The Secret to Franchise Success

When franchises entered the marketplace, it soon became clear that a star had been born. The idea was brilliant and the advantages numerous for both for franchisee and customer. For the franchisee, two key benefits became known as ‘brand’ and ‘system.’ The ‘brand’ advantage was obvious, rather than an entrepreneur beginning a new business called ‘Joe’s Burger Shop,’ a well recognized name such as McDonalds, Burger King or Wendy’s provided immediate brand recognition to the customers. In the case of high profile brands, the ability to immediately attract large numbers of regular customers made it well worth investing in a franchise.

The second major value lies in the ‘system.’ Every franchise possesses a well developed and proven system covering every aspect of the business operation. Whether it is the procuring of supplies used in the business, how those supplies are turned into a finished product and delivered to the customer or the design of the franchise down to the smallest details, every aspect has been carefully defined by the franchisor to ensure best pricing, maximum productivity, consistent product quality and brand consistency.

These precisely detailed systems free the franchisee from the responsibility of dealing with all these areas of a new business by the trial and error approach. In fact, these systems are so effective that Michael E. Gerber’s 1988 book, The E-Myth, claims that every business, regardless of being a franchise or not, should utilize the franchise model to systematize its business operations. And so popular is this concept that Gerber’s original and subsequent books have become required reading in leading business schools in North America as well as abroad.

Systemization of business processes enables those processes, rather than the individuals who perform the processes, to determine and accomplish desired outcomes. This results in both standardization as well as the elimination of nearly all errors. When an error does occur, there is another systematized process ready to facilitate correction of that error.

With a recognized brand and a predetermined set of systems in place by which franchisees operate the business, the likelihood of achieving a high degree of financial success is exponentially increased. However, besides adhering to predefined systems, an additional focus is necessary to ensure a thriving business. It is the secret to franchisee success.
What is it? The customer experience. Why do people often prefer to do business with a franchise versus an independent business? Because they know that, in general, franchises are efficiently run, have product consistency, are economically priced and offer good customer service. With the franchise ‘brand,’ whatever the business may be, i.e., fast food, car repair, etc., the customer has an experience or advertising-based expectation perceived as a ‘safe choice’ for their purchase. The systems, if followed, will invariably provide each customer the same tangible product.

But what of the intangibles? The burger, fries and shake or the tires, brakes and exhaust will be standard, but will a friendly smile and individual attention if only for a few fleeting moments? The franchise model releases the franchisee from micromanaging operational details on a customer-by-customer, transactional basis. This freedom, in turn, enables franchisees to devote more time and attention on the intangibles, such as providing great customer service.

Making sure customers receive a truly positive experience every time will set you apart and build customer loyalty. The franchisor’s training systems include employee hiring, training and customer service. However, no system, no matter how meticulous the instruction, can teach eye contact, courtesy or a desire to please the customer. These qualities must be carefully cultivated by a franchisee committed to making each customer experience a good one.

Apple store employees reach for just one standard of excellence. It’s not the sales achieved, but exceptional service that is their prized metric. Their goal is for every customer to leave the store with a smile. Your employees need to share that vision. For the real secret to lasting franchisee success is found in exceptional customer service.

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