

SURVIVING AS A FRANCHISE SYSTEM IN 2020 AND BEYOND

HARNESS THE INTERNAL RESOURCES OF YOUR FRANCHISEE NETWORK

In 1936, British author Aldous Huxley wrote his ultra-futuristic book, *Brave New World*. In it, Huxley describes a globalised society where the population is forcibly nurtured into a dangerously complacent state of contentment, conformity and conspicuous consumption.

What happens to this society when an outsider enters and threatens their orderly existence then becomes the focus of the story.

Fast forward to 2020. In Australian and many other 'advanced' societies, economic order and social contentment is being abruptly and rudely shaken with the arrival of an outsider – a threat in the form of a new virus that completely and deeply shatters the status quo.

In both stories, there are winners and losers. The losers are those who fail to adapt to new conditions and states of reality, either through stunned disbelief, or refusal to accept that to continue; they must do things differently.

Now, bringing this scenario into the here-and-now, and specifically into the world of franchising and business, let's consider what's at stake here and what you can do about it.

Whether you are a franchisor or a franchisee, your business model, and hence your livelihood is dependent on a highly refined set of rules and ways of doing things. But when external forces threaten to overturn the very foundations of those rules and practices, how are you going to survive? The answer is to change and adapt. And changing and adapting in many franchising systems may be

easier and less costly than you might imagine.

Franchisors are actually in a unique position to change and adapt – more so than many other business system models. As a franchisor, inside your organisation, you have a network of franchisees who represent a significant internal pool of talent, experience and knowledge. Your franchisees comprise owner-operators with a vested interest in making their individual business work profitably. These franchisees are not willingly going to just quit and hold out their hand for a short-term government support package, like employees in another business model. They have their entire future invested in their own business. They also have the best, most complete knowledge about who their customer is, what their customer wants, their likes and dislikes and how best to communicate with their customers.

So, when (sorry, I should say, now) the very future of established customer interaction is threatened, through lockdowns, empty shops and shopping malls, restricted movements and heightened fear and frustration, who best to come up with alternative strategies? Your own franchisees, of course.

If, for example, you see the future as moving from shopfront to on-line, or say, replacing socialised hospitality with packaged food deliveries, or shifting your B2B in-person response services to an App-based Help Desk, or any other scenario relevant to your business, then the starting point should be your own people – your motivated, knowledgeable franchisees.

Other companies in other industries may have to invest considerable capital to buy-in or hire specialised solutions to shift from the old to the new ways of doing business. But the franchisor who appreciates the in-house value of its own people will be in a much better position to come up with new ideas, find

new solutions, change from one method of selling to another, or try out new products and services. And will be able to do so much faster and at a much lower cost than a competitor who is caught with an inflexible, inefficient and costly business model and is reluctantly facing an adapt-or-die future with few or no solutions.

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Now, this is not to suggest that a transition from old ways to new will not be without cost or upheaval. Yes, you cannot just move out of retail shopfronts to on-line as if there are no barriers or costs, like premises leases, for example. But the organisation that can harness the power of its own internal resources, the intellectual capital and experience of its motivated franchisee network, will be in a much better position to still be in business as we enter the brave new world of 2021 and beyond.

If you would like to discuss how you can harness the internal resources of your network of franchisees, how to rejuvenate your existing franchise model or get advice from industry specialists on new business models for your franchise, contact us at WFD for a free, no-obligation initial consultation.

Freecall: 1300 249 276
www.franchisedevelopments.com.au

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FRANCHISE
DEVELOPMENTS

"They" say many franchise networks won't survive beyond March 2021

Right or wrong, now is the time to make a decision about restructuring or realigning your business network.

Our range of services include:

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With 25 years in the franchise industry we know how to develop strategies that best position a franchise for the future. We are a one-stop-shop franchise consultancy, specialising in strategic planning, legal documentation and franchisee recruitment. We are licensed to sell existing businesses in all Australian states.

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