

Guide to:

Franchisee emotion & dependence.

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We can help

As experienced franchise manual writers and trainers, our franchise manuals and training programmes account for the changing emotions and dependence of franchisees, so drive better performance and relationships in your franchise. Get in touch for our help.

We offer a <u>free</u> initial consultation in which we'll examine your situation and give you good advice with no cost and no strings. We'd rather start a rewarding relationship with you instead of boring you by just trying to sell our services! And, when you're ready, we can create franchise manuals, documents and training for you in simple and affordable ways.

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Why try to understand franchisee emotions and dependence?

Franchisee emotions and the amount of support they want **change** at every stage in their 'journey' through franchising.

If you develop empathy for what franchisees feel at every stage, you'll be better at mentoring and supporting them, maintaining relationships and driving performance in your franchise network.

The stages franchisees go through are:

- 1. Deciding to start a business.
- 2. Exploring franchising as an option.
- 3. Applying to franchises.
- 4. Choosing a franchise and joining it.
- 5. Setting up their first franchise unit.
- 6. Initial training and launch.
- 7. Starting off as a 'new hand' needing more support.

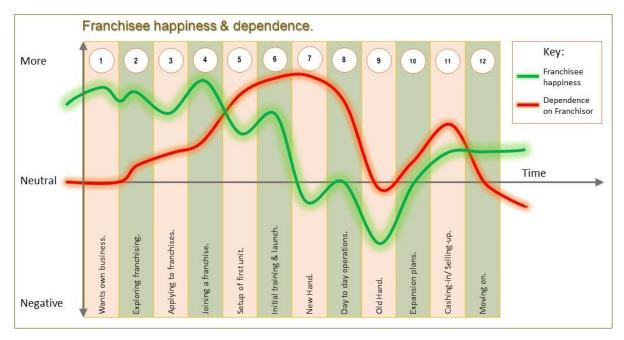
- 8. Operating the franchise.
- 9. Becoming an 'old hand' who needs less support.
- 10. Considering expanding their business.
- 11. Cashing in (selling up)
- 12. Moving on.

In the following pages, we discuss a chart that plots typical levels of franchisee happiness and dependence against each of the above stages.



Franchisee happiness and dependence

The following chart plots typical levels of franchisee happiness and dependence against each stage of their 'journey' through franchising:



Let's look at these lines to understand how franchisees feel at every stage.

Franchisee happiness (green line):

- 1. **Deciding to start own business:** At the start, prospects are excited to explore starting their own business and becoming their own boss.
- 2. **Exploring franchising:** Happiness dips a little once they realise starting a business is hard but grows again once they discover franchising, as it offers a more secure route into a proven business with support.
- 3. **Applying to franchises:** There's another slight drop in happiness in the period when prospects are applying to franchises. Some will be nervous because they don't have much experience in business meetings and others will be frustrated by franchisors not properly following up enquiries.
- 4. **Joining a franchise:** With good support during sign-up and getting funding, franchisee happiness peaks, as they're excited to make their dream of owning a business a reality (before the hard work starts!).
- 5. **Setup of first unit:** Happiness dips again because most new franchisees won't have experience setting up a new business, dealing with contractors and fitout (if premises based), recruiting staff, etc. so will be nervous whatever support they receive.



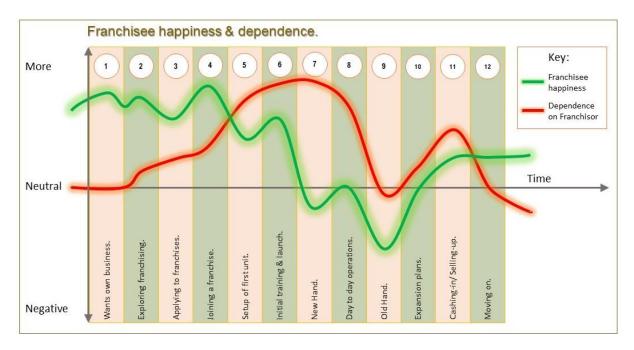
- 6. **Initial training and launch:** A franchisee's excitement escalates as they go through (good) training, get (good) initial support and launch. They feel (optimistically) that the hard work of setup is behind them and their new business is now real.
- 7. **Being a 'new hand':** Reality sinks in again as franchisees go through the difficult first months of any new business feeling they don't yet know enough, having to build a customer base from zero and suffering lower initial sales, diminishing working capital and poor cashflow etc. so they become unhappy. (The green line is negative).
- 8. **Day to day operations:** Franchisees will eventually get the hang of things (with the right support) and happiness will grow from negative to neutral once their business starts to turn an operational profit and reasonable cashflow.
- 9. **Becoming an 'old hand':** Over time, franchisees become 'old hands' I.e. they've learned the business and feel they can run things without support. Unless carefully handled, these 'adolescent' franchisees become unhappy (the green line is negative again) and can cause conflict if they believe they now know better than the franchisor; see support as 'interference'; and think fees are too high because they no longer need help.
 - (Don't worry, all of this can be managed with the right support!)
- 10. **Expansion plans:** If mature franchisees are properly supported, they'll eventually become happier, realise the mutual benefit of franchising and maintain a better relationship with their franchisor as they expand.
- 11. **Cashing in/ selling up:** Excitement peaks again when franchisees sell up (if they get the right price and have something good to move on to).
- 12. **Moving on:** Franchisees will be happier after selling their franchise if they have a clear idea of what they're going to do next. It pays to help franchisees think this through before they leave:

 1) because you might have other opportunities for them to look at; and 2) because they're more likely to recommend your franchise to others if they leave on a high.

(See the next page for 'franchisee dependence').







- Initial stages (1-6): Naturally enough, a franchisee's dependence on a franchisor grows
 through every stage of their setup and the difficult early days of trading, until their business
 finds its feet.
- Initial trading stages (7-8): It's important to keep frequent positive contact with franchisees in this initial trading period. They want to feel you're behind them every step of the way even when you both agree that they don't need any specific additional support. Your franchisees may be doing everything right and be on track to succeed but they'll still want to feel 'loved' by their franchisor throughout.
- Mature stages (8-10): Once franchisees have established and can comfortably operate their businesses day to day, some might come to believe they 'know it all' and no longer want or need support (where the red 'dependence' line drops into the negative on the chart). But the reality is that these 'adolescent' franchisees DO need a continuing high level of support if they are to avoid stagnation. It's important to handle these stages carefully, both to avoid conflict and to normalise relationships with franchisees, so they take the support they need to grow their initial unit and to expand by opening others (where appropriate).
- **Final stages (11-12):** Most franchisees need help selling their business, so dependence ramps up again before they move on and, as mentioned above, you should help them think through what they're going to do next.

If you take the time to understand these curves of franchisee emotion and dependence AND account for them in your support programmes, manuals, policies and procedures – then your franchise will be more successful.

(We can help – get in touch at www.manualwriters.co.uk)



Get in Touch/ Ways We Can Help

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We have served clients in all sectors at all stages of development and have the experience to advise you on performance and improvement, Standard Operating Procedures (SOPs), best practices, growth, organisational structures, change management and more.

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With over 20 years' experience serving franchises in all sectors, our franchise manuals reinforce relationships with franchisees, protect your brand and provide clear step-by-step guides for franchisee (and head office) operations to a high standard.

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Online guides and templates (NEW)>>