips, down to the minutiae. Tracking your revenues and expenses and sales performance should

be a regular thing – not just at tax time or when you're required to submit a report to head office. If you're maintaining an active role in your franchise, this should be a relatively simple task. Many franchise systems offer their franchisees customized accounting/reporting software or programs to help make this task even easier. It's also advised that franchisees should work with an accounting professional (one with experience dealing with franchised businesses) before and after opening for business to stay on top of important details, such as cash flow, and help ensure your franchise's continued financial health. ✦

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