



Southeast Franchise Forum

The New Franchise ROI

Welcome!



IFX Online

29 Years of Franchise Management Experience

Strategic Division - Strategic Franchise Consulting:

Franchise Management Strategies to Boost ROI

Technology Division:

Web-based Franchise Management Applications

Technology Applications & Strategies:

200+ Brands Servicing 20,000+ Franchisees
Worldwide (45,000 locations)



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Capitalizing on Opportunities (88 Keys)



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The New Franchise ROI

- **Increase Revenues**
- **Maximize Efficiencies**
- **Leverage/Consolidate Suppliers**
- **Leverage the Brand**
- **Increase Net Income**
- **Boost Morale**



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Development ROI Strategies



Development ROI

Acknowledge the Shift

- Fewer Leads
- Fewer Quality Leads
- Access to Capital
- Mindset - there are opportunities out there!



Development ROI

Establish New & Creative Strategies

- **Recruit the Right Franchisees**
 - **Short-term vs. Long-term**
 - **Compounding royalties are everything**
 - **Go slow and finish ahead**
 - **Identify the attributes of your Highest Performers vs. your Non-Performers**
 - **Great Salesperson vs. Great Operations Person**
 - **CEO-Level Involvement**



Development ROI

Establish New & Creative Strategies

- **Analyze Lead Sources**
 - **Quality vs. Quantity: #'s vs. Closes**
 - **Status of Franchise Sales Web Portals?**
 - **Brokers vs. In-House?**
 - **The Trend... Maximizing SEO/SEM**
 - **Existing Customer Base & Franchisee Referrals**
 - **Corporate Website**
 - **Unit Microsites/Landing Pages**
 - **Franchise Opportunity Websites incl. Suppliers**
 - **Social Media at All Levels**
 - **Public Relations at All Levels**



Development ROI

Establish New & Creative Strategies

- **Consider Adopting a Franchisee Performance Representation - f/k/a an “Earnings Claim”**



Development ROI

Establish New & Creative Strategies

- **Create Urgency & Added Value**
 - **Graduated Franchise License Fee**
 - **Franchises 1-10 @ \$30,000**
 - **Franchises 11-20 @ \$37,500**
 - **Franchises 21-30 @ \$45,000**
 - **Incorporate into your FDD - legitimate option vs. “blue plate special”**
 - **Values appreciate at each level - rewards franchisees who acted first**
 - **What’s the first question a prospect will likely ask you?**



Development ROI

Maximize Lead Quality

- **Have prospects indicate backup “Territory Preferences”**
- **Add required fields to your Inquiry Form for prospects to complete:**
 - **Preferred Territory 1st Choice:** _____
 - **Preferred Territory 2nd Choice:** _____
 - **Preferred Territory 3rd Choice:** _____
- **Implies that the prospect’s 1st Choice, or even their 2nd Choice may not be available**
- **How would you follow up if all 3 choices were the same city?**



Development ROI

Maximize Lead Quality

- **Are They Coachable?**
 - **Determine during Due Diligence**
 - **Impacts Selection and Grant**
 - **Impacts Buy-In of Franchisor's System**



Development ROI

Maximize Lead Quality

- **Have Them Jump Through Hoops**
 - **Control the Process with Milestones:**
 - **Homework Assignments**
 - **Customer research and surveys**
 - **Working in an existing unit**
 - **Returning with questions (mandatory)**
 - **Continual Self-Rankings**
 - **Online Self-Qualifying Courses**
 - **Modify your website structure to your process**
 - **Milestone-based Advancement w/Recognition**
 - **Milestone-based Release of Information (2-way)**



Development ROI

Establish New & Creative Strategies

- **Creative Financing Programs**
 - Finance a portion of the Franchise License Fee
 - Consider purchasing the equipment and financing or leasing to your franchisee
 - Reduces overall capital requirement
 - Consider a graduated royalty fee to assist with cash flow



Development ROI

Establish New & Creative Strategies

- **Franchise Stimulus Program**
 - **Promote saving \$1.3 Million over 5 Years**
 - **Design a Secondary Purchase or Multi-Unit Development Schedule that incorporates:**
 - **Waived or reduced Secondary License Fees within “x” months**
 - **Initially reduced royalties based on achieving secondary unit development milestones**
 - **Gradually increased fees for hitting secondary milestones**
 - **Add up the Stimulus savings in License Fees and Royalties over the development term**



Development ROI

Capitalize on Your Existing Assets

- **Your Current Successful Franchisees are Your Best Asset!**
 - **Develop a secondary unit expansion plan for your existing franchisees**
 - **Reduce or waive Secondary License Fees**
 - **Capitalize on their success and the fact that they are already a “known quantity”**
 - **Better chance of obtaining secondary investment capital**
 - **Provide franchisees with an opportunity “grow their future”**



Development ROI

Establish New & Creative Strategies

- **Control the Flow on the Franchise Opportunity Website**
 - **Number Navigation Tabs**
 - **Left to Right**
 - **Logical Flow**
 - **Increased Retention**
 - **Higher Conversion Rate**



freedom.

[Click here](#) to Request Information
1-800-722-MAID

- 1 Our Story
- 2 The Industry
- 3 Why Us?
- 4 True Stories
- 5 Support & Training
- 6 Investment
- 7 FAQs
- 8 Request Info



BUSINESS IS ALWAYS GREENER ON THE OTHER SIDE.

But look closer and you'll see a business that has grown through all economic climates. You'll see a company that supports its franchisees with smart, concise training, support and marketing.

- It's a business you can build and then enjoy passive cash flow and a lot of free time.
- Residential cleaning is a lifestyle business. This means it is a Monday thru Friday business, with no nights or weekends.
- Exceptional ROI: It is low cost to acquire and very low cost to expand, when compared to other highly scalable businesses.
- Maid Brigade is a perfect fit for franchisees looking for a low-risk, high-return business that lets you have a great lifestyle.

DOWNLOAD OUR FRANCHISE KIT

[Click Here](#)

“ I love going to work every day. And the best part is, it's a TRUE five-day-a-week business. I get to have a life too. ”

- Mary Ellen Hoffman,
Maid Brigade Franchisee



UNITED STATES OPPORTUNITIES
start here

INTERNATIONAL OPPORTUNITIES
start here



THE FRANCHISE CHOICE OF SMART BUSINESS PEOPLE FOR OVER 20 YEARS!



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- 2** Why Us
- 3** Training & Support
- 4** Territory Availability
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Learn more about developing the PostNet brand outside of the United States. Discover how you can become a PostNet Master Franchisee and establish our proven concept in your country.

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Top Franchise for VETERANS

Innovative technology, proven support systems, and a culture of service make PostNet an excellent opportunity for America's finest. Learn more about franchise opportunities for Veterans today.

Instantly Access our Franchise OWNER'S E-TOUR

Get access to:

- Self-guided tour
- In-depth company info
- Detailed investment data



CLICK HERE TO ENTER »



Development ROI

- **Validation is Everything**
- **Franchisee Referrals = #1 Source**
- **“Franchise Opportunity” on Everything**
- **Develop a program for Veterans**
 - **75,000 New Vets employed before 2014 (IFA)**
 - **FranVet Program (IFA)**
 - **Currently: 66,000 Veteran-Owned Franchises providing jobs for 815,000 Americans**
 - **Generating \$41 Billion in GDP**



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Development ROI Strategies



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Franchisee ROI Strategies



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Franchisee ROI Key Factors

Franchisees Don't Know...

...What Franchisees Don't Know



Franchisee ROI

Key Factors

The Economy:

Zor: “Here’s a new campaign that will increase revenues by 5%!”

Zee: “Great! Now I’m only down 45% from last year!”



Franchisee ROI

Morale

- **Core Values**
- **Focus on Underperformers**
- **Help Franchisees Grow**
- **Establish System Wide Benchmarks**



Franchisee ROI

Boosting Revenues

- **Maximize Public Relations**
 - **Best “Bang for your Buck”**
 - **Starting a business in today’s economy is a Positive**
 - **Still being “in” business is a Positive**
 - **Hiring employees is a Positive**
 - **Representing growth is a Positive**
 - **Helping others is a Positive**



Franchisee ROI

Boosting Revenues

- **Maximize SEO/SEM**
 - Search Engines #1 choice for customers
 - Monitor Effectiveness
 - Macro: Franchisor
 - Sub-Macro: Master, AD, Multi-Unit
 - Micro: Franchisee
- **Maximize Social Media**
 - Maintain Brand/Engage Customers



Franchisee ROI

Customer Service

- **Not Just Words**
- **Monitor Customer Satisfaction**
- ***Customer Service is everything***
 - **Entrepreneurial Renaissance**
 - **Customer Service/Validation is the Key**
 - **ACE Hardware vs. Home Depot**
 - **Locally Owned Franchises vs. The Big Guys**



Franchisee ROI

Boosting Revenues

- **Customer Loyalty Programs**
 - **Cost-effective, highly productive method for increasing revenue, expanding a franchisee's customer base and providing critical purchasing data**
 - **Customer Word-of-Mouth and Social Media Affiliate Programs**
 - **Fundraising with Non-Profits**
 - **Employee Loyalty Program**



Franchisee ROI Boosting Morale

- **Encourage “Community”**
 - **Peer Groups**
 - **Events & Conferences**
 - **Round Table Discussions**
 - **Franchisee Performance Groups**



Franchisee ROI

- **Consolidate & Leverage Suppliers**
 - Understanding of Across-the-Board Metrics
 - Cumulative Purchasing Power Chain wide
 - Franchisee-Level “Self-Analytics”
 - Single (fewer) Points-of-Contact = Lower \$



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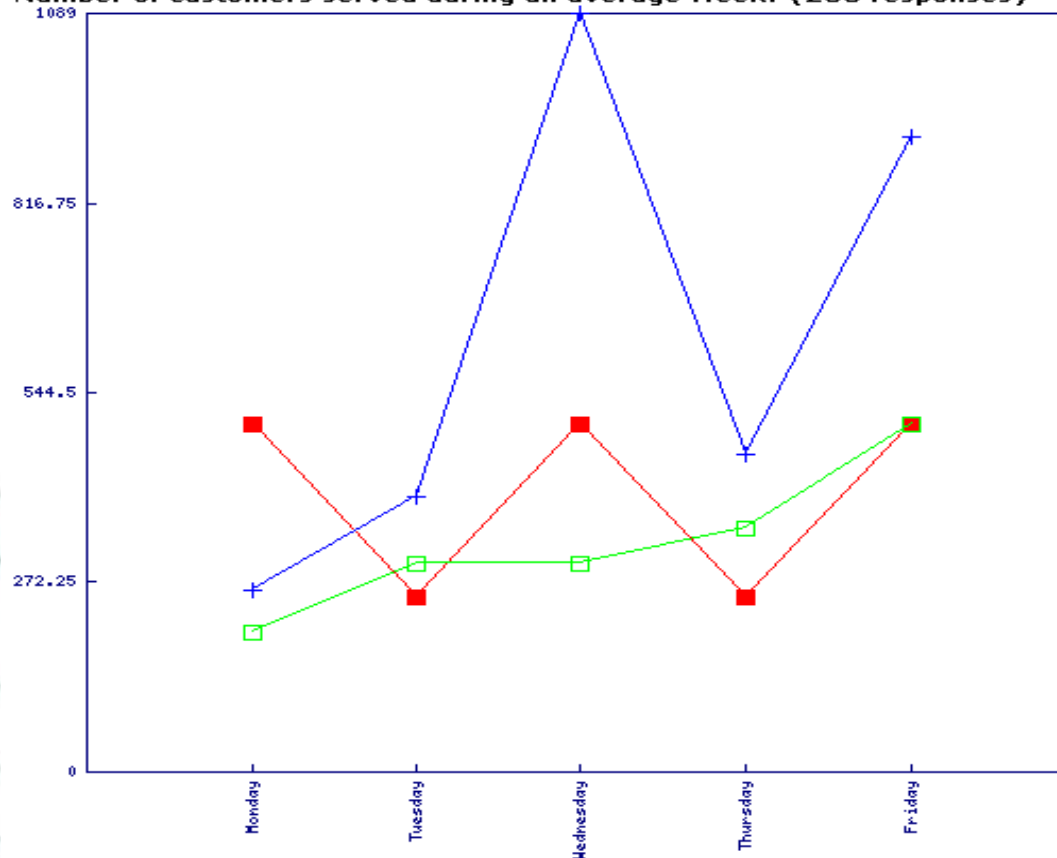
Franchisee ROI- Self-Analytics



Version 2.1

[Back](#)

Number of customers served during an average week? (200 responses)





Franchisee ROI- Self-Analytics

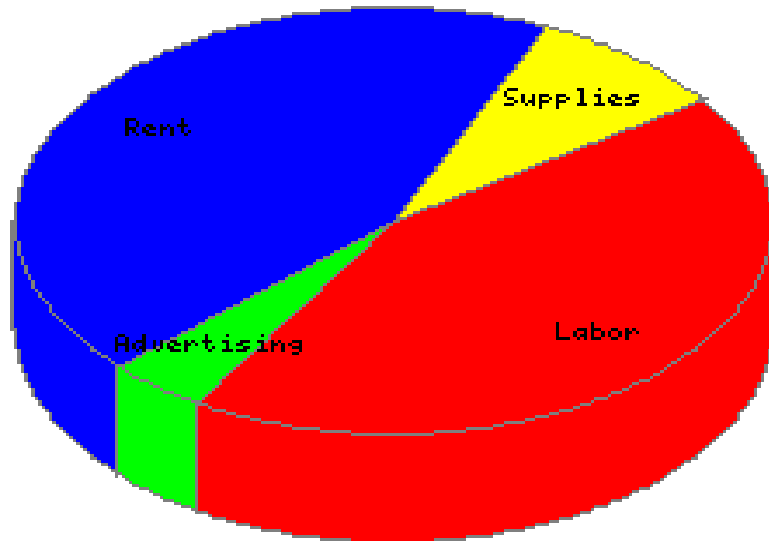


Version 2.1

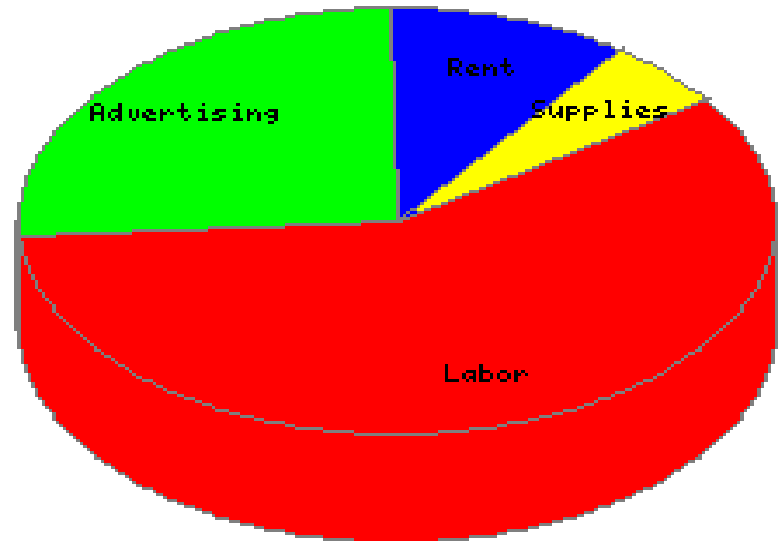
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Your Top 4 Expenses (Pie Chart Comparison) (318 responses)

You



Goal





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Franchisee ROI - Channeling

Increased User Buy-In & Retention



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Franchisee ROI- **Channeling**

- **Peer Group Discussions w/Supplier**
- **Featured Mentor Franchisee**
- **Regularly Scheduled Conversation Calls**
- **Frequent Webinars & Live Conf. Calls**
- **Video: Face-to-Face (“Here for You!”)**



Franchisee ROI

Expense Reduction

- **Mid-Term Lease Renegotiation**
- **Unit Loan Modifications**
- **Consolidate and Leverage Your Approved Suppliers to Benefit Your Franchisees**
- **Payroll Administration & Tax Credits represent key savings areas**



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Franchisor ROI Strategies



Franchisor ROI The Economy

- Franchise Development Revs Down
- Shift in Focus to Royalties
- Shift in Focus to Franchisee Net Income
- Need to Provide More Support & New Sources of Revenue PLUS Efficiencies
- **BUT... No Budget and No Infrastructure!**



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Franchisor ROI Leveraging & Consolidating

Consolidated Ecommerce



Franchisor ROI

Cost Reductions & Offsets

- **Supplier Sponsorships**
 - **Convention & Events**
 - **Co-op Webinars**
 - **Intranet/Extranet**
 - **Applications: “Powered By:” & BAMs**
 - **Supplier Exposure on Anything Accessed by Franchisees on a Regular Basis**



Franchisor ROI Leveraging

- **Franchisee Buy-In**
 - **Political**
 - **Practical**
 - **Legal**



Franchisor ROI

Leveraging Social Media

- **Social Media: Zor Perspective**
 - **Generate more revenues for Zees**
 - **Generate franchisee candidates**
 - **Address customer feedback (+/-)**
 - **Address franchisee feedback (+/-)**



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