

Franchise

BUSINESS INTELLIGENCE FOR GROWING FRANCHISORS

update

Q3 | 2015

TITANS OF TECHNOLOGY



OXI FRESH IS CLEANING UP THE PLANET, ONE CARPET AT A TIME

CEO PROFILES:

Frank Milner, Tutor Doctor

Jeff Sinelli, Which Wich

ANATOMY OF A BRAND:

Roy Rogers is back, Buckaroos!

CASE STUDY:

Jersey Mike's builds a better sandwich – and brand! – with pioneering technology

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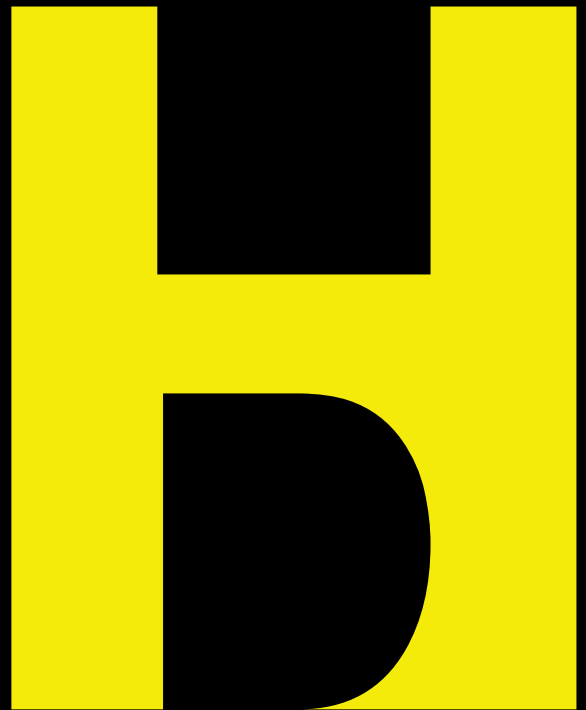
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BY KERRY PIPES

Technology: Be Out Front

Evolving technology in the franchise space is enough to make your head spin. Whether looking to enhance your development and recruitment, streamline operations, boost market share in a territory, or track marketing ROI, there are numerous tools that can give you an edge. Choosing the right one, and integrating into your business and strategic goals can be another story. And, while there are many off-the-shelf products and services franchises can choose, some brands have unique products and services or distinctive processes in how they conduct business. They need a more customized solution.

In this, our annual technology issue, we feature case studies of two growing brands—Oxi Fresh and Jersey Mike's Subs—that have taken the customized, build-your-own route to implementing technology to build the brand and serve customers. When it comes to maximizing technology to achieve their business goals, both are ahead of the curve, and it shows in their growth.

First up is rapidly expanding Oxi Fresh, which is adding about 50 units a year to its current count of 280. This cleaning brand is all about technology, from its products to how it assists its franchisees in everyday operations, especially scheduling. In fact, the company considers itself a technology company that happens to clean carpets. Its home-grown system automates nearly everything for franchisees, enabling them to work more on growing their business, instead of working in it all the time. Its national scheduling center manages appointments, rescheduling, and much more. It also provides franchisees with live ROI reports on all their marketing efforts, so with just a couple of clicks they can easily track what is working in their markets and quickly make adjustments. And while it wasn't always this way, especially when the company began almost 10 years ago, today other service brands are asking to get in on the action. See page 18.

We also spoke with Jersey Mike's Subs, which also has been experiencing rapid growth and is approaching the 1,000-unit mark. Two years ago, our Franchise Consumer Marketing Conference featured a panel that included the company's president, COO, CMO, CIO, and CDO, along with a franchisee area director, to illustrate how technology is at the basis of everything they do. They developed a POS-based solution that helps franchisees increase top-line sales and decrease costs while ensuring quality product and service across all locations. The brand is also doing a bang-up job with online ordering, mobile, and its Shore Points Reward program. At Jersey Mike's, it's all about integration—in both technology and interdepartmental collaboration. Yet, even though technology is everywhere, “Some things don't change,” said CMO Rich Hope, chair of this year's Consumer Marketing Conference. “It doesn't change strategy.” Rather, it's a tool—a powerful one—that serves it. See page 22.

These are just two pioneering franchisors—and really just the tip of the iceberg when it comes to how technology is benefiting franchise brands. My only question is, How are *you* staying ahead of the technology curve? ■

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BY KERRY PIPES

JOURNEY TO SUCCESS

For Tutor Doctor's CEO, business is very personal

For Frank Milner, it's all about the journey. Milner, CEO of Tutor Doctor, sees his role in the Canadian franchise brand as a natural extension of his passion and determination to make organizations succeed and to provide customers with the best products and services possible. And while it's the journey that motivates him, he knows that he doesn't make it alone. "I like to make the journey to success enjoyable

NAME: Frank Milner
TITLE: CEO
COMPANY: Tutor Doctor
UNITS: More than 400 in 14 countries
AGE: 50
FAMILY: Happily married for 25 years, 2 children

for everyone involved," he says.

In 2007, Milner formed an investment group and purchased Tutor Doctor from

founder John Hooi. As education is valued across every culture and continent, Milner recognized the brand's tremendous growth potential. There also was a personal connection: his daughter struggled with what he called "math meltdowns," and he understood firsthand the chief benefit of Tutor Doctor's one-on-one model.

Milner began his career as a stockbroker, followed by a stint in the insurance industry. He also served as vice president of WSI, Internet Education & Consulting where he helped establish and drive the success of one of the industry's leading franchise organizations. Working with WSI's network of more than 1,500 franchises in 87 countries and 6 continents provided him a wealth of expertise in international franchising.

Over the past 8 years, he has been instrumental in the rapid expansion and market success of Tutor Doctor. During this period, continuing cutbacks in public education have continued to fuel the rise of private tutoring as parents willingly spend to help their children. That's one of the reasons, says Milner, to look for continued and aggressive growth from the company, pointing to his goal of reaching 1,000 franchise units and operations in at least 20 countries around the world.

He attributes much of the brand's ongoing success to attracting "people who like to help other people" and has built a culture of collaboration for his management team, franchisees, and clients. "As a team, we are truly affecting the lives of families and children," he says. "By consistently communicating this message, along with real-life stories of students and families we are helping every day around the world, this passion transmits throughout the system and infuses itself into the company culture."



Leadership

What is your role as CEO? Relationships are at the core of my role as CEO, whether that is relationships with franchise partners, vendors, or strategic partners. It is my responsibility to consistently communicate the Tutor Doctor vision to everyone involved in the organization. We want to work together as a well-oiled machine and understand what makes our brand special and different from our competitors as we strive to reach our goals. I also like to make the journey to success enjoyable for everyone involved.

Describe your leadership style. It is both motivational and results-driven. I'm competitive by nature and wired with a desire to win. I focus on inspiring that same desire to bring out the best in the people I lead. This fuels the essence of what we do, for the home office, our franchisees, and our front-line employees.

What has inspired your leadership style? I have been fortunate to work with some truly inspiring leaders who had a positive impact on my work ethic and drove me to excel professionally. I saw firsthand how motivational leaders create change and encourage employees to be the best versions of themselves. As a young professional working in the insurance industry, I knew that I wanted to embody this same leadership style as I developed throughout my career.

What is your biggest leadership challenge? Balancing the need to have a sense of urgency with understanding the importance of having patience and letting things organically evolve over time. Being competitive, it's only natural to push sometimes—that's an important quality to have and to nurture. However, in business sometimes things do not happen as quickly as we like. We can find ourselves becoming too impatient, and, in turn, become discouraged.

How do you transmit your culture from your office to front-line employees? Tutor Doctor has a core set of company values including "people," "growth," "ac-

countability," and "making a difference," among others. These play an important role in our strategies. If we instill our values into everything we do and keep them top of mind, everyone speaks the same language and all of the boats row in the same direction. Consistent engagement and clear communication about our goals and responsibilities are important on a daily basis. Passion also plays a strong role in transmitting our culture from the home office to front-line employees. As a team, we are truly affecting the lives of families and children. By consistently communicating this message, along with real-life stories of students and families we are helping every day around the world, this passion transmits throughout the system and infuses itself into the company culture.

"If we instill our values into everything we do and keep them top of mind, everyone speaks the same language and all of the boats row in the same direction."

Where is the best place to prepare for leadership: an MBA school or OTJ? Higher education is a great asset, but there's no substitute for real-life experience. I'm a big believer in on-the-job experience and project-based learning. While it's great to master the content of business best practices, hands-on experience is ultimately where you build and earn your leadership style.

Are tough decisions best taken by one person? How do you make tough decisions? Before making difficult decisions, it is crucial to gather input from a particular group of individuals, typically your management team, whom you trust and respect. Ultimately, as a leader, it's important to take the responsibility for

the tough decisions. By doing so, you are modeling accountability to everyone else.

Do you want to be liked or respected? Respected. Leadership is not a popularity contest. While it's great to be liked, it is much more important to be respected.

Advice to CEO wannabes: Get to know your business and listen a lot—especially in franchising. It's important that you are able to take a holistic view and understand your business strategically and where it fits into the greater industry. This approach to leading an entire organization is a bit of an art. It takes a great deal of time to master, so do not be discouraged along the way.

Management

Describe your management style. My leadership and management styles are both results-oriented. The practice of leadership and management truly inform each other. I put a huge emphasis on hiring the best talent. I completely trust my managers and leaders to get the job done, and they are empowered to do so.

What does your management team look like? We have an exceptionally strong group of senior managers leading their respective departments, all with the same goal of having a positive impact on families and children around the world. Our core belief is that everyone can learn; it is just a matter of providing them with the help they need. Our management teams meet once a week to focus on making progress toward our clearly defined quarterly objectives. We also use this time to identify any issues or roadblocks to ensure we are on track in terms of reaching our goals.

How does your management team help you lead? By being really good at what they do. Because we have such a strong leadership team in place that gets results, I don't have to worry about constantly pushing them—they are already doing that within their own teams. By leading the way for their own teams, this frees up opportunities for me to focus on

the strategic and relationship aspects of the business.

Favorite management gurus: Do you read management books? Gino Wickman, *Traction* and Jack Welch, *Straight from the Gut*.

What makes you say, "Yes, now that's why I do what I do!"? I truly enjoy reading the testimonials and reviews that come in from our customers and the tutors. It's inspiring to see how passionate they are about the impact Tutor Doctor has made in their world. Additionally, I get a thrill out of seeing our franchise partners achieve their desired goals. Seeing how inspired and committed they are to the growth of their business and the impact they are making in their local communities truly does make me say, "Yes, now that's why I do what I do!"

Personal

What time do you like to be at your desk? While I would love to get to my desk at 7 a.m., I would not describe myself as a morning person. I'm really not your typical 9-to-5 businessman. Tutor Doctor is my life, which means I'm truly engaged in the business at all times. I think about it when I wake up in the morning and I think about it when I go to bed at night.

Exercise in the morning? Yes, I value exercising and the time I have to myself in the morning.

Wine with lunch? Not with lunch, but usually with dinner to unwind at the end of the day.

Do you socialize with your team after work/outside the office? Absolutely! Our team has become a family. We enjoy having fun together outside of the office as we embody the "work hard, play hard" mentality.

Last two books read: *The Power of Habit* by Charles Duhigg and *Crucial Conversations* by Kerry Patterson.

What technology do you take on the

"I never feel as if my life and work are out of balance. I love what I do and am passionate about how the job affects my life and others."



road? My iPad and smartphone.

How do you relax/balance life and work? I never feel as if my life and work are out of balance because I love what I do and am passionate about how the job affects my life and others.

Favorite vacation destination: I enjoy any Club Med vacation because there are plenty of activities for everyone you vacation with, sure to satisfy all interests.

Favorite occasions to send employees notes: I like to celebrate the small and big wins of our employees, especially when I hear great feedback about them from others. We try to establish a culture of accountability, and both big and small wins deserve recognition.

Bottom Line

What are your long-term goals for the company? We plan to continue our aggressive growth with the goal of reaching 1,000 franchise units and operations in

at least 20 countries around the world.

How has the economy changed your goals for your company? It has not. We have a great brand that provides an incredible service through a fantastic network of franchise owners. Education and learning are a challenge for many people, and school systems around the world are struggling. Students are falling through the cracks in school systems every day. No matter the economy, Tutor Doctor is going to continue filling the need of helping students and families to succeed both academically and in life.

Where can capital be found these days? There are a lot of sources of capital including your traditional avenues, such as banks and lending institutions. There are also a lot of equity investors to explore. What is key when searching for capital is to look not just for money, but for smart money. There must be experience, know-how, and thought leadership with the capital you are seeking.

How do you measure success? By achieving clearly defined goals. I have several measuring sticks for success, including number of franchisees, number of territories, number of countries, revenue, and even working in an environment that is positive, energized, and passionate.

What has been your greatest success? Personally, my greatest success is my family, which I am extremely proud of. Professionally, my greatest success is assembling a team of talented people who are building the brand to its full potential.

Any regrets? No. Everything I have done so far has gotten me to where I am today. I am extremely excited about what the future holds for the Tutor Doctor family.

What can we expect from your company in the next 12 to 18 months? Big things, as the brand continues to grow and deliver great services through our stellar franchisees. We are moving from an early growth phase to a more mature franchise organization and look forward to the future success of the system. ■

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BY KERRY PIPES

CHIEF VIBE OFFICER

Which Wich's **Jeff Sinelli** brings a unique approach to leadership

Jeff Sinelli likes to be called CVO—as in chief vibe officer. It may seem slightly irreverent, but the founder and CEO of Which Wich is not your ordinary leader. You won't catch him wearing a suit at headquarters or when visiting stores, but instead donning the brand's black-and-yellow colors.

His leadership and unique approach

NAME: Jeff Sinelli
TITLE: Founder, CEO, and Chief Vibe Officer
COMPANY: Which Wich Superior Sandwiches
UNITS: 400
AGE: 47
FAMILY: Wife, Courtney; 2 daughters, Story, 6 and Sky, 3; yellow Lab, Moonlight

allowed him to enter a busy sandwich sector and differentiate his way straight to success. “We took on a crowded market,” says Sinelli. “We took ordinary sandwiches and made them extraordinary. We did it in two ways: with the unique and interactive ordering system, and with the product itself. We also stepped it up with superior service. We elevated the sandwich, the experience, and the environment.”

Success is not new to Sinelli. By the age of 40 he'd founded three restaurant concepts. In 1998 he launched Genghis Grill, a chain of Mongolian barbecue restaurants, before selling it and creating Which Wich in 2003. Both brands have been recognized with the Hot Concepts award from *Nation's Restaurant News*.

Now 47, Sinelli has shown he has a knack for turning risks into success. He credits his understanding of the hospitality industry to his father, who owned two sports bars in the Detroit area. Following college in 1994, he headed to Dallas and cut his teeth developing a number of successful independent restaurants, bars, and nightclubs before deciding to focus on national concepts.

Now, some 20 years later, he's the visionary behind the popular Which Wich brand, which opened its first store in 2003 in downtown Dallas. The company has been selling franchises since 2005 and demand remains high. Which Wich has grown to 400 locations open or in development in 38 states and 8 countries and has continued to rack up awards and recognition. In 2014, it was named a Best Franchise Deal by *QSR* and one of the 30 Best Franchises To Buy from *Forbes*.

But don't expect Sinelli to sit back and enjoy his success. “I don't consider this work. I consider this play. And I am only getting started,” he says.



Leadership

What is your role as CEO? To ensure that Which Wich continues to grow domestically and abroad as *the* superior sandwich concept. To achieve this, I energize my staff and franchisees to maintain our commitment to offering guests the best possible product and service by listening to their feedback and investing in research and development. My goal is to ensure that Which Wich never becomes stale. I'm constantly thinking of new ways to improve our food, service, social impact, and overall experience—especially for the customer.

Describe your leadership style. I trust in all of my team members and welcome constructive feedback from staff at all levels. I have great respect for individuals who are confident in themselves and their ideas. I believe in giving everyone a chance to make their mark.

What has inspired your leadership style? Which Wich would not have been possible if it weren't for others believing in me and giving me a chance. Before the brand was a reality, all I had was business cards and a logo that I had printed to bring to a restaurant show. By taking risks and absorbing feedback I was able to launch as a viable franchise.

What is your biggest leadership challenge? My biggest personal challenge is implementing change. I am a highly creative person and love change, which I believe is necessary for progress. However, I find myself walking on eggshells when I bring up new ideas to the team. Change scares people sometimes.

How do you transmit your culture from your office to front-line employees? First and foremost, our culture of positivity is instilled within every member of Which Wich, from our corporate executives to the front-line employees, because having a positive vibe is a quality that we look for in our hiring process. We have a policy where corporate staff members wear the brand's vibrant colors (black and yellow) in the office, which aligns them

"I am a highly creative person and love change, which I believe is necessary for progress. However, I find myself walking on eggshells when I bring up new ideas to the team. Change scares people sometimes."

with the front-line employees who wear our branded uniforms. I also make it a priority to travel the country and actually meet our line employees, working as brand ambassadors in all of our stores. I host what we call "Vibe Visits," where I can meet hundreds of team members and get to know them in a casual environment. I want them to know I care about each and every person wearing black and yellow.

Where is the best place to prepare for leadership: an MBA school or OTJ? I believe that formal education is important if you want to be promoted within the workplace. An MBA validates you as an intelligent professional and gets your foot in the door—it's a qualifier. However, if you do things the textbook way, you will get textbook results. If you do things the entrepreneurial way, you have the ability to achieve exponential results—high risks lead to high reward. While I hold an MBA, I have always carved my own path through trial and error. Entrepreneurs keep knocking on doors even after getting 99 "No's." You just have to find one person to say "Yes."

Are tough decisions best taken by one person? How do you make tough

decisions? I am extremely open to getting input from those around me to help me process ideas before I make a decision. My best decisions come first thing in the morning when I wake up, after I have absorbed all the information and am fully charged and refreshed.

Do you want to be liked or respected? I want to be understood. If you understand me, there's the potential that you'll both like and respect me. If you understand where I'm coming from, we can focus on our intents and build a deeper relationship.

Advice to CEO wannabes: Tackle the title. If you want to be a CEO you have to start acting like one, dressing like one, surrounding yourself with other CEOs, and establishing a network. When I was a young CEO, I'd go to the cocktail parties with the older CEOs and figure out what they did and how they did it. After modeling yourself on CEOs you respect, you will then be able to surpass them with your unique style of leadership.

Management

Describe your management style. I state my vision and put trust in my team members to turn my vision into a reality.

What does your management team look like? My team leaders are creative, confident, and collaborative. We bounce ideas off each other and work together to come up with solutions.

How does your management team help you lead? They help me hone in on all the ideas that I have and turn all the good ones into a reality. My management team all have a positive, can-do attitude, and while we all believe anything is possible, they will certainly tell me their opinions. I'm not afraid of asking for advice and they're not afraid of giving some.

Favorite management gurus: Do you read management books? I buy a lot of books. Recently I have been reading *Leaders Eat Last* by Simon Sinek and *Good*

to *Great* by Jim Collins. I usually skim through a lot of books. I get through a few chapters and then I'm on to the next. Every once in a while I go deep and read the book slowly.

What makes you say, "Yes, now that's why I do what I do!"? When I see the smile on someone's face after they take a bite out of a Which Wich sandwich. This particularly applies to seeing smiles as a result of our philanthropic campaign, Project PB&J, where for every PB&J bought in-store, one is donated to a local organization and another is banked in a global fund. Through Project PB&J I have been able to make a significant positive difference in the lives of those less fortunate by providing them with food they may not have had access to otherwise.

Personal

What time do you like to be at your desk? The magic happens after 5 p.m. when most people are packing up. I like to be at my desk at 9:30 a.m. because from 8:30 to 9:30 people are hitting balls on the range (they're getting set up for the day).

Exercise in the morning? Yes, I enjoy exercising in the morning to energize before I arrive in the office.

Wine with lunch? No, and I rarely have wine with dinner because it puts me at a competitive disadvantage for the next day.

Do you socialize with your team after work/outside the office? I believe in letting things happen organically. If circumstances are naturally setting us up to socialize, we will.

Last two books read: I always have several books going at once, but one I go back to often is Paulo Coelho's *The Alchemist* and his quote, "When you want something, all the universe conspires in helping you to achieve it." I've always believed in the power of positive thinking, and the ability to achieve great things if you set your mind on a goal and keep pushing toward it.



"I wish I would have started the brand 20 years ago so I could have gone head-to-head with Subway."

What technology do you take on the road? "i" everything: iPhone, iPad, iPod, and iWatch. It allows me to stay connected without carrying big hardware.

How do you relax/balance life and work? My wife is awesome. She gives me the freedom to run the business and we have our own version of cross-functional meetings, also known as pillow talk, so I can contribute to the family and she can contribute to the business.

Favorite vacation destination: Anywhere that deals with major adjustments to your body clock. If it's a full day behind or ahead, you have to really get in sync with the country's time zone by resting your body, which is a vacation in and of itself.

Favorite occasions to send employees notes: I'm a huge proponent of giving credit when credit is due. If one of my employees has done something exceptional, I'll always pick up the phone, call them out in a team huddle, send a text... something

to let them know I think they're great.

Favorite company product/service:

I'm a fan of brands that have great designs and are architecturally significant, such as design firm Pininfarina, which does everything from cars to buildings to the Coke Freestyle machine. I also am a huge fan of companies that stand behind their product, such as Patagonia, which offers a no-questions-asked guarantee. I respect brands that are confident enough in their product that they don't need to worry about returns. I also like brands that shine in service, such as Nordstrom. I have modeled my business after brands that offer product guarantee and great service.

Bottom Line

What are your long-term goals for the company? We have already grown significantly and steadily across the U.S. We are now positioned for aggressive global growth as well.

How has the economy changed your goals for your company? It hasn't. We were in a down economy when we launched and still experienced growth, and as the economy gets better our growth continues. I believe there are opportunities in both economies, you just have to adjust your business to capitalize in both.

How do you measure success? Smiles.

What has been your greatest success? Health, health, and health—aka H3. Health personally. Health with your family. And health in your business. This is how I view success.

Any regrets? Yes, not starting a family and Which Wich sooner. I wish I would have started the brand 20 years ago so I could have gone head-to-head with Subway. If I had launched Which Wich earlier I think the world would have looked a little more yellow.

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BY JIM PLAMONDON

THE REBIRTH OF ROY ROGERS

Larger-than-life brand rides back into town

When I got into the family business in 1995, the Roy Rogers chain was a smaller version of the regional QSR powerhouse it once had been. Hardee's had purchased the brand from Marriott in 1990, largely for the real estate, and began a process of closing, converting, or selling off many of its 648 locations. By the early 2000s, the store count was down to about 80.

To me and my brother, Pete Jr., the decline of Roy Rogers was personal. Our dad, Pete Sr., was part of the Marriott executive team that had created the concept in 1968. It was an exciting time. Roy Rogers was this iconic, larger-than-life cowboy, devoted to Western principles, faith, and family values. He was a popular entertainer and Marriott built upon his persona to create and rapidly grow the franchise.

My dad was committed to the brand, leaving Marriott to become one of the chain's earliest franchisees. Roy Rogers

restaurants became, for us, part of the family, a way of life. And so we developed a stronger bond than most, a sense of duty to protect and grow the brand.

But the brand was under duress. There was little training provided for managers. Franchisees weren't following brand standards consistently, and they weren't paying royalties or making marketing contributions so there were minimal marketing initiatives going on. Operators weren't renovating restaurants or making capital improvements. Many sites weren't being maintained to the level they should have been. Put simply, the brand needed direction.

All things considered, however, our sites were performing well, thanks to the popularity of the brand and our team taking the initiative to compensate for what was lacking in franchisor support. We had hired staff to train managers ourselves, and we would invite other franchisees

to send their managers to train in our headquarters as well. We hired our own firm to do marketing. In April 1998, with our locations on an uptick, my brother and I bought my father's business, which consisted of 14 restaurants. The entire system probably had a total of 80 to 90 restaurants at the time.

Our efforts paid off. We maintained and even increased volumes, even as other locations were closing. Then, in 2000, we opened a new restaurant in Germantown, Md., replacing a Burger King site that was clearly a C location for that chain. The lines were out the door—50 people deep. The drive-thru line was 30 cars deep. It was unbelievable. People were coming in from all around the D.C. metro area, even from downtown Washington, celebrating the fact that Roy Rogers was back. By our estimates, in our first year we more than tripled what the previous restaurant in the space had done in sales.





When my brother and I saw the jubilation that guests displayed in welcoming us back to their town, we decided to take a serious look at making something more of this once-formidable brand. The concept wasn't getting the attention it deserved. We felt we could change that.

And so, when Hardee's parent, Imasco, announced they wanted to sell the Roy Rogers trademark, we decided to buy it. We saw the potential to expand beyond Maryland through franchising, finding others who shared our passion, had solid business experience, and who would be driven to make their operations and the system a success.

We already were doing a lot of things a franchisor typically does: marketing, training, product development, renovating restaurants, and creating brand standards. And so, in 2002, after about a year of discussions, my brother and I acquired the Roy Rogers trademark and the right to franchise.

Overnight, we went from being franchisee to franchisor. It was a new frontier, but we had a number of assets to work with: our affinity for and knowledge of the concept, an experienced team of operators (we'd been in business since 1980), our father, and the insights gained through our continuing role as a hotel franchisee under Marriott Corp.

Once we assumed ownership, we had to deal with the operators who were no longer vested in the success of our brand. Their sites were older. Some had been peers of our dad and didn't have a second generation to take over the business. Others weren't doing well in some locations. So we let some agreements expire, and in other cases took proactive steps to allow franchisees to exit the system, eventually getting to a lean system that was ready to grow again.

We also had to convince our franchisees that we had the wherewithal to be a successful franchisor. We had some credibility because, having been one of them, we could show them we understood their needs and desires. At the same time, our company restaurants let us keep skin in the game and gave us a fertile testing ground for new products, marketing, or concepts.

We created a new franchise agreement and, to convince the existing franchisees to sign on, designed a "Pioneer Franchise Agreement" stating that they could pay reduced royalties for a short period and then increase to the same royalty paid by new operators. But it was quid pro quo: they would have to remodel their restaurants. It was a difficult undertaking, but we got



it worked out. About half of the carryover franchisees signed the agreement, while others eventually moved on.

We then started to fill in more of the franchisor gaps. We built a training program, a marketing plan, and a product development strategy—not just for us, but for the whole brand. We redid our operations and training manuals. We set out to show that we were serious about resurrecting this brand and making our investment pay off.

Initially, our focus wasn't on acquiring

new franchisees. We'd set our sights on fortifying the franchise program and tweaking our concept, to give both franchisees and guests more of what they wanted. More recently, we've embarked on a proactive sales effort to attract new franchisees in the Mid-Atlantic and Northeast. We hired an outside sales organization to help us reach out to a broader community. We retained a public relations firm to help us promote our franchise opportunity, and we hired a new director of real estate and franchise development to spearhead our expansion efforts.

On the marketing side, we've recently engaged in a sponsorship program with the Washington Capitals, and we are exploring other opportunities to capture that level of exposure elsewhere. We hired a new director of marketing who has extensive quick-service experience with some of our segment's blue-chip brands, and we are about to bring on a new marketing agency to support our units and overall brand. Today, there are 49 locations, 23 company-operated and the rest franchised. The plan is to grow to 70 units in the next few years, concentrating on growth in the Mid-Atlantic and Northeast.

Throughout much of the East Coast, people have very fond memories of the Roy Rogers brand. They tell us all the time how they remember our brand being a cut above. It's great that they remember us, but it's our constant challenge to live up to those memories. Still, we know we're doing the right thing in bringing Roy Rogers back to so many markets. Every day we have guests saying, "I remember you had one in my town. Please open up there again."

Patience, Buckaroos, we're on our way. ■

Jim Plamondon is co-president of Roy Rogers Franchise Co.

BY EDDY GOLDBERG

SPEED THROUGH SYSTEMS

Oxi Fresh's technology is so good, others want it!



Jonathan Barnett

Franchise systems play up their technology as a differentiator, but Oxi Fresh delivers—in a big way. In fact, other service brands have approached them about using a customized version of their home-built software. “Brands reach out to us all the time,” says company founder Jonathan Barnett. So far, Oxi has partnered with one brand, Midtown Chimney Sweeps, which relocated from Southern California to Denver to work more closely with the company.

Before partnering with Oxi Fresh, says Byron Schramm, founder and president of Midtown Chimney Sweeps, “We were a small owner-operated company with branches in several states. We needed a quality scheduling center and researched a lot of brands for solutions.” After partnering with Oxi Fresh, sales more than doubled in the first 12 months. “Jonathan’s system takes technology to a whole different level. For route optimization and zone scheduling, there’s nothing like this.”

“It’s a great partnership because Byron keeps challenging us, and Oxi Fresh benefits too,” says Barnett. And more partnerships are in the offing.

Why? The technical reason, explains Lead Software Engineer Andy Hoffner, who designed the system, is that the core application uses a single, unified code base that underlies everything else he and his IT team build for the company. “It ensures that new features automatically benefit all brands, while allowing us the ability to customize along the way to fit each brand’s individual needs.”

In other words, every improvement, addition, or tweak the company makes is potentially available to any other brand. “The way we design things is looking forward to change because our own internal needs are constantly evolving. It’s important for us not to take shortcuts,” says Hoffner.

The long road to success

“When we started Oxi Fresh, we had an Excel spreadsheet for every single fran-

chise,” says Barnett, who founded the brand in 2006 when he was just 26. They had to manually build out a calendar every month for each franchisee and key in all the required information for every job. This was time-consuming and difficult enough when there were only a handful of franchisees, but as the company grew it became increasingly unmanageable.

“It was a very hard time for us. I think we got up to 70 different Excel spreadsheets for 70 different franchises,” says Barnett. They put all the spreadsheets on a computer that acted like a server, and gave each franchisee a link to download their spreadsheet every night for the next day’s jobs. “I thought that was a huge win, since we’d been emailing them until we figured out how to do that,” he says.

Still the system had a long way to go. One big problem was that the spreadsheets were read-only, so franchisees couldn’t make any changes to the schedule, and both they and customers had to call the home office—a lot. This was not all that long ago.

Once they realized the impossibility of the situation, they began looking outside for a software solution. However, they not only didn’t have a lot to spend in those early days, they couldn’t find what they wanted in existing products, so they hired a company to build it for them. This is how they met Hoffner, who was on the team that built the original custom software for them, which took more than a year to launch.

Soon after, they bought the code and hired Hoffner to work directly for them—and they haven’t stopped improving it since. “We’ve coded more than 2,000 individual features since we started working directly together,” says Hoffner. And he has a list for 300 more.

FAST is good

“Speed through systems” is a major theme at Oxi Fresh, an approach that seeks to make a franchisee’s online activities as quick, simple, and accessible as pos-

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sible. Everything in the system is accessible through a single log-in through its FAST (Franchise Advanced Systems and Technologies) website—as long as you remember your user name and password, Barnett jokes.

“We want them to be able to check their job in the field fast, for our customers to book online, and for royalty fees to get charged automatically,” he says. “Also, the system tracks sales from each marketing

code so they can put in the source cost and get an ROI for every single marketing dollar they spend—automatically in real time without doing any additional work.”

In addition to integrating with more than six external platforms, the system aggregates data across those partners to enhance their usefulness to franchisees. “Most of our third-party integrations have a high degree of automation, requiring very little if anything from the franchisees to perform email and text message marketing, while still providing them with the ability to do their own customizations and one-off campaigns as desired,” says Hoffner. “The effect is that many activities can act on ‘auto-pilot’ most of the time. Marketing is further categorized so brand-level marketing activities can also have visible results to the franchise network,” he adds.

“We can also utilize this data to help drive workflow, to time scheduling emails with follow-up calls, or to follow up with customers that left excellent feedback to thank them,” he says. Or leverage survey feedback scores to better target customers with email marketing and increase open rates.

“We’ve tried to automate as many things as we can with a couple of clicks,” says Hoffner. “We’re always trying to work at how we can be more efficient for the franchisees, to capture as much data as we can (and accurately) to get franchisees involved and fit their real-world needs.”

Finally, there’s franchise recruitment. “When we’re talking to folks and selling them on the business model, everything funnels back to the software and the call center and the fact that they’re able to scale and grow,” says Kris Antolak, vice president at Oxi Fresh. “We’re getting folks coming to us from other brands, from big franchise systems, who see our technology and can’t believe we’re so far ahead. When we get people to our discovery day and show it to them, it just slam-dunk closes the deal.”

Antolak says 95 percent of their franchisees have never cleaned a carpet before—they’re buying the business model. “We close over 90 percent of the people who come out for discovery day,” he says. “Having this technology is vital not only for our growth, but also for our franchise sales group. It’s definitely part of the reason we’ve grown so fast—100 units in the past 18 months or so.” Today, Oxi Fresh is rapidly approaching the 300-unit mark. ■



EVERYONE A WINNER!

1) FRANCHISEES

- **Automation.** The technology allows franchisees to spend time growing their business, adding accounts, serving customers, and to have more time for family and friends. The scheduling center handles 99 percent of all the customer interaction of calls, emails, quoting, and scheduling—about 2,500 calls a day. And, since the system handles so much for them, franchisees don’t have to maintain their own back office.

- **Ease of use.** Oxi Fresh has built email marketing, text message marketing, and true online scheduling platforms that make it cost-effective for franchisees to re-market to their customer database, as well as making it simple and efficient for customers to schedule their services.

- **Marketing.** Franchisees are able, with a couple of clicks, to interact with their customer base and send emails to their customers with specials and information and to do text message marketing. The system also provides daily updates for managing online reviews. Corporate also can build individual franchisee web pages and handle their SEO efforts so they can focus on providing great service.

- **Training.** Oxi Fresh University, an online university for franchisees, teaches them how to use the system and properly train and educate their technicians. It consists of interactive videos and tests to make the process more lively and to ensure a consistent product across the country.

2) THE SYSTEM

- **Speed.** Oxi Fresh uses its technology to create “speed through systems.” One example: an auto-ad builder so the director of marketing can work on major projects and initiatives while the franchisees can produce high-quality marketing materials on their own.

- **Royalty fees.** Instead of relying on manual billing and calls, Oxi Fresh has built software systems that calculate and automatically bill franchisees for their monthly fees. This allows the operations staff to focus even more on supporting franchisees, rather than on managing billing.

- **Bigger data.** “On the back end, we can leverage data from those individual apps for our own use internally. The first step is to have an integrated solution, a single point for the whole brand,” says Hoffner.

- **Anywhere, any time.** All of the company’s systems and call center technology are hosted in the cloud, so the home office staff can work on anything anywhere they have an Internet connection.

Fast funding?
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BY EDDY GOLDBERG

INTEGRATION AND COLLABORATION

Jersey Mike's departments come together to "own it"

At Jersey Mike's Subs, technology, marketing, operations, and strategy are so intertwined, "We joke back and forth about who's in charge of who, because there's so much overlap," says Rich Hope, the company's CMO. "We have a super open-door policy with marketing and IT, and try to get operations involved as well."

"Each department has needs," says CIO Scott Scherer. "In this day and age most of those needs involve technology."

The company's POS system, developed by Scherer and his team, is at the core of the inter-departmental collaboration that is a big part of Jersey Mike's culture—and its rapid growth, as the company approaches the 1,000-unit mark. Scherer describes the brand's award-winning technology as an integrated software suite with the POS system as the hub (see graphic). "Our POS system provides a base technology package," he explains. "Then, depending on which department has a technology need, we'll build it into the program as part of the database."

For example, marketing uses POS data to prove the effectiveness of their efforts; the executive team to look at growth indicators and plan strategy; the customer service team to determine customer opinions and brand image; operations for food and labor efficiency; and development to

show candidates how the brand's technology will help them build their business.

"We distribute a KPI report every Monday morning to area directors to compare with the previous week, previous year, the rest of country, and year-to-date numbers so they can see if they're keeping up, fall-



Scott Scherer

ing behind, and make changes if necessary," says Scherer. The executive-level reports are the same as the franchisees get, but consolidated at the group and national levels.

In 2004, Scherer was an outside vendor working on the company's accounting and mail systems. At the time, Jersey

Mike's had about 230 stores—all with standalone cash registers, the legacy of a brand that started in 1956. Sales reports still were being faxed to corporate, less than a dozen years ago. The next year, he was named CIO but still worked as a consultant, with the goal of developing a POS system to deploy in all the stores.

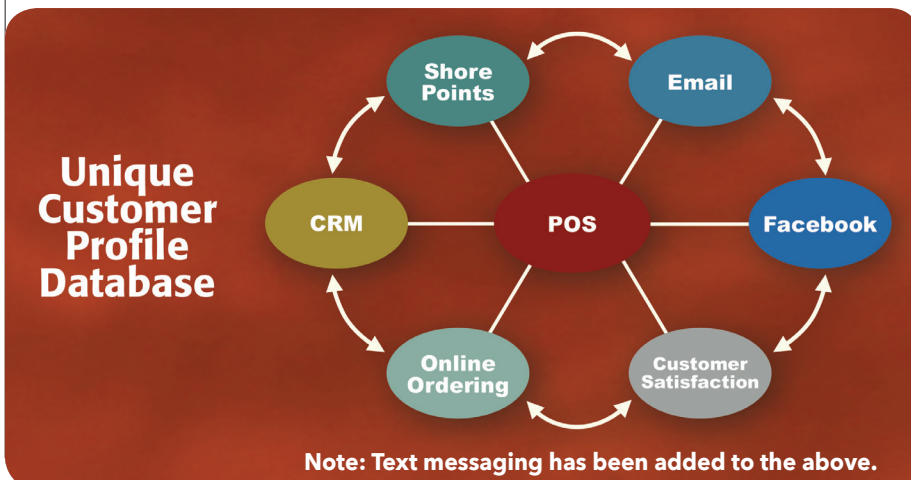
The brand started with a system from a small company, but that eventually proved unworkable and they began developing their own code. At first, Scherer says, it was more of an electronic cash register, but working with operations, marketing, and other departments, he and his team continually added features until it became a total technology package that today provides everyone in the company a view of the business—whichever view they need for their department.

Franchisees had been complaining about all the different systems used in the stores, but to further encourage them to adopt the new system, corporate provided an incentive: about \$8,000 per store for

JERSEY MIKE'S WINS CIO AWARD

This past June, *CIO* magazine named Jersey Mike's one of its 2015 *CIO* 100 companies. The award recognizes organizations that exemplify the highest level of operational and strategic excellence in information technology, said Maryfran Johnson, editor-in-chief. "Our 2015 winners are an outstanding example of the transformative power of IT to drive everything from revenue growth to competitive advantage."

Scherer said Jersey Mike's won for the creation of a single proprietary, fully integrated technology platform for complex franchise operations. "Even though as a brand we're nearly 60 years old, we pride ourselves on the advantages of cutting-edge technology to support our franchise owners."



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the company's approximately 300 stores when it rolled out. As the company grows, new features are added—as long as they solve a problem and are economically justified. Scherer has a “wish list” of requested improvements from across the company, but anyone who makes a request must prove its ROI, or it comes off the list. “They're not the ones who pay for it—the franchisees do,” he says.

Scherer and his 15-person IT team work most directly with Hope and the marketing department, and the two meet almost daily. He also works closely with the executive team, including the senior vice president of strategic initiatives.

Over the years, when looking to add new features for marketing and to better serve customers, Hope would ask Scherer, “Can we add this? Can it come out of your budget?” Says Hope, “That was the impetus to get us to work together—we



Rich Hope

both had limited budgets and needed to compete with other brands.” Because of that, he says, “We're very open with every project. We have a tight-knit executive team here who enjoy working with each other.”

Budgeting for IT projects is generally allocated into two areas: 1) customer-facing technology, with two people working in Hope's marketing department (supervised by Scherer) who focus on the brand's website, text messaging, etc.; and 2) franchisee-facing technology (e.g., POS system, food and labor, and reporting systems for sales), paid for by monthly technology fees from the franchisees.

“We have employees now who overlap—regardless of whether they're on the IT, technology, or marketing budget,” says Hope. “My people couldn't live without the database people on the

CIO ADVICE

- Make sure you include all of the stakeholders: marketing, operations, purchasing, marketing, executives and, of course, the franchisees.
- It's good to have an IT roadmap, as well as a wish list, but make sure that whatever you do has a clear ROI.

tech side, drawing from all the massive databases we have. It's a CMO's dream to have real-time data on sales and tie all our data together. It really allows us to better serve customers because we have all this data about them.”

SHORE POINTS REWARD PROGRAM

In spring 2012, Jersey Mike's replaced its punch-card loyalty program with Shore Points Rewards, a mobile-based app that lets customers use their smartphones to order and pay online, manage rewards, post to social feeds, and find the nearest Jersey Mike's. At the time, the company said this was one of the first apps to roll digital ordering and loyalty rewards program management into one, providing customers with a seamless experience. Adoption was swift: 650,000 members in the first 6 months, 1.4 million after 13 months, and membership is pushing 3 million today.

“This was our biggest collaborative operation,” says Scherer. “It had to be something the customers used and liked, had to provide data for marketing and operations, and had to be easy to use at the store.” It also resulted in the brand's first Breakthrough Award from *Hospitality Technology* in the Enterprise Innovator category. “Technology is changing at an extraordinary rate,” said Scherer at the time. “We built our own customer terminals so we can accommodate existing and upcoming innovations.”

Talk about 20/20 foresight. The October 1st deadline for EMV-capable card readers is rapidly approaching. Adapting to EMV requirements is not a change directly justified by ROI, but it does allow the company to avoid liability in the case of credit card fraud or a data breach. “There are some things you're forced to do,” says Scherer. “It's a cost of doing business.”

In-house or outsource?

Both Scherer and Hope were outside vendors when they began working with Jersey Mike's. Now inside, they continue to employ third-party vendors—as long as those vendors are willing to work with their API. “We now require our vendors to code to our standards,” says Scherer.

Scherer uses third-party tech vendors for two purposes: when the company needs something rolled out quickly, and for functions outside his team's core competencies. Currently that includes online ordering, network security, and video analytics for the restaurants. He had used an outside vendor for the Monday morning reports for about a year, but has since brought that inside; and, after 18 months of using a third party for text messaging, the company is about to bring that in-house as well.

To manage food and labor at the restaurants, the company uses software from CrunchTime. “We'll never bring that in-house,” says Scherer. “It not only increases top-line sales and reduces costs, but also helps us with quality control and keeps labor costs as low as possible without sacrificing service.” In 2014, the brand was recognized with a Breakthrough Award from *Hospitality Technology* in the Enterprise Innovator category for integrating CrunchTime into its POS system.

In its ongoing effort to better use the data collected through the POS system, Jersey Mike's continues to seek out tech vendors who can integrate that data for them. “Almost everything we do has some kind of technology application,” says Hope. And while the POS remains the hub, he is now preparing for the next stage: figuring out how to use that data more effectively. “We haven't looked at it in terms of executing marketing strategies. We hope to employ that next year.”

Yet, he told the audience of 300 franchise marketers and technology suppliers this June at the 2105 Franchise Consumer Marketing Conference (where he served as chair), “Some things don't change. Technology doesn't change strategy.” Instead, he said, it's a tool—a powerful tool, but still only a means to a strategic end.

“They tell me what they want to collect and what they want the screen to look like. The brains of the design is from the marketing guys,” says Scherer. “Having our own software, hardware, and operators here allows us to be agile. We own it, we control it, and if something comes down from above we can do it.” ■

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Franchise Update
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Hello franchise Executives



STEVE DUNN
2015 Conference Chair

SVP, Global Development,
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It is my pleasure to welcome you to the 2015 Franchise Leadership & Development Conference. What a privilege it is to serve as the chairman for such an important event that brings together franchise executives from all over the country.

Since its introduction 17 years ago, this conference has experienced tremendous growth, reaching more and more franchise executives seeking inspiration and guidance on how to better grow their businesses. This conference has become a must-attend event for all those who value staying on top of trends as well as those looking to generate new ones.

In 2014, we added content that expanded the scope of our development theme while maintaining many of the franchise sales programs that remain relevant and never get old. The advisory board and I are pleased to announce that the expanded content will continue to provide franchise development executives an opportunity to improve their knowledge and skills, while delving into the many complex layers of the development process.

This year's conference incorporates many of the tried-and-true sales skill programs along with several new additional programs. The opening boot camps address two key areas of the sales process: **Effective Franchisee Recruitment Programs** and **Maximize Sales Performance**. Our keynote speaker Scott McKain will reveal how development executives can stand out in a hyper-competitive marketplace. And this year's afternoon breakout sessions again follow three popular tracks:

- **Franchise Sales Basics:** Whether you're a new or experienced sales executive, you're never too old to fine-tune your skills
- **Build a World-Class Brand:** Develop and deliver programs and services that promote franchisee success
- **Market Planning & Development:** Explore tools and methods to maximize and manage strategic market development

Back by popular demand, the conference closes with a sales training work session. Keynote speaker David Nour will lead us in an interactive workshop, *Build Your Prospect Relationship for Long-Term Success & Growth*. This is a don't-miss session for franchise development executives looking to understand the quantifiable value of business relationships.

As always, our goal is to keep the event content-oriented, fun and relevant for everybody. I look forward to an excellent speaker lineup, powerful topics and lively questions from our highly engaged audience. Here's to an outstanding 2015 conference, and I look forward to seeing you in Atlanta!

All the best,

Who Should Attend?

THIS IS THE 17TH YEAR OF THE FRANCHISE LEADERSHIP & DEVELOPMENT CONFERENCE.

Over the years, the conference has evolved from a franchise sales focused meeting into the only industry event focused on challenges in franchise development today.

Led by our advisory board of some of the industry's most talented and experienced development executives, the conference is designed for any size brand and multiple levels within an organization:

✓ **CEOs, Presidents** looking for insight on how to better lead and grow your brand. The CEO Summit is an exclusive event where you can share experiences and learn from your peers.

✓ **CDOs** seeking information to help strengthen and build your team, structure programs to address encroachment and strategic growth, and offer the right value proposition for your brand.

✓ **Franchise Sales & Development Vice Presidents, Directors:** Grow personally and professionally by interacting and learning among peers and brand leaders from throughout the franchise industry. Choose to improve skills in a specific area, or learn something completely different—our extensive agenda touches on all aspects of development.

✓ **Franchise Sales Managers:** Ongoing refinement of skills and strategies will help you grow into a best-in-class sales executive. Focus on the basics of building client relationships for long-term success and growth. Learn new aspects of development to position you for future growth.

✓ **COOs:** Gain insight into how to work with your partners in franchise development to structure growth programs and position franchisees for success. Take home strategies to help your team play a key role in building the brand while delivering on its promises.

✓ **IT Executives:** Technology continues to grow and expand as an effective tool for reaching prospective franchisees and supporting them once they're in the system. How does technology impact your brand development initiatives? Learn what's new from a development technology standpoint, and discover how your team can support the franchisee recruitment and onboarding process.

✓ **Consumer Marketing Executives:** Franchisee recruitment and lead generation is more about marketing than it ever has been. Learn how to work with your development partners to superstructure a franchisee recruitment program that will attract new franchisees and position your brand for successful, long-term growth.

✓ **Suppliers:** Better understand your CEO, President and Franchise Development customers and what's important to them, all while showcasing your brand.

2014 Attendee Stats

FAST FACTS

242 franchisors represented 175 brands

89% of franchisors met sponsors they intend to do business with

73% of franchisors visited the sponsor networking area 3 or more times

91% of sponsors developed leads

FRANCHISORS BY TITLE

CEOs, Presidents, Founders	26%
VPs, EVPs, CDOs & SVPs	37%
Sales Directors & Managers	31%
CFOs & COOs	6%

CATEGORIES

Food	33%
Retail Food	8%
Retail Non-Food	11%
Service	48%

TOTAL FRANCHISE INVESTMENT PER UNIT

Under \$50,000	7%
\$50,000–\$100,000	15%
\$100,000–\$250,000	30%
\$250,000–\$500,000	19%
\$500,000–\$1,000,000	15%
Over \$1,000,000	14%

FRANCHISE UNITS

0	4%
Less than 25	12%
26–100	19%
101–250	23%
251–500	21%
501–1000	10%
Over 1000	11%

* Franchisors reporting number of units

SYSTEMWIDE REVENUE

Under \$1,000,000	4%
\$1,000,000–\$8,000,000	17%
\$8,000,000–\$20,000,000	13%
\$20,000,000–\$40,000,000	9%
\$40,000,000–\$60,000,000	7%
\$60,000,000–\$80,000,000	4%
\$80,000,000–\$100,000,000	6%
Over \$100,000,000	40%

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KEYNOTE SPEAKERS



SCOTT MCKAIN

Distinctive Sales: How To Stand Out In a Hyper-Competitive Marketplace

Scott McKain is an internationally known expert who helps organizations create distinction in every phase of business and teaches how to deliver an "Ultimate Customer Experience®."

Scott creates captivating presentations

and bestselling books that reveal how to create more compelling connections between you and your customers and how to stand out and move up, regardless of the economic climate in your industry.

Scott's calling is business—and his passion is platform presentations. He brings a unique combination of vast speaking experience and new, cutting-edge information. His presentations benefit from three decades of experience, combined with his innate talent for articulating successful ideas. Scott has spoken before, and consulted for, the world's most influential corporations.

In today's Facebook/Twitter/social media world, a dissatisfied customer now has a platform to broadcast his or her opinions regarding your organization to the world instantaneously. In this environment, it's never been more important to understand and execute the steps necessary to create the "ultimate customer experience." Scott is one of about 150 living members of the Professional Speakers Hall of Fame. He was also recently recognized by *Social Media Marketing Magazine* as one of the 50 most influential

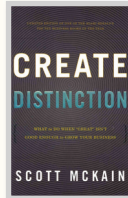
marketing authors on Twitter and GenJuice, a leading resource for emerging professionals; and as one of the Top 25 for Gen Y and Millennial leaders to follow on Twitter.

There are a myriad of choices in the marketplace for prospects and customers seeking the products and services of your industry. So, how does your organization—and the professionals who work with you—stand out from the plethora of competitors?

In his book *Create Distinction*—an expanded and revised release of *Collapse of Distinction*, which 30 major newspapers named as one of the "10 Best Business Books" of the year and reached number one on Amazon.com's list of business bestsellers—Scott takes a revolutionary approach by showing how organizations and individual professionals create differentiation in the marketplace.

Scott has appeared multiple times as a commentator on FOX News to discuss business, politics, and American culture. In his earlier career as a broadcast journalist, 2 million people saw and heard his commentaries each week on 80 television stations in the United States, Canada, and Australia. He has also been a news anchor for a CBS-TV affiliate in one of the nation's 25 largest markets.

Scott has been named a "Hoosier Hero" in his home state because of his commitment to youth and philanthropy. He was selected by Arnold Schwarzenegger to be the emcee and speaker for the Great American Workout, held on the White House lawn with the President in the audience and carried live on CNN and NBC's *Today* show. He also portrayed the villain in *Stroszek*, a film by internationally esteemed director Werner Herzog, acclaimed by critic Roger Ebert as one of the "best movies" ever made.



DAVID NOUR

Build Your Prospect Relationship for Long Term Success & Growth

David Nour is a growth strategist and the thought leader on Relationship Economics®—the quantifiable value of business relationships. In a global economy that is becoming increasingly disconnected, The Nour Group, Inc.

has attracted consulting engagements from over 100 marquee organizations that are driving unprecedented growth through unique return on their strategic relationships. David has pioneered the phenomenon that relationships are the greatest off-balance-sheet asset of any organization, large or small, public or private.

He annually delivers 50 global keynotes on business relationships, social and mobile disruptive technologies, and adaptive innovation at leading industry association conferences, corporate meetings, and academic forums. He is often a guest lecturer at the Goizueta Business School at Emory University and Georgia Tech's College of Management. David serves as the lead independent director on the board of introNetworks, a privately held intelligent community technology firm based in Santa Barbara, California.

David's unique perspective and independent insights on business

relationships as well as social and mobile innovation have been featured in a variety of prominent blogs and publications, including *The Wall Street Journal*, *The New York Times*, *Fast Company*, *Knowledge@Wharton*, *Associations Now*, *Huffington Post Business*, *Medium*, *Entrepreneur* and *Success* magazine. He is the author of several books, including the bestselling *Relationship Economics* (Wiley), *ConnectAbility* (McGraw-Hill), *The Entrepreneur's Guide to Raising Capital* (Praeger) and *Return on Impact* (ASAE).

An Eagle Scout himself, David is passionate about youth and supports the Centennial scouting movement; Junior Achievement; One Voice, which aims to create peace in the Middle East; and the High Tech Ministries. He is an active member of the FBI Citizens Academy, the Society of International Business Fellows (SIBF), and the National Association of Corporate Directors (NACD), where he has earned the Governance Fellow accreditation.

A native of Iran, David came to the U.S. with a suitcase, \$100, limited family ties and no fluency in English! He earned an Executive MBA from the Goizueta Business School at Emory University and a BA in management from Georgia State University.

The Nour Group's sample clients include: Amerinet, American Society of Association Executives (ASAE), Assurant Solutions, Chubb Insurance, Cisco Systems, Deloitte Consulting, Delta Dental, Disney, Equifax, Emory University, General Reinsurance, Hilton Worldwide, HP, IBM, InfoComm International, KPMG, Novelis, and UBM.



**SUPER STRUCTURE
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2015 FRANCHISE LEADERSHIP & DEVELOPMENT CONFERENCE

**OCT. 14-16
ATLANTA**

WHY ATTEND

The Franchise Leadership & Development Conference brings CEOs, Presidents and top development executives together for a powerful two and a half day event that combines the impact of exciting presentations with peer-to-peer problem-solving workshops and roundtables.

Exclusivity: Only franchisors may attend. Network and mingle with your peers while discovering ways to implement and boost overall performance. You'll engage with franchising's premier service partners, from technology providers and social media experts to marketing agencies, law firms and more!

Franchise Development Focused Agenda: This year's agenda focuses on a variety of franchise development disciplines. From single or multi-unit franchisee recruitment with the right value proposition, to strategic marketing planning and managing encroachment, you'll gain insight on how to superstructure your brand for optimum growth and market penetration.

Transparency: This comprehensive educational networking conference is designed for sharing challenges, finding solutions and improving franchise growth. Access leading sales and development experts, and take away ideas and solutions to encourage growth.

Enhance Skills: Whether you are an experienced executive or are new to franchise sales, you can always improve your skills. Join our "Mastering Sales Fundamentals" Boot Camp to refine your craft and gain more practical learning.

Exhibit Hall: Our sponsor networking area is filled with product and service providers offering the latest ideas, tools and technology. Don't miss the opportunity to meet new vendors and learn about their services. You might discover something you didn't know you needed!

Did you know?*

55% of franchisors reported referrals have the highest close ratios

44% of all ad dollars in 2014 went to Internet advertising

17% of franchisors reported sales from Internet advertising

Ad portals and **SEO** represent the top source of online recruitment sales

Franchisors reported **25%** of their applications resulted in sales

56% of franchisors using profiling tools increased the quality of their new franchisees

60% of franchisors have owners in their 20s

\$62 is the median cost per lead

\$9,142 is the median cost per sale

92% of multi-unit franchisees reported FPRs as mandatory or important

Multi-unit franchisees reported trade shows and publications as the **top media sources** for finding new brands

Are you riddled by performance gaps stalling today's recruitment efforts?*

12% of sales staff never returned a qualified prospect's call-in message

42% did not qualify the prospect's startup time frame

43% of franchisors do not have a specific Franchise URL that directs prospects to their recruitment site

63% of sales staff never called a qualified prospect requesting information from their own website

37% don't provide any franchisee testimonials on their site

73% don't mention "franchise available" on their Facebook sites

37% of franchisors did not meet their sales goals

22% of franchisors don't provide FPRs in their FDDs

*2014-2015 Annual Franchise Development Report, based on a formal survey of 139 franchisors and an additional mystery shopping of 146 franchise brands

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ADVISORY BOARD

Our conference advisory board is comprised of some of the brightest and most experienced development executives in the franchise industry. Their leadership and vision for superstructure brand growth led to the outstanding content offered this year.

2015 CONFERENCE CHAIRMAN



Steve Dunn, SVP, Global Development, Denny's

Steve is responsible for overseeing all aspects of global restaurant development for Denny's, the nation's largest full-service family dining restaurant chain. In his more than 25 years of franchise and company development experience in the restaurant and retail industry, he has held executive-level positions with Church's Chicken, El Pollo Loco, Mr. Gatti's, and TCBY. He is a sought-after public speaker and panelist on the topics of franchise recruiting and business development.



Art Coley, Former President & CEO, AlphaGraphics

Art is former President & CEO and current consultant at AlphaGraphics, which has nearly 300 locations and more than \$280 million in system sales. Art has also served as president of a national children's technology education franchise, which under his leadership experienced double-digit sales growth, opened a record number of new franchise territories, and was launched in the U.K., Australia, and Canada. Considered a forward-thinking franchise development expert, Art believes that because of its entrepreneurial spirit, franchising will lead the charge for economic development in both the U.S. and the world.



Tim Courtney, VP, Franchise & Network Development, CruiseOne

In addition to his role at CruiseOne, Tim is a member of the IFA's Membership and VetFran committees, as well as the Franchise Congress. He has worked in the travel industry for more than 15 years in various positions, including training and management. In 2006 he joined CruiseOne in a training and education role and helped launch the company's online learning academy. He joined the franchise development team in 2008, where he quickly immersed himself in the company's recruitment efforts that led to record results. He is a CFE and speaks at various franchise and travel trade events.



Mike Hawkins, VP, Franchising, The Dwyer Group

Mike joined The Dwyer Group in 1995 as a franchise developer and worked his way up to his current role as VP of Franchising. In 1971, he invested in the Success Motivation Institute (SMI), which specialized in training and personal development programs for small-business owners, individuals, and companies. In 1975, he joined SMI and spent nine years in franchising. In 1984, he moved to the Leadership Management Institute, a sister company of SMI, and became a franchise

consultant. Mike has also held management roles at E.K. Williams, General Business Services, and All Tune & Lube franchises.



Grant Kreutzer, Director, Franchise Business Development, Jack in the Box / Qdoba

Grant develops and manages franchise recruitment programs to attract top multi-unit operators to Jack in the Box and Qdoba. His 15 years of experience in franchising, business development, branding, and marketing include 10 years of franchise business development in the QSR and fast casual segments, and 5 years leading marketing and sales for a start-up web application firm. Recent programs include the Jack in the Box "seed" strategy, where new market franchisee growth starts with an acquisition of company-developed restaurants. Jack in the Box has transitioned to become a 76 percent franchised system, up from 25 percent in 2005.



Richard Leveille, VP, Franchise Development, Floor Coverings International

After nearly 25 years at Smoothie King, including more than 15 as EVP of Franchise Development and Real Estate, Richard recently became VP of Franchise Development at Floor Coverings International. At Smoothie King he directed the franchise sales, real estate, and construction and design departments and served on the board of directors. Credited as the first employee of Smoothie King in March 1989, he was involved in developing the brand systems and opening more than 650 stores—130 international and 40 to 50 in non-traditional environments. He earned his CFE designation in 2006.



Pete Lindsey, VP, Franchising, Sport Clips

Before Sport Clips, Pete's 19 years in the franchise business included serving as National Sales Manager for Franchise Development at MBE, a UPS Company (The UPS Store); National Operations Manager at MBE; and Executive Director of Franchise Relations at MBE, where he was responsible for informal dispute resolution, renewals, transfers, customer service, and insurance compliance. He was also part of the team that offered The UPS Store to MBE franchisees, which culminated in one of the largest rebranding initiatives in history.



Eric Little, SVP, Franchise Development, Right at Home

Eric has led the Right at Home franchise development team for the past six years, during which the company has experienced record-setting growth. It now has over 300 locations and \$234 million in annual system-wide revenues. Eric has

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been a Certified Franchise Executive since 2005 and is a former 1st Place Overall winner of the Franchise Update STAR Award mystery shopping competition. He has shared his best practices as a speaker at the IFA's annual meeting, Franchise Update's Leadership & Development Conference, and other franchise events.



Lori Merrall, VP, Franchise Sales, Fitwall Studio Systems

Lori recently joined Fitwall Studio Systems as the VP of Franchise Sales after spending five years with Massage Envy Spa Franchising. Using proprietary technology coupled with an individual workout station, Fitwall has been dubbed "the Swiss Army knife of fitness." Previously, Lori spent five years in the franchise industry at Blimpie and Cold Stone Creamery. Prior to franchising, she worked in advertising and sponsorship sales for the Phoenix Coyotes and has spent the bulk of her career in the TV and film industry, primarily in sales, distribution and marketing.



Scott Nichols, SVP, Franchise Development, Charter Fitness

Prior to his recent arrival at Charter Fitness, Scott was Director of Franchise Business Development for Sears Hometown and Outlet Stores (SHOS), where he was responsible for franchise development of three Sears retail franchise concepts. Over the past four years, he sold 194 franchises with a total gain of more than \$44 million and nearly \$5 million in initial franchisee fees; revamped the development process; and heightened the brand's franchise web presence, leading to increased lead generation and deal-closing ratios. He has more than 25 years of director-level franchise development experience in the hotel, QSR, and retail industries.



Paul Pickett, VP, Franchise Development, Wild Birds Unlimited

Paul's career with Wild Birds Unlimited (WBU) has perfectly combined his love of birds, nature, and people. He joined the WBU team as the first full-time employee in 1989 shortly after graduating with a master's degree in biology and ornithology from the University of North Dakota. He has more than 25 years of experience in working with potential franchisees as they decide to join the WBU team. He also has managed all site selection and lease negotiation assistance for the brand.



Jeff Sturgis, CDO, McAlister's Deli

Jeff has over 17 years of experience in the areas of franchise sales, franchise development and franchise strategy. At McAlister's he is responsible for the strategic planning and execution of all store development, real estate and franchise sales activities. Previously he was the Founder and President of Franchise System Advisors, spent three years as VP of Franchise Development for Fantastic Sams Hair Salons, and served four years as the Regional VP of Franchise Sales for FOCUS Brands. He is a frequent speaker and contributor to franchising events and publications.



Shelly Sun, CEO & Co-Founder, BrightStar Care Franchising

In addition to her leading role at BrightStar Care, Shelly was previously named IFA's Entrepreneur of the Year and is the author of *Grow Smart, Risk Less*, describing the lessons learned from her experiences in franchising and sharing tips for business owners looking to expand through franchising. Shelly is a CFE and serves on the IFA's Board of Directors and various committees.



John Teza, CDO, Jersey Mike's Subs

John joined Jersey Mike's as CDO in May 2011. In his role, he oversees a deliberate growth strategy designed to accelerate the expansion of the brand while maintaining a quality-first approach. Last year, Jersey Mike's had record unit growth of 15 percent, opening 69 restaurants in new and existing markets. In addition, the company awarded 76 new territories, partnering with multi-brand, multi-unit franchisees as well as providing expansion opportunities to existing franchise owners. John previously served as President of Janus Brands, a full-service retail and restaurant management/consulting firm, and held various executive management positions at Quiznos.



Greg Vojnovic, CDO, Popeyes Louisiana Kitchen

Greg is responsible for franchise development, real estate, construction, design, equipment, and recruitment activities at Popeyes. Previously he was VP of Development at Huddle House and Director of Franchise Development at Maggie Moo's, and held development positions at Denny's and Arby's. He also owned the Atlanta-based Bridgetown Grill chain. Greg is a regular lecturer on franchising and development for the IFA Development Training series, writes for trade journals, frequently participates as an industry expert on conference panels, and early in his career was awarded a Gold Medal in the U.S. Chef's Open.



Tom Wood, President & CEO, Floor Coverings International

Tom started with the parent company of Floor Coverings International in 1985 and has held several key positions over the past 29 years. After helping found CertaPro Painters, he became President of the Franchise Development Center in 1998, and was dedicated to the growth and development of new franchises for several brands owned by the parent company. He has served as President & CEO of Floor Coverings International since 2005.

2015 STAR AWARDS

Honoring the Best in 2015 Franchise Sales Development

Find out how your franchise sales organization measures up!

Our research team of sales and lead generation experts will personally evaluate your development performance in these key areas, identifying what you are doing right and where your efforts need improvement:

1. **Recruitment**
2. **Online Sales Follow-up**
3. **Telephone Mystery Shopping Report**
4. **Social Media**
5. **Franchisee Satisfaction**

Top performers will be honored at the STAR Awards Dinner. * Admission is included in conference registration.

**Personal and confidential reports will be delivered post-conference upon request.*

“As a many time attendee to the Franchise Leadership & Development Conference I am pleased to vouch for their unique value. I always look forward to the agenda topics and speakers that are carefully selected. Most unique is the collegial, almost family, atmosphere which I have found promotes valuable information exchanges with other attendees.”

—Tony Conti, Executive Vice President Sales & Marketing, Forum Analytics



“The content and quality of the Franchise Leadership and Development Conference is without equal and we look forward to it again this year.”

—Pete Lindsey, VP of Franchising, Sport Clips

“If you are focused on adding franchisees, this is a must attend event to learn best practices, understand benchmarks to succeed and to network with the development leaders.”

—Shelly Sun, CEO & Co-Founder, BrightStar Care

“This is the most focused, motivating conference available to Franchise Development Executives. No other franchise conference is even comparable from a content or networking standpoint.”

—Paul Pickett, VP Franchise Development, Wildbirds Unlimited

“The Leadership & Development Conference is a must attend! It is on my calendar every year. This conference always delivers high quality content. The key note speakers are some of the best you will hear at any conference.”

—Jania Bailey, President, FranNet

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AGENDA AT A GLANCE

WEDNESDAY OCT. 14

9:00am to 4:00pm	PRE-CONFERENCE WORKSHOPS	
9:00am to 4:00pm	CEO Summit Franchise Presidents & CEOs only (no suppliers)	
	Maximize Sales Performance Track	Effective Franchise Recruitment Programs Track
9:00am to 12:00pm	Mastering Sales Fundamentals <i>(additional fee applies—open to all)</i>	Identify, Attract & Recruit the Right Prospect <i>(additional fee applies—open to all)</i>
1:00pm to 4:00pm	Build High-Performance Sales Teams <i>(additional fee applies—Senior Executives and Sales Managers only)</i>	Build & Evaluate Your Franchisee Recruitment Plan & Budget <i>(additional fee applies—open to all)</i>
4:30pm to 7:30pm	OPENING SOCIAL IN EXHIBIT HALL - EXHIBITS OPEN	

THURSDAY OCT. 15

7:45am to 8:25am	BREAKFAST IN GENERAL SESSION FOYER	
8:30am to 10:15am	Welcome Therese Thilgen, CEO, Franchise Update Media Chairman's Message Steve Dunn, SVP, Global Development, Denny's State of Franchising Darrell Johnson, President & CEO, FRANdata	
	KEYNOTE SPEAKER Scott McKain Distinctive Sales: How To Stand Out In a Hyper-Competitive Marketplace	
10:15am to 10:30am	BREAK	
10:30am to 12:00pm	Annual Franchise Development Survey, Mystery Shop Scores & Implications <i>Discussion with Panel of Experts</i> <ul style="list-style-type: none"> • How to use survey results to improve your processes. • Panel comprised of STAR award winners who have successfully improved processes by using survey data. 	
12:15pm to 1:55pm	LUNCH IN EXHIBIT HALL - EXHIBITS OPEN	
2:00pm to 4:30pm	Breakout Sessions <i>Three tracks have been developed to provide an educational extension from the Workshops.</i>	
	Franchise Sales Basics Track	Build A World-Class Brand Track
2:00pm to 3:10pm	Identify & Qualify a Warm Lead	Strategic Market Planning for Optimum Penetration & Growth
3:20pm to 4:30pm	Develop the Lead & Close the Deal	Avoid Impact Issues & Manage Encroachment
4:45pm to 6:00pm	Business Solution Roundtables Challenge Session	
	KEYNOTE SPEAKER David Nour Build Your Prospect Relationship for Long Term Success & Growth	
7:00pm to 9:00pm	DINNER - PRESENTATION OF STAR AWARDS	

FRIDAY OCT. 16

9:00am to 11:00am	CLOSING SESSION: The Right Value Proposition Are you positioning your brand properly to maximize recruitment opportunities? Are you ready for the next generation of franchisees?
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FULL AGENDA

WEDNESDAY OCTOBER 14 PRE-CONFERENCE WORKSHOPS

7:30am to 7:30pm
REGISTRATION DESK OPEN

9:00am to 4:00pm
CEO SUMMIT

Franchise Presidents & CEOs only *(no suppliers; additional fee applies)*

The Franchise CEO Summit provides a private, high-level, and interactive environment for franchise CEOs to have strategic business conversations that typically wouldn't, or simply couldn't take place anywhere else.

This year, through engaging discussions and facilitated roundtables, executive leaders will tackle challenges and share best practices that drill deep on culture, franchise growth, unit economics for franchisees and franchisors, new areas of growth, and risk management.

Our focus on a customized agenda enables CEOs and Presidents to address real-time, bottom-line issues so the payback is measurable. The Franchise CEO Summit is designed to help you achieve your goal of building a truly great company. (Attendees will be engaged with non-competing brands.)

What Attendees Are Saying

“Pay attention to the fundamentals. You are never too good to forget their importance.”



9:00am to 4:00pm
PRE-CONFERENCE WORKSHOPS
(additional fee applies)

9:00am to 12:00pm
MAXIMIZE SALES PERFORMANCE TRACK

Mastering Sales Fundamentals
(additional fee applies - open to all)

You're never too experienced to refine the basics. Whether you are a new franchise salesperson or have been selling for a period of time, this session takes you back to your roots. We'll cover cold calling, conducting a call, qualifying the candidate, FDD prospect review, Discovery Day and closing the deal.

EFFECTIVE FRANCHISE RECRUITMENT PROGRAMS TRACK

Identify, Attract & Recruit the Right Prospect
(additional fee applies - open to all)

Sustainable brand growth comes through a number of disciplines. Finding the right franchisee is a critical element of growth. How do you determine who the right franchise candidate is for your brand? Are they single or multi-unit operators? Does your brand appeal to more than one prospect? What is the best way to communicate with the prospect? How do you choose the right marketing media to reach the candidate(s) and how often should you communicate with them? You'll leave this workshop with valuable information to ensure your recruitment strategy is on the right track.

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1:00pm to 4:00pm

MAXIMIZE SALES PERFORMANCE TRACK

Build High-Performance Sales Teams

(senior executives and sales managers only; additional fee applies)

To build a world-class brand you must have a great team to provide excellent service and support. How do you decide what positions are needed and who should fill them? What decision-making process do you go through? Do you promote from within or hire from outside? What level of experience is optimal for your brand?

EFFECTIVE FRANCHISE RECRUITMENT PROGRAMS TRACK

Build & Evaluate Your Franchisee Recruitment Plan & Budget

(additional fee applies - open to all)

You've determined your ideal franchise prospect(s) and the marketing media to use to communicate your brand message. Now you need to determine how many new franchisee deals are needed to meet your brand goals. Then you project the dollars necessary to execute your plan. How do you build a recruitment budget to ensure your message reaches the right prospect with the right frequency? Once you've executed your plan and budget, how do you evaluate the results? What are the best measurements to evaluate your program—cost per lead, cost per deal, etc.? What are the best tools for your brand to use to develop, execute and evaluate an effective franchisee recruitment program?

4:30pm to 7:30pm

OPENING SOCIAL IN EXHIBIT HALL - EXHIBITS OPEN



THURSDAY OCTOBER 15 CONFERENCE DAY 1

7:45am to 8:25am

BREAKFAST IN GENERAL SESSION FOYER

8:30am to 10:15am

OPENING WELCOME

Therese Thilgen, *CEO, Franchise Update Media*

CONFERENCE CHAIR'S MESSAGE

Steve Dunn, *SVP, Global Development, Denny's*

STATE OF FRANCHISING

Darrell Johnson, *President & CEO, FRANdata*

KEYNOTE



Scott McKain

Business Thinker, Platform Original & Bestselling Author, speaks on

Distinctive Sales: How to Stand Out in a Hyper-Competitive Marketplace

10:15am to 10:30am

BREAK

10:30am to 12:00pm

ANNUAL FRANCHISE DEVELOPMENT SURVEY RESULTS

We'll present the results of the 17th Annual Franchise Development Survey, covering the basics—lead generation, cost analysis, and lead to deal close ratios—along with a sneak peak at the type of data to be gleaned in the 2015 survey.

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FULL AGENDA

2015 FRANCHISOR MYSTERY SHOPPING SCORES

With the growing competition in the franchise space, a successful team needs to be at their best to recruit, retain and close with top quality franchisees. Our team of franchise expert mystery shoppers set out to discover how brands are performing with prospective franchisees.

IMPLICATIONS & ACTION: PANEL DISCUSSION

How do you use the information gained through the franchise development survey and the mystery shopping results to improve your franchise recruitment processes? Learn from a panel of franchise development executives who have achieved growth by using this data—and even won STAR Awards. You'll gain insight on how to turn your brand results into actionable information for the coming year.

12:15pm to 1:55pm LUNCH IN EXHIBIT HALL - EXHIBITS OPEN

CONCURRENT BREAKOUT SESSIONS:

Breakout sessions are divided into three general topic tracks. You may choose to follow one track or attend sessions in multiple tracks. See session times for descriptions of individual sessions.

■ FRANCHISE SALES BASICS

This track is designed to support team members specifically new to franchise sales. We'll work on developing the skills needed to drive and close the deal. What techniques work best and how can you refine your craft? Learn how you can become a better salesperson overall.

■ BUILD A WORLD-CLASS BRAND

Building a world-class brand requires commitment from everyone within the brand. A cross-functional approach to growth that ensures everyone is on-board brings the best results. In this track, you'll learn how top-performing brands drive growth and what you can do to help your brand constituents get onboard.

■ MARKET PLANNING & DEVELOPMENT

Optimum growth derives from maximizing market penetration for the number of locations as well as advertising contributions. Learn how to fully understand your market and grow as efficiently as possible.

2:00pm to 3:10pm

INDIVIDUAL BREAKOUT DESCRIPTIONS:

■ FRANCHISE SALES BASICS:

Identify & Qualify a Warm Lead

There are a lot of tire-kickers out there—how do you determine which prospects are good leads? Learn how to direct the initial conversation to understand if the prospect is serious and if they qualify to become a franchisee of your brand. What skills and techniques work best in this environment?

■ BUILD A WORLD-CLASS BRAND:

Inter-Departmental Alignment: Imperative for Growth

Building a strong brand with successful, growing franchisees is accomplished with all departments working together. Inter-departmental alignment is critical, particularly between development and operations. The adage "Development courts the franchisee but Operations marries them" is true. This session will help you determine how to select franchisees that an operator won't want to divorce.

■ MARKET PLANNING & DEVELOPMENT:

Strategic Market Planning for Optimum Penetration & Growth

Target market expansion is a great strategy for all levels of franchise brands, whether mature, evolving, or new and emerging. Entering a market with a clearly defined plan that includes parameters for number of locations, territories, and franchisees, and criteria to achieve media efficiency, results in optimum market penetration. Learn best practices from brand experts who have realized success through market planning.

3:20pm to 4:30pm

INDIVIDUAL BREAKOUT DESCRIPTIONS:

■ FRANCHISE SALES BASICS:

Develop the Lead & Close the Deal

Now you've identified the qualified prospect. What do you do next to develop the lead through the pipeline? This session provides tips on how to keep the prospect interested and excited throughout the process until the deal closes.

FULL AGENDA

■ BUILD A WORLD-CLASS BRAND:

Financing 2015

Financing has been a roller coaster over the last five years. We're beginning to see it stabilize, but things have changed. Our panel of experts will help you understand the current financial situation, what to expect in 2016 and how to get your franchisees prepared.

■ MARKET PLANNING & DEVELOPMENT:

Avoid Impact Issues & Manage Encroachment

We all know location is key for optimum sales potential. What do you do when a franchisee wants to move into a territory or site that could potentially impact another franchisee's sales? What processes do you put in place to measure potential impact? How do you find and communicate solutions that are fair to both parties? Learn from our industry experts who have learned from experience.

4:45pm to 6:00pm

BUSINESS SOLUTION ROUNDTABLES CHALLENGE SESSION:

Build Your Prospect Relationship for Long-Term Success & Growth

KEYNOTE



David Nour

Social Networking Strategist & Author of 'Relationship Economics'

Back by popular demand! This interactive session led by David Nour will help you understand the quantifiable value of business relationships. You'll develop key

insights and work with your peers to identify solutions to business challenges.



FRIDAY OCTOBER 16 CONFERENCE DAY 2

9:00am to 11:00am

CLOSING SESSION

The Right Value Proposition

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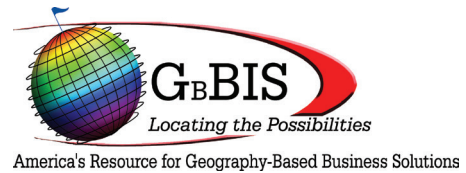
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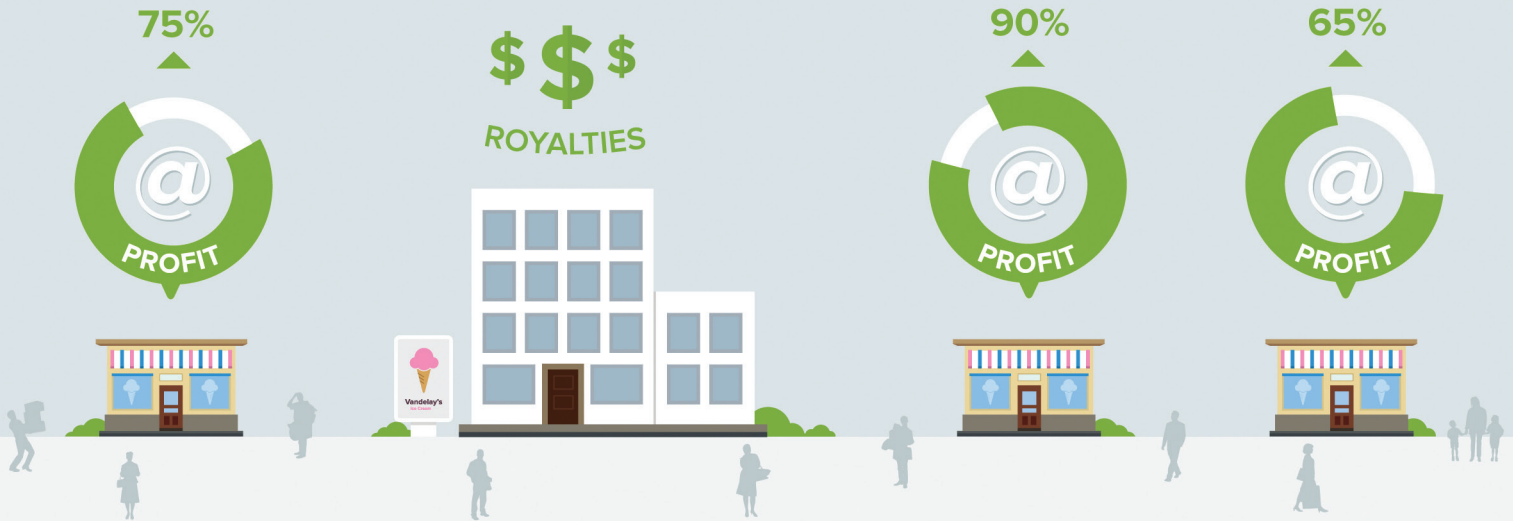


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CMOQ&A

Raising the Red Roof

CMO Marina MacDonald does it all

BY KERRY PIPES

Marina MacDonald has worked in the hospitality industry for nearly three decades. Since November 2007, she's been with Red Roof Inn, the past year and a half as CMO. Red Roof, a player in the economy lodging sector, has more than 400 properties across the U.S., split among franchised, corporate-managed, and corporate-owned units.

As CMO, MacDonald is responsible for helping the brand achieve its annual goals and objectives by leading and directing its sales and marketing programs. In this role, she develops targeted marketing initiatives that build the brand, increase customer loyalty, and support an integrated sales program. She also interacts with the franchise community and the brand's stakeholders, maintains relationships with Red Roof's top customers, and plays an active role in field sales.

While she works with a large number of groups and people, she says the brand has two primary audiences: its customers and its franchisees. "I strive to find fulfilling solutions and compelling tools to build up and showcase both those audiences," she says.

That's important, says MacDonald, because Red Roof's franchise community is close-knit, and the owners feel they are important and the focus of the brand's attention. One strong piece of evidence? "Over 90 percent of Red Roof Inn franchises say they would recommend Red Roof to other potential franchisees,"

she says. That's the kind of validation that bolsters sales and development.

She maintains an active role in the Hospitality Sales & Marketing Association International (HSMIA) as a member of the organization's executive committee and is a Certified Hospitality Digital Marketer. In 2012, HSMIA named her one of the Top 25 Extraordinary Minds in Sales & Marketing.

Describe your role as CMO. I lead all marketing and consumer sales efforts, including the national account sales team, digital, social and traditional marketing, and franchise marketing.

What's unique about the CMO position at Red Roof Inn? At

Red Roof we have two distinct audiences: 1) the traditional consumer, who stays in our product, and 2) the franchise owner, who provides the product. In my position, I strive to find fulfilling solutions and compelling tools to build up and showcase both those audiences.

What's the most challenging part of being a CMO today?

Keeping abreast of ever-changing technological advances.

What are the 3 most important keys to being an effective CMO leader today?

Having team members who are expert in their field; competent partners who deliver on the technical side of the customer experience; and leadership that ensures all the pieces work together.

How do you prepare a marketing plan and execute the strategies? All marketing plans are based on customer needs and wants with insight into what is being offered competitively. Strategies focus on the channels with proven track records of resonating with our target audiences.

How do you measure marketing results and effectiveness? Metrics vary by project, but ultimately we want to see our consumer demand grow in terms of new guests and more loyalty from current guests. In terms of franchisee effectiveness: growing demand for the franchise, franchisee intent for additional projects, and willingness to recommend.

Discuss your core consumer marketing strategies and objectives. We begin with the basics: a product that is best in class, which not only exceeds the guests' expectations, but also delivers the returns that attracts new franchise owners.

How do you go about creating a "customer-centric" marketing and brand philosophy?

We listen to our guests and franchisees. 1) Guests: through active engagement in social channels and a concentrated focus on guest surveys, online reviews, and issue resolution/avoidance. 2) Franchisees: by developing personal relationships, an active consultative environment, and surveys.

Describe your marketing team and the role each plays.

The marketing team includes experts in public relations, social media, loyalty marketing, digital marketing, field marketing, and national/regional and local sales. All work together to make sure each initiative is appropriately marketed through their channels.

Why is it so important for the marketing department to have a "personal touch" when it comes to helping the brand connect with franchise prospects?

Red Roof has built a unique reputation for building personal relationships with franchisees across all departments. It starts with our owner/operator culture. With more than 100 corporately managed properties, everyone at Red Roof understands the day-to-day pressures of running successful properties and ensuring great guest experiences. Franchisees are aware they have a direct line to not



only marketing, but to every department.

What ways/tools do you rely on to do this? Strong channels of communication, attention to details, and responding to issues immediately.

Do today's prospects expect more from the franchise marketing department? What, and how do you provide it? Franchisees demand more from the brand in all ways, and marketing is a huge component of that contribution: national sales, loyalty sales, brand image. Red Roof's brand contribution of 63 percent is one of the highest in the category.

How is technology changing the way franchise marketing is done in terms of one-on-one contact? Email capability has increased one-on-one communication tremendously over the years. But we have not let that convenience replace the personal contact at the core of our relationships. Technology does provide the analytics to support franchisees and

identify opportunities much more quickly.

How are you assisting your existing franchisees with more contact and transparency? What are their immediate needs? Red Roof meets regularly with the franchise advisory committee, both in person and through regularly scheduled conference calls. Regional vice presidents of operations are the core contact for franchisees in the field and have direct access to any resource needed.

How do you work with other internal departments, and does technology help? There are no barriers to departmental collaboration at Red Roof. All departments work together for the betterment of the brand.

How do you manage costs and budgets for the marketing department? We manage costs by gauging ROI, and we set aside dollars to test new initiatives.

Do you see vendors as business part-

ners? Why/why not? We strive to identify vendors who not only have the expertise needed, but also who match our culture in terms of dedication and transparency. That creates good partnerships.

How have marketing strategies/tools changed over the past decade? How have you adapted? The importance and proliferation of social channels has been one of the most obvious changes in marketing tools and strategies. While requiring different skills, mastering these tools puts brands of all sizes on a level playing field with consumers. It's no longer a simple matter of how much media budget a brand controls.

What advice would you offer to aspiring CMO executives? Spend as much time as possible with the head of technology. Everything one does these days touches technology and infrastructure and always sticks to your core customer. Truly understand who they are and listen to what they're saying. ■



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CMO roundtable

“WHAT ANALYTICS ARE YOU USING TO IMPROVE YOUR MARKETING?”

Jen Gulvik
SVP Marketing, Creative Director
Houlihan’s Restaurants

Our marketing has become heavily data-driven this past year upon development of several new business intelligence (BI) systems we’re leveraging. We have a CRM platform that integrates transaction data from our POS system with tokenized credit card data and our large email customer database. Combining those three data sources, we can communicate differently to recent versus lapsed customers or based on what they typically spend or buy. We can also analyze our menu mix by once-per-year customers versus five visits-per-year customers to understand if certain menu items seem to be driving loyalty, for example. We know the visit cadence of guests, so now we analyze both the immediate impact of promotions and again, six months later to see guests’ visit patterns before and *after* coming in with a promotional offer. Did we cannibalize an expected full-priced visit with the offer? Improve their visit cadence after that offer?



Marketing analyses take lifetime value into account. It’s a truer ROI.

At the same time, many social media channels have recently launched ad platforms that leverage consumer data, and we’re early adopters. Today we can serve an ad for Houlihan’s new gluten-sensitive menu to someone searching Pinterest for such recipes in the market. We can serve an ad promoting rehearsal dinners at Devon Seafood Grill to area wedding planners on LinkedIn. Or advertise to someone currently on their phone within our trade area searching for happy hour, who has previously visited a competitor location. By staying atop new media and trying these ad platforms early, when inventory is plentiful and the big advertisers wait and see, our costs are lower. It’s how we compete.

Our next step will be combining these things—testing barcoded offers in these new media channels and understanding

“The most successful brands will always be those that connect with consumers through highly relevant content and evolve as consumers do.”

—Jen Gulvik

from our BI tools which efforts bring in more *new* guests (credit card tokens that are new to our system) versus existing guests; and over time with cadence tracking, learn which produce the lowest cost per acquisition.

The technology we’re using is certainly a competitive advantage for Houlihan’s, especially as our industry has been relatively slow on the uptake to adopt new technology. Still,

the tools just provide raw data. The data won’t tell you why, or even necessarily what to do. That still requires smart marketing, which is both art and science. The most successful brands will always be those that connect with consumers through highly relevant content and evolve as consumers do.

Robert Pifke
Chief Marketing Officer
Real Property Management

The most important metrics for marketing should be cost per lead and cost per sale. Cost per lead is the media cost divided by the number of legitimate leads. Cost per sale is the media cost divided by the number of actual sales achieved through



those media.

Our research indicates that the vast majority of property owners use the Internet to find and assess potential property managers before contacting them. With that in mind, another set of online metrics used includes incremental web traffic and web leads. Leads can be telephone calls to an office or completed web forms from a website.

For offline media such as direct mail, radio, outdoor, or television, similar measures are used: the number of direct prospect calls, website traffic, and secondary calls or web form lead submissions to an office.

Website traffic should be measured by Google Analytics or other analytic tools, and call tracking services should be used to monitor calls. Naturally, separate call tracking numbers and landing pages need to be established for each medium so the results can be isolated.

Secondary measures can be useful to improve traffic and lead metrics, but are often incorrectly used as goals unto themselves. Organic rankings, social shares, bounce rate, number of website page views, and other measures should be used as a means to an end (traffic and leads). These measures are

properly used to determine how to increase traffic and leads, and nothing more.

One thing that is relevant for franchise sales is mention of a CRM system. This makes it infinitely easier to track results by medium. Portal leads can be easily set up to immediately get into a CRM system. Once in the system,

email marketing and sales force effectiveness can be monitored. For example, what is the sales conversion rate for different sales people? How quickly was the lead responded to by a sales person?

Secondary measures for email include open rates, spam designation count and percentage, and click-through rates. Again, these measures can help make the messages more effective in getting leads and sales and are not means unto themselves. ■

Millennials

Are You Ready To Deliver?

Operations is the new customer experience

BY ADAM PIERNO

People walk in, not yet customers... and what do they see? Your brand and marketing efforts got them to the door, but now that they're in, what do you want them to see first? What do you want them to feel?

Too often, the operations team is challenged to make decisions based on a variety of critical factors independent of this moment of truth—price, timing, availability across the system, etc. There are so many logistical elements it is difficult to keep the customer, especially the first-time customer, top of mind when choosing furniture, finishes, vendors, and suppliers—never mind the way products and packages are developed and trained into the system with store-level personnel. Here are three ways to make sure your operations are delivering the best experience for your customers, Millennials or otherwise.

1. Practice makes perfect. If you're providing party or event services, timing that experience as carefully as possible is critical. Concepts like Pump It Up do this fluidly with children's parties. They have honed the specifics of that timing to near-perfection, allowing them to maximize the number of possible bookings, all while obscuring this from guests who aren't paying careful attention. Hosts move party guests from one room to another just as the kids tire of one group of inflatables. Then they bring in the next party from another door, seamlessly.

Managing guests through that level of complexity (especially large groups of kids and anxious parents), to a great experience doesn't happen overnight. It's the result of careful refinement, communication, and training. The only snag in the operation for some units is the entry, where groups can

pile up anxious to play and see parties exiting or moving through the store. This is likely something the ops team is improving today.

2. Line it up. You've invested carefully in marketing efforts, measuring the results of specific campaigns and partnerships to determine effectiveness. Great! You've finally found the perfect mix that is driving people to the doors with a mes-

The messages and brand image promoted in your advertising are a promise. Does your advertising promise great service? If so, make sure you've trained your staff to over-deliver on service.

sage promising something amazing once they come inside. But do the choices you make on the operations side align with your marketing? Whether intentional or not, the messages and brand image promoted in your advertising are a promise to your customers. When people respond to marketing, they can be pleasantly surprised or totally disappointed when they experience the real thing. Does your advertising promise great service? If so, make sure you've trained your staff to over-deliver on service.

3. Fear of missing out (FOMO). Once upon a time, we all talked about features of service and loyalty referred to as "surprise and delight." These are the little details we use to reward customers for being customers, and they are as important as ever. In fact, they're *more* important than ever. When worked into an operations program properly, they can create a lasting memory for a customer, which goes a long way... longer than usual.

Today, customers who have a great experience (or a lousy one) are empowered to share it instantly and reach thousands of people. In a recent study by Citizens Relations Canada, 68 percent of Millennials said they have made a reactionary purchase shortly after seeing someone else's experience—often within 24 hours. They blame FOMO for this behavior. When people see a great experience, they want to share in it—and that means customers.

Operations can be the unsung hero of any franchise organization by doing the hard work needed to bring an experience to life. Keeping the three tips above in mind can maximize those efforts to make sure that the customers you earn have the best possible experience. This will help spread the word about your company, leading to potential customers following them in. ■

Adam Pierno, director of brand strategy and planning at Santy, unearths Millennial insights at the convergence of media, technology, and the marketplace. These insights lead to positive and revenue-enhancing change for clients. Contact him apierno@santy.com or 480-710-4243.



Customer service

Live an Extraordinary Life So countless others do as well

BY JOHN DIJULIUS

This may sound mean or unsympathetic, but one of my least favorite sayings is, “I gave my best.” To me, this is an unacceptable crutch. I don’t want to hear it.

My personal feeling is this: when the goal is to accomplish greatness, go where no one or no team has gone before. I wasn’t asking for your best effort; your best is what you were capable of in the past. I was expecting you to figure it out, to try a thousand ways and, if need be, another thousand ways, expecting you to innovate, lose sleep, get around it, find loopholes, research, and sweat like you never have before. Every extraordinary accomplishment, invention, or revolution was not a result of someone giving their best. Somehow that person or group found a way to do what no one else could do. They did the impossible. They did what no one had ever done before.

The real issue is this: it’s not the effort that is in question at the moment or during the event, it’s what you put in leading up to it. Whether you win or lose, get the sale, or ace the test, it is all determined by the effort given in preparing for the moment or event.

Every match is determined long before the contest begins. So the next time you fail, before you want to make yourself feel better by saying “I did my best,” consider if you had given your best in the preparation. The actual effort given in the event has the least to do with the outcome.

Each of us has the ability to affect thousands of lives by providing genuine care for others, whether it is called customer service or human service. One of my favorite quotes is from author Marian Wright Edelman, who said, “Service is the rent we pay for being. It is the very purpose of life, and not something you do in your spare time.”

However, it is critical that each of us understands the purpose of why we were

given this amazing gift of life, what we were put here for, and what we are to accomplish in the short time we have. You can’t just deliver world-class service at work, it has to be something that is in you, in all areas of your life. It is who you are, it is the way you treat your family, neighbors, co-workers, customers, and strangers. And remember, there are no strangers, just friends you haven’t met yet.

Success is when you are firing on all eight cylinders: mentally, physically, emotionally, with family, socially, in your career, financially, and spiritually.

Personal purpose statement

Over the past 10 years, I have had a personal purpose statement, a vision of what I want to accomplish in my lifetime, which has served me greatly through good times and some very tough times. I have had this vision posted on my bathroom mirror, it is in my wallet, and it’s on my desk in my office. It reads: “*Live an extraordinary life so countless others do as well.*”

I don’t want to live an extraordinary life to have a bigger bank account, nicer car, house, and more toys. I know that if I live an extraordinary life, many others also will as a result. And if I do not find a way to live an extraordinary life, I will probably end up cheating thousands of people.

Undeveloped potential cheats those around us, those whom we touch, influ-

ence, and affect. It also deprives ourselves of joy, satisfaction, and opportunities. Living our life to its fullest potential is not an opportunity, it is our responsibility. It is an obligation to be the best version of ourselves we possibly can be, every day. Not just for us and how our life will benefit, but also for all the people depending on us: our spouse, children, friends, employees, co-workers, customers, and community.

Living an extraordinary life is living fully. I believe that we all have enormous potential inside each of us, and if there are parts of that potential we do not develop, we are cheating the rest of the world out of the contribution we could have made. So if I don’t live fully, I don’t just deny myself a lot of joy and satisfaction, I also deny the rest of the world the benefit of what I could have contributed.

Success is when you are firing on all eight cylinders: mentally, physically, emotionally, with family, socially, in your career, financially, and spiritually. All of those are part of you and they all deserve your very best.

A personal purpose statement is not something you just write out, post, and expect automatic achievement from. You need to make yourself accountable—it needs to be measurable. For me, living an extraordinary life means there are so many things I need to be working on daily, personally, and professionally. It is everything from who I am spending my time with (are they positive or negative influences in my life?) to my health, exercise, and diet. It is not only living longer, it is the quality of life I want to have during my 50s, 60s, and beyond.

Any time I am feeling like I am not living an extraordinary life (and that is more times than I like to admit), I can look at my key drivers and see what I am neglecting—and hopefully get right back on track.

I invite you to live an extraordinary life so countless others will. ■

John R. DiJulius III is president of The DiJulius Group, a customer service consulting firm whose clients include Starbucks, Chick-fil-A, Ritz-Carlton, Nestle, PwC, Lexus, and many more. This is an edited excerpt from his book *The Customer Service Revolution*. As a gift, you can download the entire chapter at https://dl.dropboxusercontent.com/u/1673482/WebDownloads/CSRneakpeek_Ch12.pdf

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2015 Franchise Consumer Marketing Conference

BY KERRY PIPES & EDDY GOLDBERG

With technology continuing to rapidly evolve and change the face of both consumer marketing and franchise recruitment, planners for the 5th annual Franchise Consumer Marketing Conference built an educational curriculum to address marketing's hottest topics—with a focus on how technology is shaping marketing today. Thus the theme for this year's conference: "Where Old School Marketing Meets New School Technology."

More than 300 attendees gathered from June 23–24 at the InterContinental Hotel Buckhead in Atlanta, about half franchise CMOs and marketing specialists representing brands in the service, food, and retail non-food sectors. There were many new faces this year, with 51 percent of attendees first-timers.

Franchising's top marketing executives participated in two days of intensive education, sharing, and networking, each seeking to learn more about the latest strategies and techniques in the world of consumer marketing and gain an edge on their competition. "Change is exponential, coming faster and faster. This conference is trying to help us all

keep up," said Conference Chair Rich Hope, Jersey Mike's CMO. (See page 22 to learn how Jersey Mike's is using technology to build its brand and better serve customers.)

Tuesday morning boot camps

With technology under the spotlight, one of the first boot camps was "How To Choose a Technology Company." Facilitated by Ed Waller, CertaPro Painters' CMO and co-founder, the

panel consisted of Charlie Watson (vice president of franchise development at Tropical Smoothie and Tin Drum Asiacafo), Tina Bacon-DeFrece (executive vice president at Big Frog Custom T-Shirts), and Emma Holahan (digital marketing director at CertaPro). They covered everything from CRM systems to dashboards and reporting systems that provide critical information to management and franchisees alike. Waller outlined how to: 1) assess your brand's technology needs, and 2) identify technology vendors who can meet those needs. Table group discussions helped keep the audience engaged and on their toes.

Two other back-to-back boot camps dealt with brand reputation management. The first, "Understand Your Customer's Experience," was facilitated by Ray Margiano, founder and CEO of Foot Solutions. This boot camp featured four panelists: Christie Finley (chief brand officer at Dickey's Barbecue Pit), Drew French (founder of Your Pie), Martha O'Gorman (CMO at Liberty Tax Service), and Ed Samane (president and founder of PRO Martial Arts). They shared their insights and experiences in customer loyalty and retention, how to capture the voice of the customer, generating in-store customer feedback,

FCMC BY THE NUMBERS

ATTENDEES

306 Total

144 Franchisors

142 Sponsors

20 Other

51% First time

FRANCHISORS BY CATEGORY

77 Service

31 Food

14 Retail Non-Food

10 Retail Food

12 Other

Above: Conference Chair Rich Hope

dealing with negative comments on social media, training front-line employees to deal (effectively!) with difficult customers, customer service and upselling, and, of course, keeping up with technology. “Technology keeps customers engaged, but it is how this technology is leveraged that will set you apart,” said O’Gorman.

The second Customer Experience boot camp, again facilitated by Waller, repeated the earlier “How To Choose a Technology Company” theme, again to a packed house. Watson, DeFrece, and Holahan made a repeat appearance, this time to a new audience. Waller repeatedly emphasized the importance of having an IT road map—but when he asked the room who had one, just a single hand went up. This session took on a more technical bent than the first, with the discussion including CRM vs. ERP systems (and the pros and cons of the outside vendors they used); allocating budgets for IT projects (and whose budget); integrating data from different locations, as well as different departments; how to reach and engage franchisees effectively, especially younger ones; whether to build or outsource IT projects; negotiating with tech vendors; how to automate market data capture without involving franchisees; using micro-websites for local optimization with locations in different markets; and the importance of having an IT wish list.

With the morning’s boot camps wrapped, attendees flocked to the opening of the Sponsor Networking Gallery for lunch and a chance to visit with more



Ray Margiano, founder, Foot Solutions



Darrell Johnson, FRANdata CEO, presents his economic forecast

than 140 vendors, suppliers, sponsors, and one another. Technology solution providers were out in full force, offering solutions that ranged from local marketing and SEO to CRM systems and social media. (A list of vendors and suppliers is available at franchiseconsumermarketing.com.)

Welcome, attendees!

The first general session followed, with FCMC Chair Rich Hope welcoming attendees to what he promised would be a conference filled with unique learning opportunities and networking with peers. “That mobile device is here to stay,” he said, with 70 percent of Jersey Mike’s web traffic originating from smartphones or tablets.

However, he added, even though technology is everywhere, “Some things don’t change. Technology is a tactic. It doesn’t change strategy. Strategy is the foundation of a good marketing program. Let’s focus on strategy,” he urged the crowd, before introducing Darrell Johnson, CEO of FRANdata, who presented his annual “State of Franchising” economic report.

Characterizing today’s U.S. economy as the third phase in the country’s recovery from the Great Recession, he said this period will be marked by increased overall lending, rising interest rates, and slowly rising confidence and spending. “This is the time for marketing,” with successful brands focused on “stealing a slice from your neighbor’s pie,” he said. “Organic growth will remain low, so you must take market share from others.”

He cautioned that this is an artificial

recovery, the result of financial tricks such as historically low interest rates to boost the economy. He noted that lower gas and commodity prices are not boosting consumer spending, growth remains uneven and concentrated in urban centers, monetary policy is running out of energy (think higher interest rates ahead), and not to look for Congress to help, calling the present body the most dysfunctional since the 1850s.

With all that, what can franchise brands expect over the next 2 to 3 years? Johnson described a slow-growth environment expected to continue into 2017. With the U.S. economy expected to grow 2 to 2.5 percent annually, look for slow, choppy growth concentrated in pockets (geographic or sectors). He noted the proliferation of new franchise brands in health and fitness, frozen desserts, clothing and accessories, business services, and educational and child services. Labor and hiring, he said, will face systemic challenges: demand for high-skilled workers continues to rise while demand for low-skilled work-



José Castañeda, CEO, Castañeda Marketing



Mitch Joel, keynote speaker

ers continues to fall; automation will become increasingly standard; and minimum wage debates will continue to affect franchising.

While the overall economic outlook may appear gloomy, “It *is* economic growth,” he stressed. “It’s not bad, it just doesn’t feel good.” To the roomful of franchise marketers, he added, “Now is your time to shine.” The challenge in the coming year, he said, is to collect and centralize data. “We’re just at the beginning of finding ways to measure—and what to measure. Performance metrics will be key to assessing the effectiveness of your marketing spend, not only for customers, but for franchisees.”

It’s a one-screen world

Next up was the first keynote of the conference. Mitch Joel, president of Twist Image, is a “media hacker,” author of the book *Ctrl Alt Delete*, and one of the world’s leading experts in contemporary marketing. Joel warned the audience in an eye- (and brain-) popping way that it’s time to reboot and rebuild their business model and their life. If you don’t, he said, not only will your company begin to slide backward, you may find yourself unemployable within 5 years.

“Social, mobile, and analytics are not going away,” he said. PC orders are down worldwide and smartphones and tablets are turning culture into a “one-screen world.” He pointed out that in 1999 there were 38 million broadband Internet users worldwide. Today, there are 1.2 billion with broadband Internet access on their phones. He focused his presentation on four ideas, which are

explained further in his book.

1) The power of direct relationships. The battle for a direct relationship with the customer has changed in the past few years, with everyone in the value chain today competing for a direct relationship with each customer. Take Beats by Dre, for example: 7.7 million people “liked” this brand on Facebook and many bought them at Walmart. So who is most entitled to have the primary relationship with the customer, he asked: Beats, Walmart, or Facebook? (Or perhaps Apple, which bought the brand last year?) The point, he said, is that companies are not only doing battle with competitors, “but also with all the players in the value chain.”

2) Sex with data. “We’re moving away from demographics and psychographics to personalized, more relevant advertising—to a better, more customized experience for customers,” he said. In his book, he calls it a shift from analytics, data, and consumer intimacy to a brand-consumer marriage.

3) Utility. This is simply the idea of being *useful* to your customers, providing a service or product they want or need (or don’t yet know they need, like the iPhone when it first appeared). Joel said this is the most powerful asset a brand could have, but few are doing it. Two very specific examples: Charmin’s “SitOrSquat” website for finding clean public restrooms when you’re out and about; and DishTip, which allows people to search for reviews of specific food dishes, instead of restaurants, like on Yelp.



Valerie Kinney, VP Marketing, Certapro Painters



Wendy Odell Magus, VP Marketing, Kiddie Academy

4) One-screen world. “The only screen that matters to me is the one in front of me,” said Joel. Whether it’s a desktop, laptop, tablet, smartphone, or smartwatch, companies must tailor their marketing efforts for each. Adapting your website for smartphones simply by making it smaller and the right shape is not enough—much like the early days of business websites when franchisors basically put their recruitment brochures on their website—simple enough, but not right for the medium. From his book: “The way someone accesses the content [on a mobile device] is fundamentally different from a web experience, but most important, more and more consumers are using mobile as the first gateway to find out about your brand.”

More sessions

The remainder of the afternoon was filled with concurrent breakout sessions grouped into four new tracks this year: Young & Growing Marketers; Franchisee Training, Educating & Motivating; Media Strategy & Execution; and Customer Relationship Management. Attendees chose from sessions that included How to Write, Execute & Evaluate an RFP; Sell-In Strategies for Franchisee Buy-In; Broadcast: TV, Radio, and Outdoor; and PR Strategy & Utilization.

With the daily sessions completed, attendees returned to the Sponsor Networking Gallery to close out the day with a welcome reception, food and drink, and additional time with vendors and peers to explore the new technologies and other marketing solutions on display.

Day 2 dawns

A continental breakfast awaited and awoke attendees before they headed into the day's first general session. Conference Chair Rich Hope welcomed everyone back and introduced a new panel on technology and marketing called "Ask the Experts," which brought together representatives from Google, LinkedIn, and Angie's List. Linda Shaub, senior vice president of marketing at Interim Healthcare, moderated a high-tech panel consisting of Christine Merritt, Google's head of premier SMB partnerships, channel sales U.S.; Kellee Van Horne, LinkedIn's head of customer marketing, sales solutions; and Kevin Weinmann, national corporate sales manager at Angie's List. Each outlined their brand's latest endeavors and product tweaks before addressing questions from Shaub and a very eager audience.

The breakout sessions that followed offered panels on vetting vendors, tracking and reporting results, local store marketing, and managing online and social media reviews. Again, the sessions integrated tried-and-true marketing strategies with online and social media. At noon, the doors opened for a final visit to the Sponsor Networking Gallery.

Attendees returned to the general session room for an open forum with four franchise marketing executives selected by the attendees, who voted for their favorites using the conference's mobile app: Checkers' Terri Snyder, BrightStar's Jayson Pearl, Hungry Howie's Jeff Rinke, and Jersey Mike's Rich Hope. The panel, moderated by Luis Zuniga, former vice president of marketing and communication at CruiseOne, held a lively discussion on marketing and technology issues facing their brands. Topics and questions from the floor touched on building a great marketing team, agency partnerships, online ordering, developing mobile apps, ad budgets, ad funds, and targeting and collecting customer data—and what to do with it.

The panel was followed by a final round of breakout sessions before ev-



J.B. Bernstein, keynote speaker

eryone reconvened for the conference's final keynote.

Million-dollar keynote

J.B. Bernstein, legendary sports marketing agent whose life was chronicled in the movie "Million Dollar Arm," delivered a motivational and inspiring wind-up to the two-day event. His message was tied to his new book, *Hey... Where's My Big Idea?* and Bernstein regaled the crowd with tales of his groundbreaking marketing deals for superstar clients Barry Bonds and Emmitt Smith. He broke down his own process of idea formation into six steps: 1) information overload, 2) cross-referencing/good thinking, 3) a Eureka moment, 4) idea to business plan, 5) capital, and 6) successful product or business.

The first three steps, he said, are theoretical, while the last three are about execution and the "four P's" (product, package, promotion, and price). However, he added a fifth "P"—perspective—which comes from identifying the need or want. Without perspective ("where everything flows from") he said, the other four "P's" are worthless.

Ideas, he said, are created by a system, not magic. Most people, he said, make the mistake of thinking great ideas come in a "Eureka moment," whereas in his experience, it's the first two steps that make such a moment even possible:

1) intensive research to the point of information overload ("Any part of an idea that is not in your head will ensure you don't think of that idea."); and 2) cross-referencing/good thinking ("It is critical to make sure your mental information is filed properly.")

Only then can you have that Eureka moment, he says. "These mercurial moments happen when a catalyst in your experience galvanizes a group of what previously seemed like unrelated facts into an idea," he explained. "Most people think this is the first idea, but it comes because you have 1 and 2 in your head." Uber is an example, with someone putting together the seemingly unrelated facts that gas is expensive, cabs can be terrible, the average car sits 22 hours a day but costs \$8,000 a year, urban driving is stressful, and parking in cities is scarce and expensive.

He closed an exhilarating presentation by saying, "Anyone can drive innovation if they train their mind to do so," and emphasized the importance of the human factor in this increasingly technological era. "Innovation and relationships go hand in hand. If innovation is the vehicle, relationships are the fuel," he said.

After a head- and heart-filled two days, it was time to pay attention to a more basic need. Maggiano's Little Italy, just a short walk up the street, played host to the conference's annual closing dinner, which brought the proceedings to a celebratory conclusion as attendees relaxed over a family-style meal, getting in their final visits with friends old and new, and saying their good-byes until next year.

"The sessions were great and the keynote was fantastic," said Juan Valenzuela, director of operations at Pinpoint Software.

Dodie Pleiss, director of field marketing at Primrose Schools, said, "This is the size and kind of conference where you can really get to know people, and you walk away with a bunch of contacts."

Plans are under way for the 2016 Franchise Consumer Marketing Conference. To find out more, visit franchiseconsumermarketing.com. ■

Growing Your System

FRANCHISE DEVELOPMENT INTELLIGENCE



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“What are you doing to integrate technologies for both your overall development strategies and into how you create a profile of your best prospects?”

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New study shatters myths about top sales performers

Franchisees have one thing in common



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Tim Courtney
Vice President, Franchise Development
CruiseOne

It's really incredible how much technology continues to evolve! There are so many tools available to assist franchisors with their development plans today, and at CruiseOne integrating technology is an essential part of our development strategy.

• **Invest in technological enhancements.**

Get creative with your development budget and ensure there is room for technological enhancements. We continually invest in our existing technology tools and new platforms. This allows us to continue creating innovative programs, giving us access to the latest and greatest franchise development tools. This investment has not only provided us with a positive return on investment in obtaining new franchisees, but also in maintaining satisfied franchise owners with a 94 percent retention rate.

• **Develop technology for efficiencies.** Our standalone recruitment website is separate from the consumer website and has proven to be the most beneficial tool in our development strategy. Having a responsive website is the best, most efficient way to increase website conversions because you are providing a user-friendly experience for prospects. It also gives you a platform to build your credibility through highlighting milestones and accomplishments such as industry recognitions. Plus, with an average 90-day sales process, we ensure our development team is equipped with a robust CRM system and presentation tools that track the progress being made with the prospect throughout the entire process. This is an extremely important part of our development strategy



because we want our team focused on determining whether or not our franchise model is mutually beneficial for us and the franchisee.

• **Identify the best prospects.** Unless you are tracking how your marketing and advertising dollars are spent and which lead sources are yielding the best return on investment, you are likely not attracting the best possible prospects for your franchise system. With a robust CRM, you can maximize your opportunities by pulling reports and data mining your franchisee database to track franchisee performance back to the lead source, demographics, etc. At CruiseOne, we have several ways we

recruit new prospects. Whether it's attending trade shows or placing print and franchise portal advertisements, we ensure that our marketing dollars and results are continuously monitored with regard to cost per lead, cost per acquisition, conversion rate, etc. It is also important to see how these compare not only with other lead sources but also year over year.

Doug Smith
Vice President, Franchise Development
Chem-Dry

Chem-Dry uses inbound marketing strategies to help us connect with potential franchisees. Our online marketing strategy is designed to make significant information available to people researching franchise opportunities.

Our recruitment website is full of

information about our business model, startup costs, and past performance to proactively answer questions people ask as they research the brand. Dry facts and figures go only so far—that's why we also invite franchisees to share their stories with others who are considering the brand. They share how they got into the business, what they like about owning a Chem-Dry franchise, and factors driving their success. By telling these stories, we help future franchisees understand what success looks like within the brand and understand the hard work and diligence it takes to succeed. The profiles we publish help people get a feel for the organization.

Other tactics to connect with candidates include:

SEO: Our website and its pages and blog posts are search engine optimized.

PPC: We target search terms that are used by people researching business opportunities, and the ads connect with our website where candidates can fill out a form to learn more and connect with our recruiting team.

Portal presence: Sites like Franchise Update do a great job of introducing people to different brands they can consider as they look to start a business. We stay active on franchise portals so people can discover us and then visit our site to learn more about the

opportunity and get to know the brand at a deeper level.

CRM: Our customer relationship management platform allows us to keep track of franchise candidates as they enter the process of learning more about Chem-Dry and gives us visibility into where each candidate is in their learning process, which helps our team decide the most appropriate follow-up. ■



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Entrepreneur

37 Years Strong in the
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Salesmarts

Emotional Intelligence

Fulfilling the real needs of your candidates

BY JIM BENDER

In the previous issue we discussed the power of selling your brand's marketing expertise during the franchise recruitment process. This is a subject most franchise development people at best gloss over. Yet it is a compelling reason for candidates to select your brand over another. After all, if your ability to put "butts in the seats" is proven superior to that of other brands in the category, you have a distinct advantage when justifying differences in investments or franchise fees.

When you consider your overall franchise sales strategy, selling your marketing expertise is on par with selling your training, grand opening, business consultation, or technical support. It is one of a multitude of topics we in the development business must master. We spend hours reviewing these topics with candidates to ensure every candidate has a clear understanding of how our model and relationship work.

From the candidate's point of view, each review increases their familiarity and comfort with your brand and builds confidence and trust in your people, their capabilities, and your organization. Reviewing these topics increases the candidate's level of comfort that they are making a wise investment in a well-run enterprise. The time we invest in each review develops within each candidate a feeling of fairness, and the security that "somebody is behind me." These reviews have the same effect for candidates new to franchising and for experienced, multi-unit operators. Each must feel they have exhausted their questions, completed their due diligence, and left no stone unturned.

The long and short of it is that people do not make sizable investments without getting into the details. In response, we build selling systems that smoothly and sequentially deliver those details in an attempt to build trust.

The emotional factor

While we have created selling systems and presentations that deliver the details,

much too often our systems do not deliver a close. Why? Because while selling our marketing, technical, and training expertise (the details that are easy to talk about) we fail to identify and understand the emotional forces driving the candidate to buy (the details that are more difficult to talk about). If we do not identify and understand the emotional forces driving the candidate, we cannot demonstrate how only our brand and model will fulfill their unique and personal needs. If we do not

Here's a news flash: candidates would rather talk about how your brand fulfills their emotional needs more than any other topic.

proactively demonstrate how our brand fulfills their personal needs, we rely on the candidate to connect the dots between rational capabilities (marketing and technical expertise) and emotional rewards to arrive at a buying decision. We are out of control of the sales process, and more often than not the deal does not close.

Whether intentional or not, we are all inclined to "fine tune" the sales process. Sometimes we rationalize that we just need something new. Sometimes we think technology has changed the nature of the sales game when it has changed only the method of delivery. Sometimes we think candidates today are more sophisticated when we only have armed them with more information before making the initial contact.

In our efforts to find a better way, we may minimize or even eliminate the most productive sales questions of all: those that identify the emotional forces driving the candidate. And here's a news flash: candi-

dates would rather talk about how your brand fulfills their emotional needs more than any other topic. Those needs are at the core of the decision-making process, and we need to be there too.

The candidate's emotions are usually just below the surface and will come out with a few simple questions: "What caused you to inquire today?" "Why are you considering business ownership versus continuing on your career path?" "What has changed in your situation that brings us together on the phone today?" "Where do you want to get to from here?" "How do you define success so you will know when it arrives?" Conversations about what drives a person will take less time and be more fruitful than discussing the management software system.

Closing deals of the magnitude offered by most franchise models requires more conversation about fulfilling emotional goals and less about rational attributes. When we fail to connect with the candidate's emotional goals we fail to recruit the high-performing franchisee everyone seeks. (This doesn't mean you will not recruit franchisees, but probably not the game-changing, record-breaking, multi-unit expanding, gloriously validating franchise owners you seek.)

Review your sales strategy today to ensure that the qualifying questions that close deals have not been overlooked. Most important, be absolutely certain your sales process includes a well-prepared presentation dedicated to demonstrating how your brand fulfills their unique emotional needs. Help your candidates connect the dots, making certain they do not miss one.

As an older and wiser associate of mine said many times, "Nobody calls the store to ask what time it is. They called to buy something. Find out why they called before asking what they want to buy."

Happy Selling,
Jim

Jim Bender is the president and owner of Franchise System Builders. He has been in the franchise industry for 37 years and has provided clients with sales outsourcing and concept packaging services since 2002. Contact him at jtbender@franchisesystembuilders.com or 248-647-1989.

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Market trends

Measuring Outcomes Strengthening the franchise business model

BY DARRELL JOHNSON

The franchise community, along with media, politicians, regulators, and others, are beginning to understand the importance of measuring outcomes in franchising as a basis for understanding a brand's performance.

Outcome measures have been led by lenders who assumed that a franchise system's credit risk could, in large part, be predicted by measuring specific outcomes. Terms such as continuity rates, historical unit success rates, and recurring revenue self-sufficiency are becoming commonly used. This focus is having a profound impact on how franchise brands are being evaluated. That's a good thing for the long-term strengthening of the franchise business model. After all, if we can't measure outcomes, how do we improve them?

Measuring outcomes is an essential first step. By using decades of performance information to develop, test, and refine definitions and create range standards, we're making good progress in defining and measuring the right metrics. The next step is to begin to understand what causes outcomes to be better for one franchise brand than another.

For instance, take two franchise brands operating in the same industry with similar products, unit investment levels, and so forth. Why do they have different historical unit success rates? An outcome doesn't just happen. A number of factors influence that result. What are they, and which are more influential in achieving good outcomes?

To begin to answer these questions, let's look at the functions franchisors are responsible for overseeing from a brand management perspective. Regardless of industry, if a brand is operating under a franchise model, it is responsible for certain functions that are common to every franchisor. Organizationally, franchisors may group them in different ways, but the functions are similar. The relevance is not in the groupings, but in the func-

tions themselves and how they influence outcomes.

Some franchisor functions involve interaction with the franchisee as owner (in other words, the person, not the franchisee entity). These include development, training, perhaps site selection, pre- and post-opening support, ongoing field support, and relationship management (including

If a brand is
operating under a
franchise model, it
is responsible for
certain functions
that are common
to every franchisor.

information sharing within the system). Some franchisor functions focus on the franchisee unit, including outward-facing marketing and internal-facing system operations. Finally, there are functions the franchisor must do for its own purposes, including finance, legal/regulatory, and administration.

Most, if not all, of these functions influence franchise system outcomes. The question, of course, is what does good franchisor functional performance look like? One could argue answering that question can be done only with a substantial dose of subjectivity. For instance, what does a "good" development or training function look like? Isn't the only practical way to answer that more subjective than objective? Further, even if performance metrics could be developed for a function, how much influence does one function actually have in a particular outcome measure?

We think a lot about these questions because our franchisor clients ask us for answers. Combining research skills and a

mountain of franchise information does start to bring some clarity. We are getting pretty sophisticated in measuring franchise brand performance outcomes, and we are now beginning to understand the impact the functions noted above have on those outcomes.

Let's explore the development and training functions a little further. Typically, it takes at least 7 years of franchising and at least 30 to 50 units, depending on the pace of development, to create analysis value from a brand's historical unit success rate (HUSR). A higher HUSR not only benefits franchisees, it also provides a greater return to the franchisor, whereas a lower HUSR costs both the franchisee and the franchisor time and resources in addressing underperforming units.

An HUSR has many functional influences, starting with development. Franchisors have to learn what a "qualified" (and therefore a more likely successful franchisee) looks like, which is what the development function is all about. Some franchisors know this before they start franchising, but most learn by trial and error. By tracing back HUSR outcomes to the qualification process, a pattern emerges. If the training function is aligned with that pattern, you typically see a better HUSR.

I have just described a best practice, but more can be done. Cause (development and training functions, for instance) and effect (HUSR) can be measured in time and resources. The relationship can be established so that when a franchisor wants to know whether their training program is effective, and what they are getting for the incremental dollars they are contemplating in the training function, measurable answers can be developed based on comparisons to many other brands.

Franchise brands increasingly are being evaluated based on measures of standardized outcomes. This is not only helpful, but necessary for the long-term strengthening of the franchise business model. The next logical evolutionary progression will focus on causes, and that will help franchisors to be smarter, stronger and better—if we measure the right things the right ways. We all should be committed to that goal. ■

Darrell Johnson is CEO of FRANdata, an independent research company supplying information and analysis for the franchising sector since 1989. He can be reached at 703-740-4700 or djohnson@frandata.com.

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International

Global Tech

How franchise brands are using technology abroad

BY WILLIAM EDWARDS

Technology has become essential to the operation of franchised businesses around the world. This includes not only operating the actual business, but managing the franchisor-franchisee relationship across country and continent boundaries.

The use of technology around the world is similar to that in the United States and Canada: franchise management, development, operations, training, social media, and marketing. POS systems that are web-based make keeping track of unit sales much easier and timelier no matter what country the franchisor expands into. To learn more about the use of technology in global franchising, we reached out to several franchise sector experts in key franchise countries, as well as several U.S. companies.

Chile

For the past 8 years, restaurants have used IT for better customer service and for administrative purposes. In some high-end restaurants, wines and cocktails are offered to clients using iPads, which are also used to manage the seating chart. —*Veronica Pinto, Commercial Specialist, U.S. Commercial Service, Santiago*

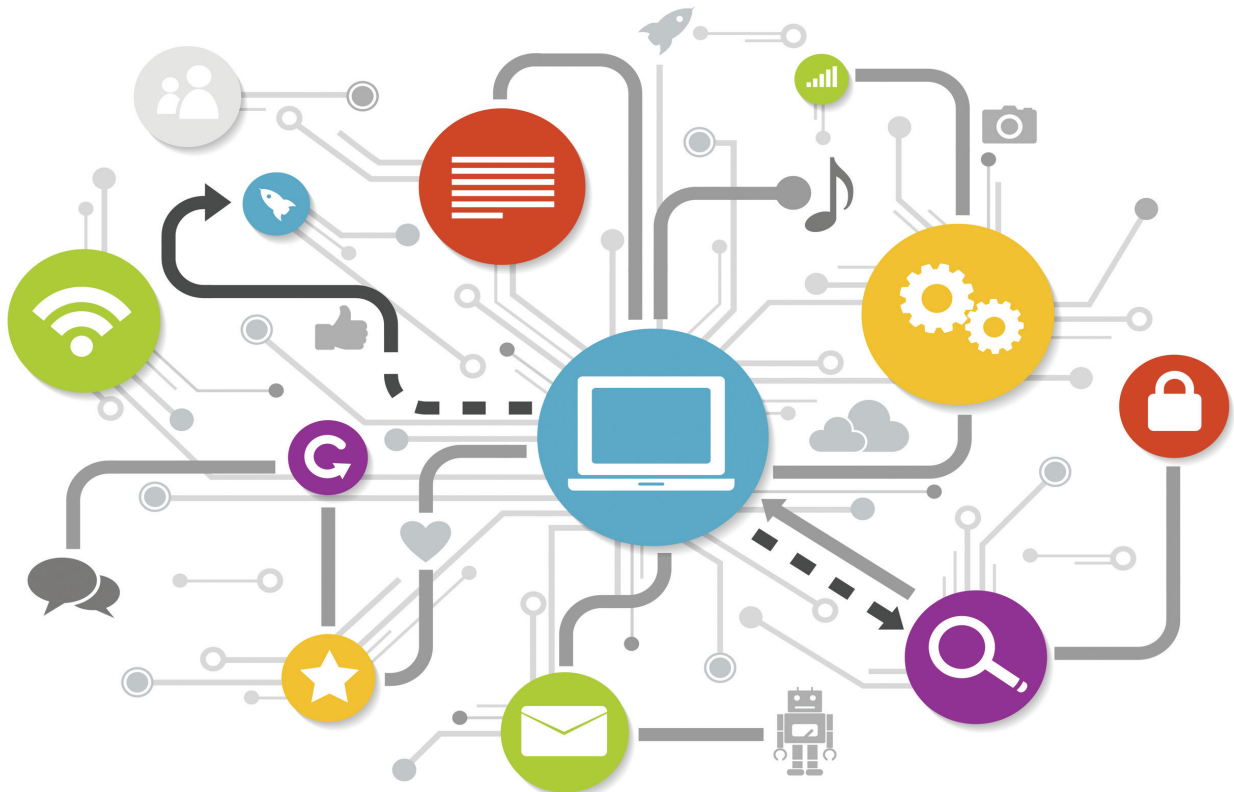
India

India is providing technology to the world, but lags behind when it comes to using it! International brands entering India are using technology to connect with and support local partners. Because of large distances and time differences, brands remain connected to monitor and review business progression, especially when they start operations here. Also this is a huge

tool for training and ongoing support. Domestic brands are relying on technology for franchise development. Because of the sheer size of the country, generating leads and recruitment of new franchisees is more effective through the Internet. Brands and franchisees are extensively using social media for marketing. Many franchising brands in food and retail are going online and have mobile applications for e-commerce. POS systems are getting more advanced and work more in the network environment to give real-time data for analysis and control. India's young population is very techno-savvy and adapts to these new tools very fast. —*Rajeev Manchanda, Managing Director, Inventure India, New Delhi*

Mexico

Franchisors doing business in Mexico are using CRM and FMS systems to manage the development and administration (communication) of franchises. Although their use is not ubiquitous, it is widespread and gaining popularity; probably the greatest deterrent among emerging franchisors is the initial set-up cost. More and more franchisors are using electronic learning management systems (ELMS) to train franchisees, and web-based applications to provide



franchisee support. The same applies to operations manuals, which are being digitized and distributed electronically. As for security, more and more franchisees are using web-based security systems to control and supervise their employees. At the unit level, franchisors are using more sophisticated POS systems that help them control and gather information on sales, inventories, royalties, etc. This information is often shared through web-based applications. We have seen both commercial off-the-shelf products being used, as well as in-house developed applications for larger franchise systems. —*Roberto Litwak, COO, Feher & Feher, Mexico City and Los Angeles*

New Zealand

Xero, a New Zealand-based online accounting system also used in Australia and the USA, has special applications for the franchise sector. With GPS, mobile franchisees (vans) can be tracked by the franchisor as to their location and whereabouts (and especially if they go home often during the day and not work!). Learning management systems are extensively used in New Zealand, as they are in many countries, to remotely transfer the franchise business system to all who work in the franchise worldwide. Today franchise agreements in New Zealand (and elsewhere) have a detailed section covering franchise management package use and costs. —*Stewart Germann, Partner, Stewart Germann Law Office, Auckland*

Southeast Asia

Social media (LinkedIn, Facebook, etc.), email campaigns, and online advertising are the most common uses of technology in the franchise sector in Asia. In many emerging markets, Facebook is the preferred communication tool of the middle and upper class. They use Facebook to arrange to meet in malls and restaurants. They have a smartphone penetration and the monthly Internet access is cheaper than cell and text charges. In Malaysia, half the population is on Facebook, 63 million in Indonesia, 16 million on the island of Taiwan, and 22 million in Vietnam. These tend to be the buyer or consumer class. So franchise marketing on Facebook is essential in such countries. McDonald's uses Facebook to advertise in Indonesia. —*Sean Ngo, CEO, VF Franchise Consulting, Ho Chi Minh City, Vietnam*

United Kingdom

The U.K. uses technology in five major areas: 1) new franchisee recruitment (there is increased importance of recruitment websites); 2) digital marketing; 3) online inquiry tracking to measure effectiveness of promotional spend; 4) Skype for teleconferencing (from both PCs and mobile devices); and 5) automated inquiry handling systems and video testimonials. In the restaurant sector: tablets for menu ordering; contactless payment/Apple Pay, etc.; reservations by tablet/smartphone; tracking technology to promote special offers to customers in the vicinity of restaurants; extensive use of social media for promotion (e.g., Facebook likes, etc.); sophisticated use of EPOS systems (for managing payment, capturing customer information, reporting etc.); and video monitoring (the ability of management to look at remote restaurants/stores in real-time and see the actual trading situation within the last 10 minutes). Mobile franchises make use of tracking technology for both vehicle movements and to advise customers of expected delivery. Product/service franchises use online ordering and online customer satisfaction surveys. For all franchises, the use of automated telephone answering/routing systems has become standard. —*Iain Martin, Director, The International Franchising Centre, York, England*

U.S. companies

We also asked some U.S. companies with international operations or customers about their use of technology overseas.

- **Sky Zone** – Sky Zone, with licensees in six countries on four continents, uses a web platform for royalty billing, project management for new park opening/launching, and training. —*Glen Lord, COO*

- **Sport Clips** – Sport Clips uses a software program developed in Australia, Shortcuts, to manage all aspects of their business including appointment booking, client management, marketing, client feedback, and business performance. —*Gordon Logan, Founder and CEO*

- **Two Men and a Truck** – Technology has been critically important to our sustained growth over the past 6 years. Our web-based systems have enabled our international franchise system to gain operational efficiencies, increase sales by integrating marketing automation platforms, and even increase franchise

expansion by enabling remote management. However, the most important aspect has been our ability to improve the decision-making process by leveraging objective data. —*Jon Nobis, COO*

- **FranConnect** – Our system helps 600 franchisors sell more franchises, manage franchise operations, build relationships with franchisees, and grow and manage franchisees' local marketing. The technology is web-based, so it isn't confined in terms of location and availability, and is accessible 24/7 and on all platforms. U.S. franchisors can provide master franchisees with a FranConnect system that mirrors the headquarters franchise sales processes, franchise information management systems, operational support, intranet, marketing system, etc., which allows the master and their sub-franchisees to have a consistent and branded set of tools to run the international franchise system throughout the franchisee lifecycle. In the unlikely event that a master franchisee were to leave, headquarters would have the means to assume or reassign the historical records, data, and other pertinent issues needed to keep the business running effectively. The tools provided cover many forms of international currency and are available in English, Spanish, French, Italian, German, and Portuguese. Importantly, FranConnect is compliant with many international rules relating to the privacy and security of consumer information when flowing back to the U.S., and is Safe Harbor-certified. —*Keith Gerson, CEO*

The bottom line

How technology is being applied elsewhere is not so different than the technology applications being used in the United States and Canada. This should make franchisors a bit more comfortable with international expansion. Also, it is worth looking at systems developed elsewhere to increase productivity in global franchise management. ■

William Edwards, CEO of EGS LLC, has 40 years of international business experience. He has lived in 7 countries, worked on projects in more than 60, and has advised more than 50 U.S. companies on international development. Contact him at 949-375-1896, bedwards@egs-intl.com, or read his blog at edwardsglobal.com/blog.

It's closing time

Debunking Sales Myths

The truth about top sales performers

BY STEVE OLSON

In my 30-plus years in franchising I have often wondered: What is the “DNA” of a franchise sales superstar? Is it a natural selling talent fueled by tremendous drive? Is it pure luck based on representing today’s hottest franchise? Are service brands easier to sell than food brands?

After much pondering, I enlisted Rebecca Monet, president and chief scientist of Zoracle Profiles, to help shed some light on my questions. We all know that making the right hire for your brand can catapult growth—and that poor to mediocre hires cost many thousands in lost time, marketing dollars, and royalties.

For our research project, 40 seasoned, successful sales professionals were invited to participate in an emotional and social intelligence assessment that has an 87 percent accuracy rating. Some findings were as expected. However, research revealed substantial differences that set food, service, retail, non-retail, single-unit, and multi-unit sales people apart from one other. Franchise sales professionals are not a “one-size-fits-all concepts” species. Let’s start by addressing three common franchise sales myths.

• **Myth 1 – Successful sales people are outgoing and “people persons.”** Fact: Top-performing franchise recruiters are not extroverts or people-oriented. They are project- and task-oriented. They are true Director-Thinker types. This flies in opposition to what many have been taught. The assumption that one is more influential when sociable or extroverted is a logical fallacy. There are numerous examples of introverts who were or are highly influential and excellent sales people, including Bill Gates, Dwight Eisenhower, Jack Welch, Ray Kroc, Sam Walton, and Andrew Carnegie. In our research, top-performer sales professionals scored 20.7 percent higher in relationship management (a social intelligence marker) than mid-performers; this while scoring 54 percent *lower* in extroversion. Our research also showed that top-per-

forming franchise sales professionals are excellent managers of process.

• **Myth 2 – Good salespeople can sell any franchise concept.** Fact: Selling a service concept requires a greater skill set than selling a food concept; the same holds true for a non-retail versus a retail business. Top-performer sales professionals who sold food concepts scored 129 out of a possible 180 in sales skills; those who sold service concepts requiring a retail location scored 144; and those selling service concepts requiring no location scored 165. Additionally, those who sold non-retail concepts scored 25.8 percent higher in marketing skills, 22.9 percent higher in leadership, and 11.9 percent higher in self-management than those who sold retail businesses. These findings debunk the idea that it is more difficult to sell a brick-and-mortar business. However, sales pros representing retail businesses scored 33.2 percent higher in management skills and 8.7 percent higher in their overall competitiveness. These characteristics are critical because of the greater number of moving parts and the more crowded space in the food/retail sectors.

Sales leaders also differed based on the stage of growth and culture of a franchise organization. This likely does not come as a surprise considering the tendency of franchise sales professionals to jump from concept to concept. The question, then, is why? Based on our research, 85 percent of top-performing franchise sales professionals had a strong leaning toward early-stage franchise concepts, which rely heavily on their skills to bring in those first 50 to 100 franchisees. Concepts that are new or unique thus attract top sales producers as it provides them with opportunities for greater control. Yet as systems evolve through the various stages of growth, the original appeal diminishes. We’re not suggesting top performers are seeking the next “shiny object,” but instead that a top sales professional needs a challenge.

Once the brand has market recognition and momentum the race has been won, and they are off to the next one.

• **Myth 3 – Good salespeople are interested only in their commission.**

Fact: The difference between an average recruiter and a superstar lies within their values and motives—the reason they are selling in the first place. Indeed, the average franchise salesperson is motivated by the commission, concerned with appearance, and making the mortgage. The top performers, however, are motivated by a desire to be the best, to be in control, and to make a difference. They scored extremely high in the Achiever and Societal categories of our assessment, outscoring mid-performing franchise sales pros in both categories by a wide margin. An Achiever is all about uniqueness, control, and success, while the Societal is all about making a difference and having an impact. Achiever-Societals are good at delayed gratification; their focus on commission pales in comparison to their long-term goals to dominate the market, overcome a challenge, be the best, leave a legacy, and make a difference.

These same values are also what make them men and women of strong principles and integrity, able to walk away from a franchisee candidate they feel would not be a good fit for their franchise organization. Nineteen of the 40 top-performing franchise sales professionals were at one time franchisees themselves. Not only does this give them unique insight into the day-to-day operations of a business, it also provides a higher level of commitment to the success of both the prospective franchisee and franchisor. Additionally, these same values allow them to sell multi-unit opportunities with as much ease as selling a single-unit, something average sales folks struggle with.

In our next column, you will discover other anomalies about the characteristics, traits, cultural values, and skill sets of franchise sales masters. Feel free to contact me should you have opinions, thoughts, or questions! ■

Steve Olson is a 30-year franchise veteran specializing in development performance. He is the author of the #1 Amazon best-seller, *Grow to Greatness: How to Build a World-Class Franchise System Faster*, available at www.growtogreatness.net. Reach him at solson@olsonandassociates.com.



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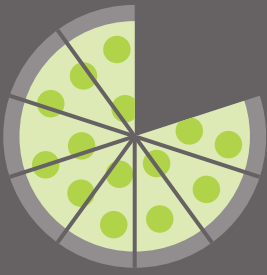
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80%

THE NUMBER OF CONSUMERS WHO HAVE ENTERED A STORE OR RESTAURANT BECAUSE A SIGN CAUGHT THEIR EYE



24%

THE INCREASE IN CUSTOMER FOOT TRAFFIC AFTER IMPLEMENTING DIGITAL SIGNAGE TECHNOLOGY



90%

THE NUMBER OF BUYING DECISIONS THAT ARE INFLUENCED BY VISUAL FACTORS



68%

THE NUMBER OF PEOPLE WHO AGREE THAT SIGNAGE REFLECTS THE QUALITY OF A BUSINESS

Sources: FedEx, Computacenter, WinTheCustomer!, VCA

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