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ISSUE 3, 2025

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CX Marks the Spot

Welcome to the first Franchise Update magazine now under the banner of the International Franchise Association following the merger of the two organizations this summer.

Our editorial team is excited about what the future has to offer with this new partnership. As IFA President & CEO Matt Haller said, "IFA and FUM have had a robust partnership for years, working together on the Franchise Customer Experience Conference and the Franchise Leadership Development Conference and providing the franchise community with trusted, informative, and reliable sources of information. This new development will allow IFA and FUM to serve the franchise community and strengthen the franchise business model for generations to come." I couldn't agree more.

Now on to the Q3 issue of Franchise Update magazine. As you will see, this issue is characterized by the dynamic intersection of technology, innovation, marketing, and franchise leadership. Here's a look at some of the highlights.

Technology is constantly changing, and so are the ways franchise brands handle site selection. Managing Editor M. Scott Morris looks into how technology is transforming franchise site selection, making it more data driven, efficient, and predictive. His feature explains how brands are replacing guesswork with insights, giving them the ability to choose locations with greater confidence and success potential.

Elsewhere, Colleen McMillar explores how franchisee innovations have helped shape system-wide best practices as franchisors recognize the value of frontline insights. Drawing from several examples, she explains how these innovations underscore how strong franchisor-franchisee collaboration can lead to scalable innovation and enhanced brand performance.

The 2025 Annual Franchise Marketing Report (AFMR) has also been released, and Helen Bond explains some of the key findings. There's no question that CX is now the driving force behind franchise growth with AI and local marketing playing increasingly critical roles. The data illustrates how brands are shifting from siloed efforts to cross-functional collaboration, investing in tech-powered personalization, reputation management, and smart local outreach to meet rising consumer expectations.

Finally, June's FCXC brought together some of franchising's top marketing minds who spent three days learning and sharing about customer experience, operations, technology, branding, and consumer marketing. The Franchise Innovation Awards were a big part of the conference, and the finalists and winners of the two Overall Innovation Awards were recognized. You can read all about the conference and Innovation Awards in this issue.

As you'll discover throughout these pages, franchising's competitive edge is rooted in innovation: leveraging tech, amplifying franchisee ingenuity, and optimizing marketing and CX through data. Whether you're seeking smarter expansion strategies, breakthrough technologies, or marketing benchmarks, this issue delivers.

We hope you enjoy the read, and let us know which stories fuel your marketing leadership journey.

Kerry Pipes

KERRY PIPES
Executive Editor

COMING TO AMERICA

International franchise brands land on U.S. shores

Written by **ANDREW SEID**

The American franchise market is a lucrative yet challenging opportunity for international brands. With an estimated 750,000 franchised establishments generating more than $1.3 trillion, the U.S. offers unparalleled scale and consumer spending power. However, for every international franchise success story, countless brands have struggled or failed to gain traction. Understanding the factors that separate success from failure is essential for U.S. expansion.

Allure and challenge
The U.S. market's size, demographics, and franchise-friendly culture create unique opportunities. Americans are receptive to new concepts that bring an authenticity that well-run international brands excel at creating. The regulatory infrastructure for franchising is well established, making market entry more predictable than in other countries. Successful penetration serves as a launching pad for expansion throughout North America.

However, the American market's competitive intensity cannot be understated. Domestic brands have deep roots, extensive resources, and intimate knowledge of local preferences. International brands must navigate regulatory environments that vary by state, understand consumer behaviors, and compete against established players.

Readiness
Entering the market requires a substantial financial commitment beyond setup costs. Brands must budget for extended market development, often requiring two to three years before achieving meaningful penetration. Successful entrants allocate resources for market research, brand adaptation, legal compliance, and marketing campaigns. Undercapitalization remains a primary reason international franchise concepts fail.

Regulatory navigation
The American landscape is governed by federal and state regulations. The Federal Trade Commission's Franchise Rule requires extensive disclosure documentation, and states may impose additional registration requirements, relationship laws, and disclosure obligations. Business consultants and franchise attorneys can help avoid delays or legal challenges.

Cultural adaptation
Perhaps the most critical factor determining success is adapting to American consumers without losing authenticity. This goes beyond menu modifications or service adjustments. Successful international brands understand dining habits, service expectations, price sensitivity, and lifestyle integration. American consumers often prioritize convenience, speed, and value differently than consumers in other countries.

Site selection
Prime retail locations command premium rents and often require long-term commitments. Established domestic competitors frequently have preferential relationships with developers and shopping center operators. International brands must develop site selection criteria and may need to accept secondary locations while building market credibility.

Strategic partnerships
International franchise brands often select and work with master franchisees with deep local market knowledge, established business networks, and sufficient capital resources. The relationship between a franchisor and a master franchisee often feels like a partnership rather than a traditional franchisee/franchisor relationship. Great master franchisees can provide local expertise, regulatory knowledge, and real estate relationships. Brands like Jollibee from the Philippines and Gong Cha from Taiwan have leveraged strong local partnerships to accelerate American expansion.

Market testing
Successful international brands typically employ a measured approach to market entry, often beginning with limited test markets. This allows time to learn about consumer preferences, operational challenges, and competitive dynamics. When possible, opening up multiple corporate locations in key markets allows a brand to establish brand equity while learning about the market. Brands can refine their offerings, service models, and marketing approaches based on feedback.

Authenticity is key
International brands that succeed in America offer something different from existing options while appealing to mainstream tastes. This differentiation might be unique flavors, innovative service concepts, or distinctive brand experiences. Finding the balance between staying true to your brand while making adaptations is key. The more successful brands have leaned toward keeping what makes them unique.

Operational excellence
American consumers have high expectations for consistency, quality, and service standards. International brands must establish robust training programs, quality control systems, and operational procedures that can be replicated. This often requires significant investment in training infrastructure and ongoing support systems. Many brands open offices in the U.S. to support their franchisees and protect brand standards.

Regional vs. national
Targeted regional expansion is often an effective strategy for growing a brand. International brands should focus on markets with demographic characteristics that align with their experience and brand positioning. This allows for concentrated marketing efforts, operational refinement, and relationship building within manageable geographic boundaries. Penetrating a market and then leveraging the brand equity built in that market will help build an authentic presence.

Category innovation
International brands that introduce new category concepts or enhance existing categories often achieve greater success than those entering saturated markets. Brands like Gong Cha introduced Americans to bubble tea concepts while Korean BBQ franchises created new dining experiences.

Long-term success
Sustained success requires ongoing adaptation and innovation. Consumer preferences evolve rapidly, competitive pressures intensify, and operational requirements become more sophisticated. Successful international franchise brands treat expansion as a long-term strategic investment rather than a quick market grab. They invest in understanding American business culture, build strong relationships with suppliers and vendors, and remain committed through initial challenges.

Conclusion
Bringing franchise brands to America represents tremendous opportunity and risk. Success requires careful planning, substantial financial resources, cultural sensitivity, and strategic patience. Brands must approach the market with realistic expectations, comprehensive preparation, and commitment to excellence.

It's not about transplanting a successful international concept, but about creating a new version of the brand that honors their authentic identity while embracing American market realities. With proper preparation, strategic partnerships, and sustained commitment, international franchise brands can find remarkable success in the world's most dynamic market. ∎

Andrew Seid is senior consultant at MSA Worldwide. Contact him at aseid@msaworldwide.com or 860-604-9189.

TEAM CAPTAINS WANTED

Fast-growing Waterloo Turf is ready to scale

Written by **TIM LOVETT**

One of our guiding mantras at Waterloo Turf is, "The separation is in the preparation." That mindset, rooted in discipline, repetition, and leadership, comes from my years as a competitive athlete and has shaped everything about how we've built our brand.

Before launching Waterloo Turf as a franchise, I had spent years as an operations executive in the home services space, and I knew what it took to build a franchise that wasn't just functional, but scalable. I also developed a clear belief: If I was going to start something of my own, it needed to be a brand that served a real need, not just a want.

That belief became a reality when I met Lance Ingram.

Lance had been working in the turf industry for nearly a decade and had built a strong reputation for his work transforming outdoor spaces into beautiful, low-maintenance environments. We were introduced through our wives, and over time, our friendship turned into a partnership. My experience in franchising, paired with his operational knowledge and vision for the product, made our decision to team up a clear and confident one.

Together, we began building the blueprint for franchising Waterloo Turf on a national scale. When we began raising funds—the opportunity spoke for itself—and the interest followed. The initial round was oversubscribed in 15 days, bringing in strategic investors who saw exactly what we saw: a real opportunity in a growing industry with no national leader. From day one, we've been intentional about filling that gap and building Waterloo Turf into the brand that defines this category across the country.

A CHANGING LANDSCAPE

Artificial turf isn't new. But the need for high-quality, customized installation services has changed dramatically in recent years. Long gone are the days when turf was just for sports fields. Families, commercial property managers, and businesses are turning to turf because natural lawns no longer make sense in many areas not just due to climate changes, but also time, cost, and water.

Homeowners across the U.S. now see turf as more than just an aesthetic upgrade. It's a lifestyle change. In many parts of the country, longer summers and unpredictable drought conditions make maintaining real grass an expensive, water-heavy hassle. The Environmental Protection Agency reports that up to 70% of residential water use goes to outdoor landscaping, and much of it is wasted. Turf flips that equation by dramatically cutting water usage and eliminating the need for mowing, fertilizers, and pesticides.

What's changed is how people think about conservation. Water savings aren't just nice to have anymore. In many communities, they're a must.

That shift in mindset is opening the door to turf projects across a wide range of climates, not just desert cities or hot weather markets. From Colorado to Tennessee, we're seeing strong demand from homeowners who want a clean, low-maintenance space that's always ready to use.

A FRANCHISE TEAM

When we officially launched the franchise in December 2024, I was confident the model would scale quickly. And it has. We now have 32 territories under development with active markets in Texas, Arizona, Idaho, Colorado, and Tennessee. Our footprint is growing fast, and our approach has remained consistent.

At Waterloo Turf, we look for franchisees who lead like a team captain. That doesn't mean you have to come from sports, but it does mean you need to be the kind of person who can take a proven playbook, rally a team, and execute a plan consistently. You don't need landscaping experience to join us. You need grit, leadership, and a desire to build something you're proud of.

We've invested heavily in training, technology, marketing, and hands-on support to make sure every franchisee has what they need to succeed. From day one, we've built the infrastructure to support scale because we're planning for more than just a launch; we're planning for long-term growth.

GETTING SATURDAYS BACK

More than anything, Waterloo Turf is about time. For our customers, it's about getting your Saturdays back: no more weekend yard work, no more dead patches, and no more wasted water.

For our franchisees, it means something even bigger: the ability to build a business that gives them their time back. That's the kind of freedom we're building toward.

LOOKING AHEAD

In 2025 alone, we've expanded into four new states and deepened our presence in existing markets. We now have an established presence in the Texas cities of Austin, San Antonio, Dallas-Fort Worth, Houston, College Station, and Waco as well as Boulder and Fort Collins, Colorado, Scottsdale, Arizona, and Nashville, Tennessee.

But we're just getting started. The next wave of growth will come from the next wave of leaders, entrepreneurs who see what we see: a growing demand, an underserved market, and a franchise system that's already built to scale.

We're not just looking for franchisees. We're looking for team captains ready to take the lead. ∎

Tim Lovett is CEO and co-owner of Waterloo Turf.

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> "Our commitment to quality, community, and franchise partner success remains at the heart of everything we do."

SHARING THE "WHY"

Donatos Pizza CEO aims to grow the right way

Written by **KERRY PIPES**

KEVIN KING
CEO and President

Company: **Donatos Pizza**

Units: **464**

Age: **60**

Years in franchising: **20**

Years in current position: **7 months**

It turns out the second time is the charm. Donatos Pizza CEO & President Kevin King is a familiar face returning home.

He served as the brand's VP of development from 1990 until 2003, when he was a key part of the company's early growth. He moved on to hold leadership roles at other brands, such as Domino's, Papa Murphy's, and Smoothie King, before returning to Donatos as president in 2022. Last year, following the retirement of longtime leader Tom Krouse, he also added the CEO title at the Columbus, Ohio-based pizza chain that boasts more than 460 locations in 29 states. He says coming back to Donatos wasn't just a career move; it was a homecoming driven by a mission to fuel sustainable growth while preserving the brand's cherished values.

He describes his primary role as that of "chief inspiration and vision person." His leadership style is centered on clarity of purpose and the ability to galvanize an entire organization behind a shared direction. He's focused on leveraging Donatos' family values, innovation, and franchise partner support—not to mention its profitability—for further national expansion.

King identifies his biggest leadership hurdle as consistently making time for his team. He recognizes the profound impact his actions have on the organization and the constant need to be on his game as a visible role model. This self-awareness and commitment to presence, even amid the daily minutiae, highlight his dedication to his people.

Under King's leadership, expect Donatos Pizza to continue embracing technology and innovation in ways that will enhance the brand's efficiency and improve customer satisfaction. King says the company is focused on leveraging AI and automation to streamline operations, allowing teams to focus on hospitality while providing customers with convenient and high-quality experiences.

King's approach at Donatos blends a strategic vision, a commitment to human connection, and a focus on purpose, positioning the beloved pizza brand for continued growth and success.

"Our commitment to quality, community, and franchise partner success remains at the heart of everything we do," he says.

LEADERSHIP

What is your role as CEO? My role is chief inspiration and vision person. I need to set the vision and get the organization behind that vision. Of course, there are some execution and other responsibilities, but it all starts with the right vision and inspiration.

How has Covid-19 affected the way you have led your brand? Covid changed everything for most people. Of course, it changed me as a leader. It forced us to think more about safety and wellness and how to keep and protect our teams and our guests. It also made us focus on connection. What we all learned during Covid was that humans need connection to thrive. We have to keep connecting with our guests and our team members.

What has inspired your leadership style? My style has been influenced by every leader I have worked for. I tend to observe and learn. These leaders impacted me either positively or negatively, and I have taken pieces from every leader I have had. Some I want to emulate, and some I want to avoid. I have had some incredible leaders, and I am so grateful for them. They inspired me and helped me be a better leader.

What is your biggest leadership challenge? Making time to spend more time with my team. It is easy to get caught up in the minutia of the day and not engage team members. I always have to remember that my actions don't go unnoticed and will impact the organization.

How do you transmit your culture from your office to frontline employees? Connecting with the front line comes through visits, video communication, written communication, and what my team can bring to life. I am huge on giving the "Why." I need to make sure that my team provides the "Why" in every ask they have of our field teams.

How can a CEO help their CMO develop and grow? A CEO can help them grow by being a great listener and being engaged with them in challenging and building on others' ideas. I want to challenge them to be a great student and constantly curious. Curiosity is one of the most critical traits of all leaders. Life is a journey and not a destination. We will learn and grow every day.

Where is the best place to prepare for leadership: an MBA school or OTJ? I believe that all types of learning are helpful, and so much depends on your leadership style. For some, it might be school, and for others, OJT. My advice is to do what works best for you. For a CEO, there is no substitute for OJT and daily learning. No MBA program can give you all that you need. That doesn't take away from the value that an MBA offers, especially if that matches your learning style.

Are tough decisions best taken by one person? How do you make tough decisions? Tough decisions are part of being a leader. When I approach a tough decision, the first step is to investigate and learn. I dig into the details and then follow the principles of Agápe Capitalism.

Donatos Founder Jim Grote defined Agápe Capitalism with three tenets: "Lead with love, follow the Golden Rule, and do the right thing." For every tough decision, I start by going through those tenets. If you do the first two, the third is pretty easy.

Do you want to be liked or respected? First and foremost, I want to be respected. I know that I earn respect by my actions. I also know that as a leader, I have a much better chance of being liked if I am respected first.

Advice to CEO wannabes: Learn, learn, and learn. The next step is to lead. You don't manage an organization; you lead it. As a leader, your number one job is to inspire your team.

MANAGEMENT

Describe your management style: I am a very curious person, and that drives me to seek to understand. I feel like I can lead much better if I can contribute, and I can't contribute if I lack understanding. Second, it is about growing and developing. I strive to make sure we are all continuously learning and growing. A final thought is around making sure the team is comfortable taking risks. I do not want a comfortable team. I want a team that

is going to push and challenge. Making a mistake is okay. If we never make mistakes, we are not challenging ourselves.

What does your management team look like? I strive to make my leadership team diverse. I want people who complement each other and aren't copies of each other. This is challenging as we tend to hire people more like us. Work hard to hire people with diversity of thought.

How does your management team help you lead? They help by sharing inspiration and having diversity of thought. They challenge in a constructive way. Finally, we act as a unit.

Favorite management gurus: Do you read management books? Jim Collins is a big inspiration for me, and I love his thinking. I also love Simon Sinek and his books.

What makes you say, "Yes, now that's why I do what I do!"? Seeing thrilled guests and team members who are happy is huge. I look at the outcomes we get when we do things the right way.

OPERATIONS

What trends are you seeing with consumer spending habits in your stores? Consumers are looking for value and experience. We have to work hard to improve the value by giving them more. Also, they want an experience. What can we do to give them a memorable experience?

How is the economy driving consumer behavior in your system? We have to deliver on value and make sure we exceed expectations on experience. Failure has big negative consequences.

What are you expecting from your market in the next 12 months? I don't see improvement in the next 12 months. Our execution will determine if we grow or decline in the next 12 months.

Are your franchisees bullish or bearish about growth and adding additional units? Cautious.

Are commodity/supply costs any cause for concern in your system? We seem pretty steady on prices unless tariffs cause issues in a few months.

In what ways are political/global issues impacting the market and your brand? The fear and caution are definitely impacting guest sentiment right now.

TECHNOLOGY

How much influence does your IT department have on your brand? Critical: 90% of our orders go through our technology stack. It is a huge priority and concern.

How have your company's tech tools changed over the past five years? We have overhauled it over the past several years. We still have a growing list of wants, but we have made great progress.

How does technology influence your decisions? It is a part (sometimes, a critical part) of every decision.

Are you using AI? How? Yes. We are using it in a call center and thinking about it across the business.

How do you measure your ROI on technology investments? They are hard to measure. I wish there were clear-cut tools. I look at technology as table stakes for growing our business.

How did/do you create a culture where use of technology advancements is welcome and used? The only way for me is to constantly tell the "Why." People won't embrace what they can't see.

PERSONAL

What time do you like to be at your desk? 7:30 a.m.

Exercise in the morning? No. But I need to exercise.

Wine with lunch? Never.

Do you socialize with your team after work/outside the office? Yes. We spend so much of our lives at work and need to be social and human. I also want them to know that I value them and their families. I think this is critical to team cohesion.

Last two books read: *Source Code* by Bill Gates and *Insanely Simple* by Ken Segall.

What technology do you take on the road? MacBook, iPad, and iPhone. My backpack is heavy, but I need the tools.

How do you relax/balance life and work? I spend time with my wife and dogs to relax. I have gotten better at balance but still have work to do to get there.

Favorite vacation destination(s): New places. I love to explore the world.

Favorite occasions to send employees notes: When they need encouragement or do extraordinary things.

Favorite company product/service: Apple.

BOTTOM LINE

What are your long-term goals for the company? I want to achieve our 120-year vision. We have metrics and goals around that.

How has the economy changed your goals for your company? It hasn't changed the goal. It may extend the time.

Where can capital be found these days? Everywhere. Be creative.

How do *you* measure success? I measure with numbers and scorecards. But the true measure of success is how many lives I can positively impact.

What has been your greatest success? Raising three wonderful children.

Any regrets? I have made lots of mistakes, but I don't spend time regretting.

What can we expect from your company in the next 12 to 18 months? We are going to innovate in many ways, open more stores than ever before, and improve our guest experience across the brand. ■

> "While the pandemic presented significant challenges, it also accelerated our adaptability and resilience."

GUIDING VISION

CEO builds bold blueprint for Bloomin' Blinds

Written by **KERRY PIPES**

JEFF WHARTON
CEO

Company: **Bloomin' Blinds Franchise Corp.**

Units: **149**

Age: **56**

Years in franchising: **5**

Years in current position: **1**

Bloomin' Blinds CEO Jeff Wharton has it covered. The 56-year-old isn't just leading a business; he's building a franchise brand grounded in strategic growth, innovation, and service. The heart of his leadership style is a commitment to empowering franchisees and delivering exceptional value to customers.

Wharton served as the executive vice president of Bloomin' Blinds for two and a half years before being named CEO in August 2024. He's a proven leader with more than 25 years of experience across manufacturing, distribution, retail, and franchise operations. More than a decade of that time has been spent in the window coverings industry.

Bloomin' Blinds has accelerated its national expansion under Wharton's direction and operates in more than 150 territories with more than 80 locations. He's involved in franchise develop-ment, marketing, and operational innovation. He also champions the integration of new technology, such as BloomScale, an AI-driven tech platform that streamlines operations, enhances scheduling, and boosts franchisee performance.

Wharton says he blends situational and servant leadership, characterized by adaptability, transparency, and collaboration. He says communication, trust, and support are essential to building resilient teams and vibrant workplace cultures.

Ultimately, he says he measures success by the growth and profitability of the franchisees. "When they succeed, we succeed," he says. Bloomin' Blinds franchisees are optimistic about expansion, he says, buoyed by rising demand for high-quality and customizable home products.

The future looks bright for Bloomin' Blinds. Wharton expects strategic expansion, continued investment in technology, and refined support systems to further empower franchisees and enhance the customer experience.

"We're focused on sustainable growth, innovation, and delivering exceptional value to both franchisees and customers alike," he says.

LEADERSHIP

What is your role as CEO? As CEO of Bloomin' Blinds Franchise Corp., I drive the company's strategic vision and inspire our team to achieve sustained growth and operational excellence. I lead key initiatives across franchise development, marketing, operational innovation, and technology integration with a focus on empowering our franchisees to excel and deliver exceptional value to their customers.

How has Covid-19 affected the way you have led your brand? While the pandemic presented significant challenges, it also accelerated our adaptability and resilience. Now that we're well past the peak of Covid-19, those lessons have become embedded in our approach, but the pandemic itself no longer directly shapes our day-to-day leadership. Instead, we focus on sustaining the agility and innovation we developed during that period to continue driving growth and success.

Describe your leadership style. My leadership style is a dynamic blend of situational and servant leadership. I believe in adapting my approach to fit the needs of my team and franchisees, whether that means providing clear direction, offering hands-on support, or empowering others to take ownership. At the core, I prioritize transparent and open communication, fostering a culture where feedback is welcomed and collaboration is central to decision-making. This approach drives engagement and cultivates trust and shared success.

What has inspired your leadership style? I'm deeply inspired by a blend of my values, faith, and the roles I cherish as a son, husband, and father. These influences profoundly shape my leadership approach, guiding me to lead with integrity, humility, and a genuine spirit of service. My faith serves as a steady compass, shaping how I engage with others and make thoughtful decisions. Likewise, family is foundational to my perspective. I believe the core principles that strengthen families, including communication, trust, and support, are equally essential for building resilient teams and positive workplace cultures.

What is your biggest leadership challenge? One of the most rewarding challenges I embrace is balancing our corporate goals with the unique needs and ambitions of each franchisee while keeping our long-term vision in clear focus. Every owner brings valuable insights shaped by their local market and growth goals, and my role is to listen attentively, build strong trust, and translate our shared vision into practical, tailored strategies. This balancing act encourages innovation and collaboration, allowing the brand to grow cohesively while celebrating the entrepreneurial spirit that makes each franchise special. It's a challenge I welcome because seeing our franchisees succeed makes every effort truly worthwhile.

How do you transmit your culture from your office to frontline employees? Our culture is built on fostering authentic, transparent relationships with both franchise owners and their teams. I make it a priority to weave our core values into every aspect of the business, from customer service to internal communications. We emphasize to our frontline employees that they are the face of the brand, and their daily interactions play a vital role in shaping the customer experience and driving our success. By continuously reinforcing this message and encouraging open feedback and recognition, we ensure our culture is felt and embraced throughout the entire organization.

How can a CEO help their CMO develop and grow? I believe in empowering my CMO by providing clear strategic direction while granting the autonomy needed to lead initiatives confidently. Regular collaboration and open feedback are key to maintaining alignment and driving progress. I actively support their growth by encouraging creative thinking, pushing the boundaries of our marketing efforts, and ensuring they have the necessary resources and backing to succeed.

Where is the best place to prepare for leadership: an MBA school or OTJ? Both have valuable roles to play. An MBA provides essential theoretical frameworks and a comprehensive understanding of business strategy, offering a solid foundation. However, true leadership is forged through real-world experience, navigating challenges as they arise and learning firsthand from successes and setbacks. The day-to-day complexities of leadership on the job cultivate practical skills and resilience that no classroom can fully replicate.

Are tough decisions best taken by one person? How do you make tough decisions? While final approval often rests with the CEO, I believe tough decisions are best approached collaboratively. I gather input from my team, carefully analyze the data, and weigh all available options. Ultimately, I rely on my experience and judgment, but I make it a priority to involve those closest to the issue in the decision-making process to ensure well-rounded and informed outcomes.

Do you want to be liked or respected? I would choose to be respected. While being liked is certainly appreciated, it's impossible to control others' feelings. Respect, on the other hand, is essential for effective leadership. Leaders often face tough decisions, and earning respect helps ensure those decisions are understood and supported even when they aren't always popular.

Advice to CEO wannabes: First and foremost, don't pursue the CEO role for the title, money, or power. Instead, focus on continuous learning and personal growth. Be patient and prepared to face challenges head-on. Leadership isn't just about making decisions; it's about inspiring and empowering others to perform at their best. Stay authentic, lead with integrity, and always remember that your team's success is ultimately your success.

MANAGEMENT

Describe your management style: I'm a hands-on manager who values transparency, open communication, and accountability. I believe in empowering my team, providing clear direction, and supporting them with the tools they need to succeed. I also prioritize continuous development and feedback.

What does your management team look like? My management team is diverse and skilled across various operational areas. Each leader plays a vital role in executing our strategic initiatives, including franchise development, marketing, operations, and technology. My team is a collaborative group focused on achieving our long-term goals.

How does your management team help you lead? My management team helps me by providing diverse perspectives and expertise. They challenge me to think critically, share insights, and work together toward shared goals. Their input allows me to make more informed decisions and ensures that the company remains aligned across functions.

Favorite management gurus: Do you read management books? I'm an avid reader, but my favorite management gurus are old school. Some of my favorites are *How To Win Friends and Influence People* by Dale Carnegie, *The One Minute Manager* by Ken Blanchard and Spencer Johnson, *The 7 Habits of Highly Effective People* by Stephen R. Covey, and *The Art of War* by Sun Tzu. These books hold true today as they offer timeless wisdom on leadership, relationship building, and strategic thinking, which are as relevant now as when the books were first written.

What makes you say, "Yes, now that's why I do what I do!"? It's when I see our franchisees thriving thanks to the systems, support, and resources we've built. Watching their success and knowing that our efforts have played a meaningful role in their growth are the most rewarding parts of being a CEO.

OPERATIONS

What trends are you seeing with consumer spending habits in your stores? Consumers are increasingly seeking personalized, high-quality home solutions that combine craftsmanship with innovation. There's a noticeable shift toward prioritizing value over price as shoppers appreciate products that offer durability and thoughtful design. Additionally, we're seeing growing demand for home automation and energy-efficient products, reflecting a broader focus on convenience and sustainability.

How is the economy driving consumer behavior in your system? With inflation-related costs and persistently high interest rates, many homeowners are opting to stay in their current homes rather than move. This has led to increased interest in upgrading and improving existing spaces. Consumers are focusing on long-term investments that enhance both the functionality and value of their homes, prioritizing products that deliver energy savings, durability, and aesthetic appeal. This trend aligns perfectly with our offerings of high-quality, custom window coverings designed to improve both the look and performance of a home.

What are you expecting from your market in the next 12 months? I expect steady growth, especially in markets where our franchisees have built strong, trusted local relationships. We'll likely see a greater emphasis on digital marketing as consumers increasingly seek brands that offer a robust online presence alongside convenient and personalized shopping experiences. Adapting to these trends will be key to sustaining momentum and deepening customer engagement.

Are your franchisees bullish or bearish about growth and adding additional units? Our franchisees are decidedly bullish. There's strong enthusiasm around expansion, especially as we enhance our technology platform and broaden our product offerings. This momentum is fueling confidence and driving interest in adding new units across the system.

Are commodity/supply costs any cause for concern in your system? At this time, not significantly. While tariffs have had a minor impact, it hasn't risen to the level of a serious concern. We continue to monitor the situation closely to ensure supply stability and cost-effectiveness for our franchisees.

In what ways are political/global issues impacting the market and your brand? Political and global events inevitably influence supply chains, labor availability, and overall consumer confidence. However, at the moment, we're seeing

What has been your greatest success? *I'm incredibly proud of our team and franchise owners for their ongoing growth and steadfast commitment to supporting one another. One of my greatest successes has been cultivating a culture of collaboration, transparency, and shared growth across our franchise system. It's truly rewarding to see how we've come together to create an environment where everyone can thrive.*

a greater impact on prospective franchise investors than on end consumers. Economic uncertainty and policy shifts are prompting investors to be cautious and deliberate in their decision-making even as consumer demand remains steady.

TECHNOLOGY

How much influence does your IT department have on your brand? Our IT department plays a critical role in driving innovation and operational efficiency across the brand. Today's AI-enhanced systems allow us to seamlessly integrate everything from CRM and appointment scheduling to performance tracking and analytics. This level of integration not only streamlines operations, but also enhances the customer experience and empowers franchisees with real-time insights to make smart business decisions.

How have your company's tech tools changed over the past five years? In the past five years, we've transitioned from largely manual processes to fully integrated technology platforms that support every aspect of the business, from lead generation and franchisee operations to customer experience and performance analytics. This digital transformation has been instrumental in driving efficiency, scalability, and smart decision-making across the system.

How does technology influence your decisions? Technology is at the core of our decision-making process. Whether it's leveraging AI for franchise development or implementing new CRM tools, our technology choices help streamline operations, reduce friction, and ultimately drive better outcomes.

Are you using AI? How? Yes. We're actively using AI across our business through our proprietary platform, BloomScale. Developed in partnership with Revscale AI, BloomScale integrates AI to streamline operations, automate lead qualification and quoting, enhance appointment scheduling, and provide real-time performance tracking. Features like AI-powered call centers, digital visualizer tools, and live KPI dashboards help improve accuracy, boost margins, and elevate the customer experience. By building this system in-house, we've created a solution that not only aligns with our brand, but also continuously adapts to support franchisee success and long-term growth.

How do you measure your ROI on technology investments? We measure ROI by tracking key performance indicators, such as increased franchisee sales, reduced operational costs, improved lead conversion rates, and enhanced customer satisfaction. Every technology investment is evaluated against these metrics to ensure it delivers measurable value and supports both franchisee success and system-wide growth.

How did/do you create a culture where use of technology advancements is welcome and used? We've built a culture of innovation by involving our team early in the technology adoption process and clearly communicating the value these tools bring to their day-to-day work. By showing how technology can simplify tasks, improve performance, and enhance the customer experience, we create buy-in from the start. Ongoing training and support ensure a smooth transition and long-term engagement across the organization.

PERSONAL

What time do you like to be at your desk? Desk? I'm typically up before 6 a.m., and my day usually starts soon after. I like to get a jump on emails, review key updates, and map out priorities while it's still quiet. Even if I'm not always physically at a desk, I'm focused and ready to tackle the day early on.

Exercise in the morning? Wine with lunch? I'm an outdoor person, so I make it a priority to get some exercise in the morning, whether it's a walk with the dogs, a light run, or a bike ride. As for wine, that's strictly reserved for evening relaxation. Though every now and then, I might enjoy a beer at a business lunch.

Do you socialize with your team after work/ outside the office? I believe in building strong relationships with my team and enjoy socializing in informal settings to foster camaraderie, whether that's at team events or casual dinners.

Last two books read: *Atomic Habits* by James Clear and *Revenge of the Tipping Point* by Malcolm Gladwell.

What technology do you take on the road? I rely on my laptop, smartphone, and various apps to stay connected and productive while traveling.

How do you relax/balance life and work? I make time for family, prayer, and outdoor activities to recharge. I also enjoy reading and traveling, which help me keep my perspective.

Favorite vacation destination(s): I enjoy traveling to quiet destinations, like the Texas Hill Country or Lake Texoma, where I can unwind and spend quality time with my family.

Favorite occasions to send employees notes: When I catch them doing things right, especially when they think no one is watching.

Favorite company product/service: I'm a huge fan of businesses that thrive on delivering a personal experience, especially local, family-owned restaurants. There's something special about that genuine connection that sets them apart.

BOTTOM LINE

What are your long-term goals for the company? Our long-term vision is to expand our franchise network strategically, further develop our proprietary technology platform, and firmly establish ourselves as the leader in the window covering industry.

How has the economy changed your goals for your company? Economic uncertainty has sharpened our focus on efficiency and adaptability. We're actively seeking opportunities to streamline operations and deliver value to our franchisees, ensuring resilience and sustained growth in a changing market.

Where can capital be found these days? Capital can be sourced from a variety of channels, including traditional financing, strategic partnerships, and private equity or investors who have confidence in the growth potential of home services and franchising.

How do you measure success? We measure success by the growth and profitability of our franchisees. Their achievements are the true reflection of our own.

What has been your greatest success? I'm incredibly proud of our team and franchise owners for their ongoing growth and steadfast commitment to supporting one another. One of my greatest successes has been cultivating a culture of collaboration, transparency, and shared growth across our franchise system. It's truly rewarding to see how we've come together to create an environment where everyone can thrive.

Any regrets? I don't have many regrets. Mistakes? Yes. But no regrets.

What can we expect from your company in the next 12 to 18 months? Over the next 12 to 18 months, you can expect continued expansion focused on strategic markets alongside significant investments in technology aimed at enhancing both franchise operations and the customer experience. We'll also be refining our training and support programs to further empower our franchisees for sustained success. ∎

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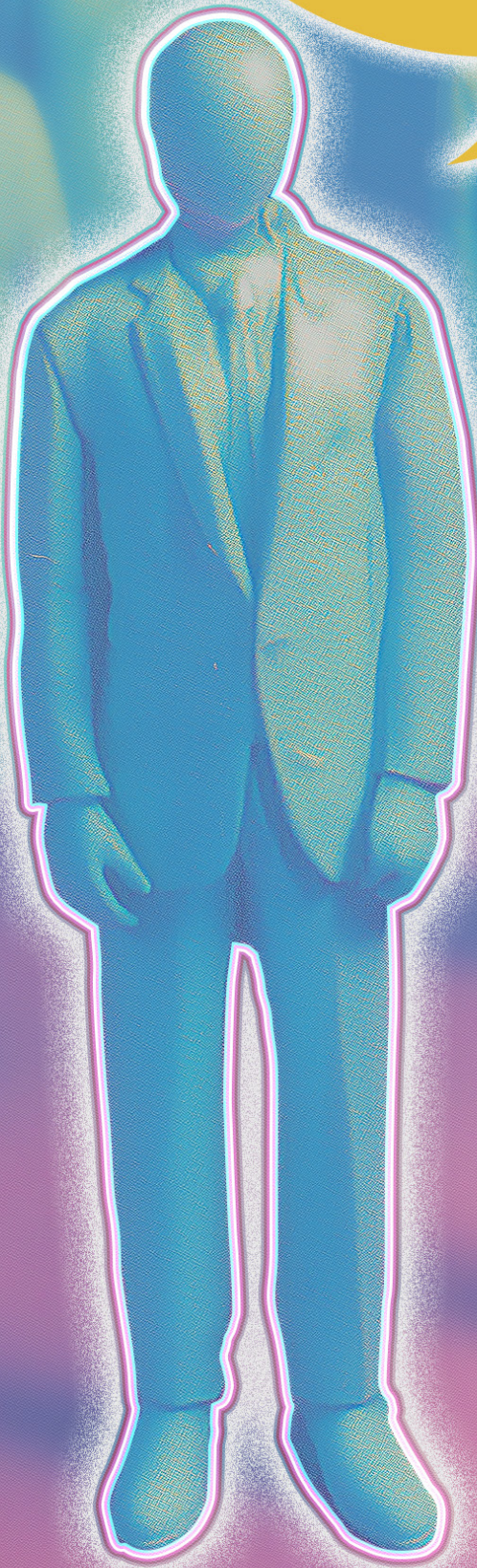5-weeks Advanced Programs for **Single-Unit Franchisees, Unit Managers and Assistant Managers**.

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Listen Up, Franchisors!

Your best ideas might come from the front lines

Written by **COLLEEN MCMILLAR**

As soon as AtWork COO Jason Leverant heard the idea, he knew franchisee Gregg Hassler was onto something—possibly something big.

In the competitive staffing industry, which connects companies that need employees with people who need jobs, brands are always looking for a way to get an edge over rivals. Hassler thought he knew how.

Though much of the staffing business involves providing temporary workers to companies, staffing brands also specialize in finding candidates for permanent positions. Those recommendations usually come with a limited guarantee. Hassler's idea was this: Instead of just offering the typical 30-day, full-refund guarantee if a hired candidate quits or doesn't work out and the 90-day, free-replacement guarantee, AtWork should be bolder. He proposed to the brand that it roll out an eye-popping seven-year replacement guarantee.

"Offering a guarantee is one thing, but offering a seven-year guarantee is a whole other story," Leverant says. "Because it's so extraordinarily longer than your traditional guarantees that we see from anyone else in the industry, it immediately positioned us as more competitive, more aggressive."

The Secure 7 Guarantee was introduced in Southern California. It was such a success that the initiative was expanded. "We've woven it into our core messaging as an organization to help differentiate our direct-hire practice," Leverant says.

The story of the origin of AtWork's Secure 7 Guarantee reinforces what many of the best franchise systems already know: Franchisees aren't just implementers; they're often innovators. The insights they provide, including ways to improve products, services, processes, marketing, tools, and tech, can make franchisors stronger.

Franchisors must maintain brand control and consistency, but it's also important to listen to the voices coming from ground level.

"This is a true partnership," says Theo Camurca, vice president of operations at Firehouse Subs. "Franchisors and franchisees rely on each other to succeed. Our job is to support them, helping them

Theo Camurca
Vice President of Operations
Firehouse Subs

run great restaurants and stay profitable. Their input helps us make better decisions and evolve the brand in ways that work in the real world."

Firehouse Subs listened when Scott Anthony, a multi-unit franchisee based in Orlando, Florida, pushed the idea of adding french fries to the menu. Because of the competitive pressure at his Orlando mall location, Anthony felt the addition would enhance his business. It did. The brand decided to add fries to its menu nationwide this year.

Brand leaders at Firehouse Subs want feedback and ideas from franchisees, so they've created channels to receive them, Camurca says.

"Franchisees are in the restaurant every day, serving guests and seeing firsthand what works and what could be better. Their perspective is incredibly valuable," he says. "We've built several ways for them to share feedback, like monthly webcasts with the leadership team, quarterly committee meetings, and board sessions where they're encouraged to bring ideas forward."

Outside of the box

Every year, when Franchise Business Review conducts its survey of franchise owners and asks them to rate their experience and level of satisfaction, Leverant and other AtWork leaders pore over the results.

"We take the feedback and details found in the FBR to really road map our development schedules. In our minds, we're in a state of perpetual development based on that feedback. We consistently look in the mirror and say, 'How can we do that better?'" Leverant says. "We keep a good sense of what's going on in the staffing industry. But at the end of the day, the voice of the owner is really what matters."

Staffing agencies' fees for their recruitment and placement of a permanent employee are typically a percentage of the hired candidate's first-year salary. The Secure 7 Guarantee would require companies to pay a higher percentage. But if the employee leaves before the seven-year time frame, fees for finding the replacement candidate would be reduced by 50%.

Hassler's idea was brilliant for several reasons. There was the "shock and awe" factor, Leverant says.

It also almost guarantees the company will return to AtWork if the candidate needs to be replaced.

AtWork has seen a "massive pickup" in its direct-hire business, Leverant says. "This surety over an extended period of time has done wonders."

Hassler and his business partner, Moses Rangel, have long been regarded by their fellow franchisees as innovators. That reputation has only grown since the implementation of Secure 7.

The brand makes sure that its franchisee-innovators are recognized as such, Leverant says. Other AtWork franchisees have brought ideas that have also been widely adopted.

Reliable transportation can be a persistent issue for temp workers, Leverant says. "Many times, the employees that we work with, they have varying backgrounds and varying resources. We set up screeners for things like reliable transportation," he says. "But at times, life happens. The statistics are actually quite high where somebody's employment is interrupted because of an issue with transportation."

Dani Sloan
Franchise Operations Coach
A Place At Home

Multi-unit franchisee Josee Minero came up with the idea for Ride Rescue. If a worker is in a bind with no way to get to the job, they can use a rideshare service and charge it to an AtWork account. The cost is deducted from the employee's paycheck.

"They don't have to worry about fronting that money or getting an account," Leverant says. "We coordinate and fund the ride for them and give them that opportunity to get to work on time or to get home."

AtWork franchisees aren't required to offer the service, but it's helpful to workers if they do. Leverant says it's a great idea, and it's "relatively simple in nature but really impactful to the day-to-day lives of our associates."

$15,000 call

For any business that provides a service, it's important that the first contact with a potential customer is skillfully handled. It's especially important when that customer is seeking information on in-home

Jason Leverant
COO
AtWork

care services for their loved ones, says Dani Sloan, franchise operations coach for A Place At Home, which provides nonmedical assistance to the elderly and those with health issues.

"A lot of times, families are in panic mode when they're calling for services, and so they need those details right away," Sloan says. "A lot of times, they need to start care within 24, 48 hours. So, if you can't answer those questions, they're moving on to a different agency."

The urgency is real. Family members have loved ones who are "coming out of rehab, because they had a fall. Or they're in a hospital coming home. Or maybe they're at the end of their life, and they're in hospice," Sloan says. "Maybe a family lives out of town, and they just happen to come in during a holiday and notice that Dad can't upkeep the house, and Dad's not making it to doctor's appointments or taking his medication when he's supposed to, or he's not bathing, or he's not eating very good meals, or he's just forgetting to eat completely. That's when we get those fast turnaround times."

The person who answers calls from families in those situations needs to be able to fully address callers' concerns and be able to ask relevant questions. That's one of the reasons that an idea from Nebraska franchisee Rick Perkins was so well received.

Perkins, who owns two A Place At Home franchise operations with his wife, Kris, conceived the idea after attending a webinar that wasn't related to home-care services but offered recommendations that A Place At Home could benefit from. In the webinar, it was stressed "how important that initial conversation is," Sloan says.

Perkins created what he named the "$15,000 Inquiry Call Template," a guide for franchise owners or office staff to be able to talk with prospective clients and gather all the necessary information. Six years ago, the name was derived from the average amount franchisees stood to make off each client who used A Place At Home services.

"Any person who's answering your business phone should be able to take a prospect call, gather all of the important details from family members,

Jane McPherson
Senior Vice President of Marketing
Penn Station East Coast Subs

> **"** Any person who's answering your business phone should be able to take a prospect call, gather all of the important details from family members, and have those conversations about the services that we would provide to them and then book a meeting, hopefully, in that same call. **"**

and have those conversations about the services that we would provide to them and then book a meeting, hopefully, in that same call," Sloan says.

It's become an important tool that the brand has passed along to all its 46 franchisees. "Everyone loved it. Their office staff also appreciates it. Because if you've not ever been in a sales position or never been in the healthcare field or the home-care realm, you don't know what questions to ask," Sloan says. "That sheet is a really good guide on the important questions that need to be asked in order to provide appropriate services and appropriate pricing to families."

Input from franchisees is key to A Place At Home's success, she says. Its franchise advisory council plays an integral role in decision-making. Regular feedback sessions are also held with franchisees. "They're vital in shaping the future of our brand," Sloan says. "Their ideas and insights and experiences influence how we can be innovative and grow and serve our communities better."

Pacers for the win

Few sports fans outside of the state of Indiana would've predicted that the state's NBA team would play for the NBA title in 2025. At the beginning of the season, betting odds put the Indiana Pacers' chance of reaching the finals as high as 80–1.

It's a good thing that Penn Station East Coast Subs' multi-unit franchisee Joe Sunderman was inside the state of Indiana. Whether it was his basketball knowledge or just good timing, Sunderman's idea to partner with the Pacers for a season-long promotion proved prescient.

"Joe came to us with the proposal to say that he would co-fund the Pacers sponsorship if we partnered with him on it, and we felt like it was a good

opportunity," says Senior Vice President of Marketing Jane McPherson. "Anytime the Pacers won, you could text in a keyword and get a promo code sent back to you that you could use at any of the Indiana Penn Stations for a buy-one-get-one-free on the day following a win."

Sunderman didn't just offer an idea. He took ownership of the project, working out the details with the NBA team and coming into Penn Station's corporate office in Cincinnati to fine-tune the rollout.

"Joe really put the entire sponsorship together through his relationships," McPherson says. "He grew up around basketball and has deep relationships in the professional and college basketball community. But also, he has this deep knowledge of Penn Station and partnered with us on how to make it all happen in terms of how to make the technology work."

The Pacers fell short, losing in Game 7 to the Oklahoma City Thunder. But the campaign was a winner. Participating restaurants initially saw a 5% to 8% lift and, as the season went on, 10% to 12%.

"Not only did it drive traffic, but it also required someone to bring a friend. That gave us an opportunity to introduce new customers to the brand," McPherson says.

Penn Station, a 40-year-old company with 325 locations primarily in the Midwest, developed similar partnerships across the franchise system. Of the 20 new initiatives rolled out by Penn Station last year, 18 came from suggestions from franchise owners.

The brand has a very active franchise advisory council. The advice and opinions received from franchisees are invaluable, McPherson says.

"We just reinvented our tech stack, and that was done in coordination with a franchise owner tech committee, which was very instrumental in helping us create the framework and also test technology solutions before we rolled them out to the system," McPherson says. "We really are incredibly indebted to them because without that kind of working relationship, we would not be as efficient as we are or as effective."

Franchise operators appreciate the brand's responsiveness. This year, Franchise Business Review named Penn Station as one of the brands with the best company culture. Last year, it was named by FBR as one of the most profitable franchises and received an award for top franchise satisfaction.

"We really grew up as a very operationally-driven company," McPherson says. "The entire framework and support system is geared toward franchise owner processes and operational support and really focused on driving profitability. So, that kind of culture is a really great fit for entrepreneurs." ∎
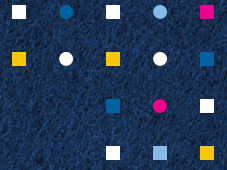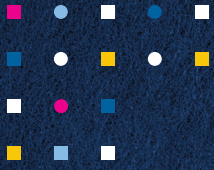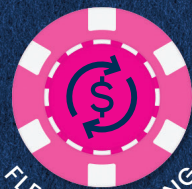
Calling on Capitol Hill

Why the IFA Advocacy Summit matters

Written by **MATT HALLER**

If fall is around the corner, so too is the 2025 IFA Advocacy Summit. Held each September in Washington, D.C., the Advocacy Summit is the single most important event for anyone invested in the future of franchising.

This is not just another conference; it is when the franchise community convenes as one to share our stories on Capitol Hill to influence policy that will have a lasting impact on everyone in franchising. This means franchisors, franchisees, and suppliers together in one place, speaking with one voice in support of our model.

In recent years, IFA advocacy has delivered real results: defeating harmful joint-employer regulations, outlining commonsense reforms for Responsible Franchising, pushing back on unwise regulations from the Department of Labor, and protecting franchisees from significant tax hikes at the end of this year. These victories were not happenstance; they were achieved because franchise leaders showed up, shared their stories, and built relationships with policymakers.

There has never been a more critical moment for our community to advocate for our shared future. If you've heard me speak at an IFA event this year, you've likely heard me refer to 2025 as "The Year of Franchising." This theme was on full display earlier this year when I, along with nine franchisees from all over the country who flew to the nation's capital, traveled to the White House for an event featuring everyday Americans who stand to benefit from the One Big Beautiful Bill.

The tax provisions in the One Big Beautiful Bill will have a hugely positive impact on America's 830,000 franchise small business owners and their 9 million employees in more than 300 industries, including restaurants, retailers, hotels, and home services. It not only ensures they will avoid a major tax hike at the end of the year, but it also allows them to reinvest in their businesses and employees.

It extends the tax deduction for pass-through businesses, which 73% of franchisors and 98% of franchisees are established as. It extends bonus depreciation, allowing franchises to expense an additional $16 billion in year one alone. It also extends the business interest deduction, allowing franchises to deduct an additional $6 billion in federal taxes.

Of course, the bill includes the popular "No Tax on Tips" and "No Tax on Overtime" provisions that would save franchise employees $6 billion and $311 million each year, respectively.

Combined, these provisions are the rocket fuel our business model, which is already growing faster than the broader economy, needs to reach even new heights and create even more opportunity.

But this effort was about more than just numbers. It represented the culmination of a comprehensive, full-scale advocacy approach that began at the 2024 IFA Advocacy Summit.

No one can tell our story better than our members. Starting last year and continuing throughout the winter and the release of our 2025 Roadmap for Small Business Growth, as well as IFA members testifying before key congressional committees, we urged lawmakers to implement policies that will allow the franchise model to thrive and create more economic opportunity for all. We never took our eye off the ball.

Franchising extends beyond any one political party. It lifts people from all walks of life. In June, a bipartisan group of lawmakers introduced a resolution in Congress officially commemorating June 11 as "World Franchise Day" for the first time. The resolution celebrates the economic and social contributions of the franchise business model. It was a powerful reminder of the franchise model's unparalleled ability to create opportunity.

As much as we've accomplished, we've got a lot left to do. It is time to create certainty around the joint-employer standard. The definition has changed four times over the past decade with each change in administration, creating uncertainty for business owners and their employees that has damaged the symbiotic relationship between franchisors and franchisees, business operations, and employee relationships.

When lawmakers hear directly from franchise owners whose livelihoods depend on franchising, it makes a difference. The IFA Advocacy Summit is your opportunity to meet with members of Congress, share your experiences, and put a human face on the issues that matter to our business model. Whether it's tax policy or certainty around joint employer, your voice is essential in shaping the policies that will determine our future.

So, join us at the upcoming IFA Advocacy Summit. Together, we'll make 2025 The Year of Franchising. See you in Washington! ∎

Matt Haller is president and CEO of the International Franchise Association.

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Written by **KERRY PIPES**

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Franchise marketing leaders gathered in June at the InterContinental Buckhead hotel near Atlanta for the annual Franchise Customer Experience Conference (FCXC) hosted by Franchise Update Media and the International Franchise Association. The conference serves as a crucial forum for the latest in customer experience in franchising. Operations, technology, branding, and consumer marketing were key areas of focus throughout the event, and leading minds in franchise marketing both shared their extensive expertise and gained valuable insights to take home to their brands. This year's conference platinum sponsors were AnswerConnect and Cinch.

Day 1

As always, the first day of FCXC kicked off with morning coffee and a chance to network.

The morning's meetings got started with the CEO Summit, "The Future of Loyalty—Innovating for Sustained Business Excellence." Led by Therese Thilgen, co-founder of Franchise Update Media, a panel of industry leaders, including Doug Flaig (Stratus Building Solutions), Todd Houghton (Homewatch CareGivers), Richard Huffman (Celebree School), and Justin Waltz (The Junkluggers), explored innovative strategies for cultivating both customer and franchisee loyalty with a focus on long-term success. Discussions centered on emerging trends, cutting-edge technologies, and leadership insights crucial for building authentic connections, leveraging data-driven personalization, and empowering franchise networks for the future.

Meanwhile, the CMO & COO Leadership Summit, "Driving Customer Experience Together," provided a dedicated forum for marketing and operations leaders. This one was facilitated by Kristin Kidd (Head to Toe Brands) and Bill Palliser (CertaPro Painters) and focused on the vital partnership between marketing and operations in delivering exceptional customer experiences. Attendees delved into strategies for effective collaboration, addressing potential hurdles in aligning priorities, bridging communication gaps, and integrating customer-centric initiatives.

Adding to the morning's already robust agenda were two "Mind Opening" sessions. The first, "Building a Franchise Brand CX Plan—Integrating Marketing, Operations, and Technology," provided franchise executives and teams with the tools to create comprehensive CX plans. Experts, including Roxanne Conrad (Premium Service Brands), Amy Mosley (DreamMaker Bath & Kitchen), Allison Tsomos (Celebree School), and Curtis Wiederin (Homewatch CareGivers), guided attendees through creating the ideal customer journey, developing actionable KPIs, and implementing strategies to enhance brand visibility, streamline operations, and leverage technology.

The second "Mind Opening" session, the "Technology Summit on Mission-Critical Systems, AI, and Strategic Tech Decisions," addressed the rapidly evolving technological landscape. Led by Greg Cory (CTO Nation), David McDougall (We Sell Restaurants), and Loren Eckart (Diligence), this workshop offered actionable strategies for designing and sustaining critical systems. Key discussions revolved around ideas such as build-versus-buy decisions, leveraging the power of AI for data intelligence, and developing robust support frameworks for scalability and reliability.

A break from the action allowed attendees to gather for lunch and networking.

Franchise Update's Thilgen and IFA Vice President of Marketing Anna Kittleson took the stage to welcome attendees, share industry and event numbers, and thank sponsors. The first keynote followed. Steve Brown is an AI expert and futurist as well as a former executive for Google DeepMind and Intel.

He brought the latest insights into the ongoing development of AI, its uses, and impact while discussing the future of technology and business.

"Today's data is the rocket fuel for tomorrow's AI. Ask yourself, 'What is my data strategy? How do I organize it? How do I keep it secure?'" said Brown, who told the assembled franchisors and vendors that AI will deliver more changes in the next five years than have taken place over the past 50 years.

The keynote was followed by a panel discussion called "Navigating the Intersection of Legislative and Economic Forces in Franchising." Clarissa Bradstock, CEO of Any Lab Test Now, Sarah Davies, general counsel and VP, legal and government relations for IFA, and FRANdata CEO Darrell Johnson discussed how the evolving economic and political landscape is impacting franchise operations, marketing, and technology.

The next general session panel, "Delivering Next-Level Customer Experiences in Challenging Times for Franchise Brands," brought together Sean Fitzgerald, president of TruBlue Home Service Ally, Dawn Perry, CBO of CertaPro Painters, and School of Rock President Stacey Ryan. They explored how leading franchise brands are innovating customer experience using strategies like human-centric AI, hyperpersonalization, and community engagement. The ultimate focus was on driving franchise growth and customer retention while maintaining brand consistency.

One final session, "Create Customer Experience Programs for High-Performing Teams," rounded out the day before attendees adjourned for a cocktail reception in the Sponsor Networking Area.

Day 2

A continental breakfast with more coffee and conversation kicked off the second full day of the conference.

Thilgen and Kittleson once again took the stage to open the second day, welcoming attendees and expressing gratitude to the sponsors before the first general session, "Franchise Case Study With Edible Brands—Driving Success Through Cross-Functional Collaboration."

MassageLuXe President & CEO Kristen Pechacek moderated the panel, which included Edible CTO Faraz Iqbal, CMO Kevin Keith, and Chief Legal & Compliance Officer Doug Knox. The panelists discussed how they used a cross-functional approach where operations, marketing, tech, and CX teams collaborated to get better results. They spoke of the challenges they've faced, growth opportunities, and finding ways to improve efficiencies.

Next up were the "Franchise Marketing Innovator of the Year Finalists Presentation" and "Franchise Operations & Technology Innovator of the Year Finalist Presentation." ServiceScore President Jayson Pearl moderated a look at the finalists for each award. Representatives from each brand had the opportunity to explain how their innovations were developed, deployed, and what the results were. (See pages 46 and 48.) This year's award sponsors were Thryv and ChoiceLocal.

Next up was the first look at the 2025 Annual Franchise Marketing Report (AFMR) Topline Results. The AFMR has become a key resource for marketing executives looking to benchmark franchise marketing and development efforts.

This year's report pulled data from 128 brands and updated findings in areas such as lead generation, recruitment budgets, cost per lead, closing ratios, and AI. (See page 32.)

Lunch in the general session area allowed attendees to refuel and network.

The afternoon kicked off with the day's keynote speaker, Brittany Hodak, an award-winning entrepreneur, customer experience expert, and author of *Creating Superfans*. Hodak explored key areas like transforming ordinary customer moments, strategically leveraging AI in CX, and differentiating brands to boost reputation and revenue.

After explaining that "experience is everything and everything is experience," Hodak spread the

Centralized control

Campaign performance — View report

14.2% open rate

Click through rate	Conversion rate	Revenue
8.04%	7.43%	$2,775.58 USD

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responsibility, saying, "Every single person has to be the acting chief of experience."

This year's keynote speaker sponsors were Alphagraphics and LeashedAI.

Following a quick snack break, the first of two supplier "Meet Your Match" speed dating sessions took place. The fast and furious networking experience gave suppliers three minutes each to pitch their services to franchisor executives. The quick connections offered a platform for discovering innovative solutions tailored to franchise growth and success.

Multiple breakout sessions took up most of the rest of the day. These sessions covered topics like "Humanizing CX—The Power of Personal Connection: Mastering the Art of Connection in Franchise Brand Experiences," "Unlocking Exceptional Customer Experiences Through Data-Driven Insights—Empowering Connections With Technology To Elevate FBC and Franchisee Engagement," "Humanizing CX—The Power of Personal Connection: Creating Personalized Experiences Through Multi-Channel Engagement in Franchise Brands," and "Unlocking Exceptional Customer Experiences With Data-Driven Insights—Harnessing Technology To Empower Franchise Teams and Delight Customers."

Attendees had one more chance to meet with suppliers over cocktails in the networking area before gathering for the evening's big event, the Franchise Innovation Awards presentation, celebration, and cocktail reception. (See page 38.)

Day 3

The final event of the conference was on Thursday morning. The closing workshop, "Build Your Customer Experience Communications Plan—Employees, Franchisees, and Customers," looked at how effective communication is the backbone of delivering an exceptional customer experience.

Larisa Walega, SVP & CGO of Ziebart International, led attendees through an interactive workshop focused on developing comprehensive CX communications plans that align messaging for employees, franchisees, and customers. They discussed strategies for empowering employees, engaging franchisees, and creating customer-focused messaging that builds loyalty.

FCXC attendees seemed pleased with their investment to attend the conference:

- "I've loved all the content and the sharing that's been occurring between different brands and different vendors, and especially, I loved the focus on AI," said Amanda Maquet, CMO, Moran Family of Brands.

- "If you're a franchisor, you need to be here to hear about this, and then being here with all these different suppliers and hearing about the solutions they have is really key in making sure that you are getting the right partners to really grow and drive your business," said Doug Flaig, CEO, Stratus Building Solutions.

- "This is my first time here, and I'm having a lot of fun, made a lot of connections already. Definitely come with an open mind, ready to learn, ready to meet a lot of people, and it's a lot of fun," said Allison Russell, communications manager, Weed Man.

- "I love connecting with other people and talking about things that are really important. If you are in franchise operations, marketing, technology, this is my favorite conference to come to," Kristin Kidd, COO, Head to Toe Brands.

Next year's FCXC will be June 2–4 at the Inter-Continental Buckhead in Atlanta. You can find out more about the event on franchising.com. ∎

2025 Attendees by the Numbers

361
Total Attendees

172
Franchisors

157
Franchise brands

171
Suppliers

Profile

20%
CEOs, Presidents, Founders

14%
CMOs, VPs of Marketing

28%
Marketing Directors

18%
COOs, Operations Directors

6%
CIOs

9%
Chief Experience, Brand Directors

5%
Development Directors

Number of Franchise Locations

21%
1–50

17%
51–100

19%
101–200

43%
200+

General Business Category

21%
Food

11%
Retail Non-Food

35%
Service Brick and Mortar

33%
Service Territory

CEO Summit Highlights Loyalty as a Strategic Growth Engine

Written By **KERRY PIPES**

Franchise CEOs and leaders gathered at the Franchise Customer Experience Conference (FCXC) for the "CEO Summit: The Future of Loyalty–Innovating for Sustained Business Excellence," which brought together visionaries to share how they embraced innovation to solve problems for their brands, franchisees, and customers.

The summit kicked off with a powerful message: Loyalty isn't a program; it's a strategic advantage. As Therese Thilgen, co-founder of Franchise Update Media and the session's moderator, noted, "The pace of change, especially in technology, is relentless. We're here to understand how leaders are turning that into an advantage."

CEOs and leaders shared why they embraced change at their brands.

For Justin Waltz, brand president at The Junkluggers, it was about standing out in a crowded space. "Differentiation and franchisee profitability were our North Stars," Waltz said. "We needed to win market share and fast."

Richard Huffman, CEO of Celebree Schools, said, "Parents want to know if our school is the right fit for their child. We realized we weren't fully utilizing our existing technology to answer that question. Engaged franchisees translate directly to better parent and student experiences and profitability."

Jennifer Dodd, CEO of Main Squeeze Juice, pointed to overcoming operational hurdles. "Juice has a seven-day shelf life. Wraps? Two days. We had to build a system that could manage freshness, reduce waste, and ensure consistency. So, we built our own tech stack," she explained.

For Doug Flaig, CEO of Stratus Building Solutions, the trigger was Covid. "People became hyperaware of cleanliness, and we saw an opportunity to reframe our brand not just as cleaners, but as health protectors," he said. "But we didn't have a central CRM. That had to change."

Todd Houghton, president of Homewatch CareGivers, said the brand had introduced "an AI-powered avatar that monitors patients through their TVs and was developed in partnership with Apple."

The takeaway: Innovation isn't just about flashy tech; it's about solving real problems. ■

Franchise Leaders Say Personal Touches Win Loyalty

Written By **M. SCOTT MORRIS**

Big brands succeed by thinking small—neighborhood small. At the 2025 Franchise Customer Experience Conference, the panel "Humanizing CX: The Power of Personal Connection" revealed how franchise leaders are turning local moments into lasting loyalty.

Moderator Marci Kleinsasser, VP of marketing and franchise development for Home Franchise Concepts, opened with a reminder: "In franchising, we're not just marketing to customers. We're empowering local owners to create meaningful experiences in their communities."

Cassie Gato, VP of marketing at K9 Resorts Luxury Pet Hotel, described events where dogs and owners feel equally valued. "People treat their dogs like family, so our brand events need to feel like they're part of the family too," she said. Grand openings include DJs, photo ops, and gourmet treats. "We bake in press opportunities, but what really drives attention is how we make the experience memorable," she added.

Stephanie Hill, VP of marketing for MassageLuXe, emphasized immersive experiences and authentic follow-up. "We treat our events like brand experiences," Hill said. "It's not just about tours and discounts. We build in touchpoints—pampering, food, maybe a yoga class—so people feel the wellness message we're trying to send."

At Ivy Kids, trust is central. The brand uses big events to establish trust with families before they ever enroll. "Our open houses are designed to reflect our values," said Wendi Raeuchle, marketing director. "We let parents and kids explore together, ask questions, and meet the teachers."

Brandy Ward, director of sales and design for Kitchen Tune-Up and Bath Tune-Up, shared how the brand's process begins with empathy. "We ask them what matters to them: how they use the space, what makes them feel at home," she said. Workers provide customers with small gifts during renovations that foster connection. "It's emotional work even if it's construction," she added. "When you lead with empathy, people remember it."
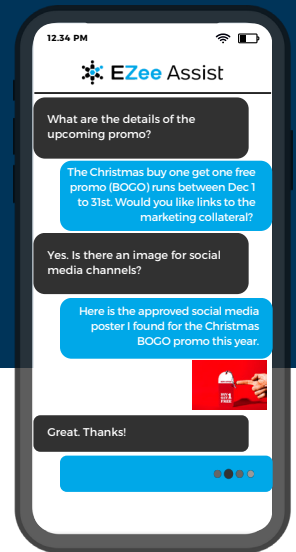
The takeaway: Use big events and little touches to create authentic bonds with customers. ■

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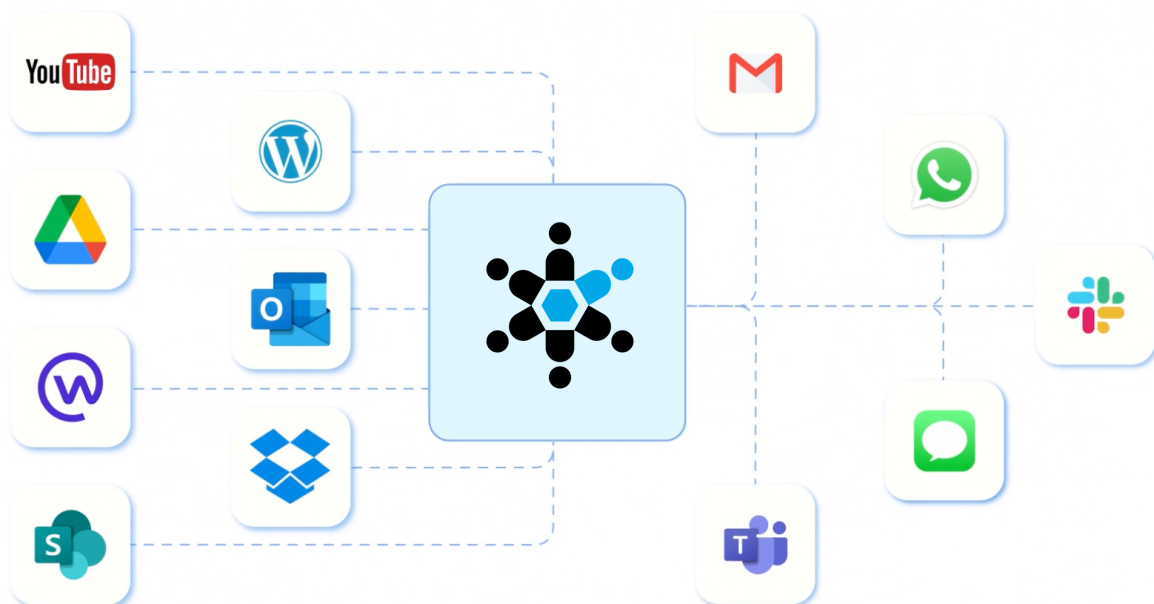
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12:34 PM

EZee Assist

What are the details of the upcoming promo?

The Christmas buy one get one free promo (BOGO) runs between Dec 1 to 31st. Would you like links to the marketing collateral?

Yes. Is there an image for social media channels?

Here is the approved social media poster I found for the Christmas BOGO promo this year.

Great. Thanks!

Finding the CX Balance With Personal Touch and Technology

Written By **KERRY PIPES**

At the 2025 Franchise Customer Experience Conference (FCXC) in Atlanta, the breakout session "Mastering the Art of Connection in Franchise Brand Experiences" addressed a central challenge for franchise brands: balancing speed and efficiency with genuine human connection.

Moderated by Valerie Eichorn, marketing leader of The Goddard School, the panel featured insights from Emma Dickison (Home Helpers Home Care), Aja Gregory (Handyman Connection), and Michelle Wells (Ziebart International). The conversation focused on blending technology with empathy to create personalized, lasting customer experiences.

"Customer expectations are changing in the digital age. There is no more one size fits all, and customization is important," Wells said.

Gregory echoed the sentiment: "Customers are now looking for speed and automation but still want a personal touch."

The panel emphasized that strategic use of technology, particularly CRM systems, is critical to building and maintaining human-centered connections. "CRM is the backbone of relationships," Gregory said.

Wells highlighted how Ziebart uses HubSpot to tailor communication based on customer history and vehicle type.

Mapping the customer journey is another crucial strategy. Brands must evaluate every touchpoint to balance automation with personal interaction. "We coach and empower our franchisees so that they can coach and empower their staff," Gregory said, underscoring the importance of frontline training.

The panel also cautioned against overautomation and ignoring emotional engagement. "What worked three years ago won't work today," said Dickison, advising flexibility with tech vendors and a sharp focus on measuring outcomes.

In closing, Wells urged, "Be obsessed with connection" and "strive to delight your customers, not just satisfy them."

The takeaway: While technology can enhance the customer experience, authentic human connection is still what earns trust and loyalty. ■

Tech and Data Are Shaping the Future of CX

Written By **KEVIN BEHAN**

At the 2025 Franchise Customer Experience Conference (FCXC), a breakout session titled "Transforming CX Through Technology and Data" spotlighted how franchise leaders are leveraging smart tools, metrics, and AI to improve customer experiences and drive business growth. Moderated discussions revealed a consistent theme: Technology must support—not replace—human connection, and data must drive every decision.

Ryan Aschauer, CIO of Floor Coverings International, shared how gathering Net Promoter Score (NPS) data from both buyers and nonbuyers helped refine the sales process. The brand's in-home estimate software enables franchisees to offer real-time pricing during visits, improving close rates significantly.

Doug Flaig, CEO of Stratus Building Solutions, addressed inefficiencies caused by fragmented CRMs. Standardizing with HubSpot and tools like PandaDoc, his team shortened proposal times and increased conversion. For Flaig, the key metric is speed. He said proposals can now be signed digitally from a parking lot.

David McDougall, franchising veteran with We Sell Restaurants, highlighted how managing both buyers and sellers requires integrated tools like HubSpot and the brand's custom CRM, The BOSS. He introduced AI-powered voice clone videos to humanize listings, boosting engagement.

Barb Moran-Goodrich, CEO of Moran Family of Brands, uses tech to streamline across multiple automotive brands from centralized review monitoring with SOCi to piloting AI that analyzes sales calls for training. She noted challenges like AI hallucinations but sees long-term coaching potential.

Panelists agreed that outdated tech creates risks. Flaig warned against reliance on single developers, and Moran-Goodrich says her team abandoned a costly proprietary POS system to move forward.

To fund new tech, panelists stressed ROI transparency and collaborative planning. Franchisee buy-in is essential, and it's achieved through beta testing, phased rollouts, and communication.

The takeaway: Ultimately, the future of franchise CX is collaborative, data driven, and constantly evolving. Tech must delight, not just serve. ■

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2025 AFMR SURVEY

From Differentiator to Driver

2025 AFMR findings reveal franchises leaning into CX, local reach, and AI integration

Written by **HELEN BOND**

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Customer experience (CX) is having a moment.

No longer just a differentiator, CX is the engine driving growth and resilience as franchisors look to harness the power of their brands like never before.

The 2025 Annual Franchise Marketing Report (AFMR), presented at this year's Franchise Customer Experience Conference (FCXC), reveals brands are doubling down on innovation to stay ahead at a time when reputation is everything, AI is delivering real value, and seamless CX demands system-wide teamwork.

In its seventh year, the AFMR uncovers how franchise brands are future-proofing their businesses. This year's findings dive deeper than ever into the evolving role of CX leadership, the operational impact of AI, and the tangible results marketers are achieving with smart tech investments.

Diane Phibbs, Franchise Update Media's chief content officer and EVP, presented a high-level overview of the report to FCXC participants attending the June conference in Atlanta.

One key takeaway emerged right away: AI isn't just hype anymore. Forward-thinking franchises are leveraging tech-fueled strategies to unlock efficiency, personalization, and strong customer connections.

Participating brands
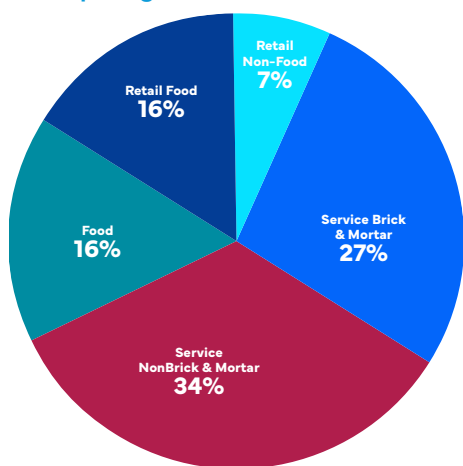
With CX now center stage, franchise marketers are navigating a complex landscape to optimize their reach to consumers and business clients. This year's AFMR includes the perspectives of a diverse industry mix. Franchise executives, including CEOs, presidents, CMOs, and other senior leaders in marketing, operations, and technology, provided input on budgets, strategies, and operational practices through detailed questionnaires.

Among them, 65% of respondents represented business-to-consumer (B2C) brands with 6% exclusively targeting business-to-business (B2B) audiences. A significant portion, 29%, engages with both groups.

Similar to previous years, service brands accounted for the majority (61%) of respondents. Among

these service-based franchisors, 34% of marketers were territory-based, without a physical storefront, while 27% represented traditional brick-and-mortar businesses.

Another 32% of those surveyed worked for food brands (16% food and 16% retail), and the remaining 7% worked in non-food retail.

Leads and traffic count
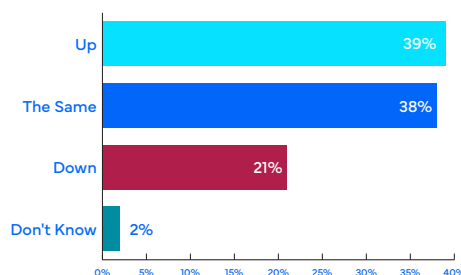
Despite the economic roller coaster of the past year, the latest AFMR findings show the industry's continued resilience.

When Phibbs took the stage to share the results, she began with an encouraging statistic: Nearly 80% of respondents are seeing stable—and even growing—lead generation and customer traffic. Almost four in 10 businesses (39%) reported an uptick in leads and traffic, and a similar share (38%) said levels are holding steady.

"I think our industry is responding well to what's going on in the world," Phibbs observed.

Of course, not every business is riding the wave. About 21% experienced a dip in leads and traffic compared to the previous year, and a small fraction (2%) were unsure about their current standing.
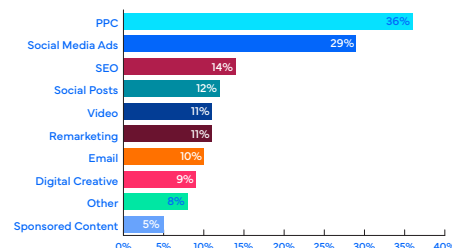
Marketing spend
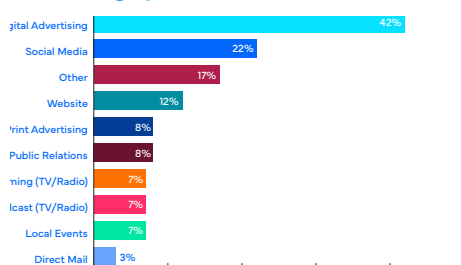
Franchise marketers continue to bet big on digital in 2025 with survey respondents reporting that digital ads account for 42% of total marketing budgets. Social media follows as the second-biggest player, claiming 22% of spend, proving influencers and targeted campaigns aren't going anywhere.

While marketing remains a digital-first game, traditional channels like print ads (8%) and broadcast TV/radio (7%) are holding their ground. Meanwhile, streaming TV/radio (7%) now matches the slice of the pie held by legacy broadcasts.

Brands are also keeping it local. Community events (7%) and direct mail (3%) show franchises haven't forgotten the power of hometown connections. And while PR (8%) and websites (12%) may

not be the flashiest line items, they remain critical to reputation and lead generation.

Among digital sources, search engine pay-per-click campaigns and social media ads are top priorities for marketing spend. The survey shows 36% of franchise marketing budgets are allocated toward search engine PPC, and another 29% is funneled into social media advertising.

Local spend
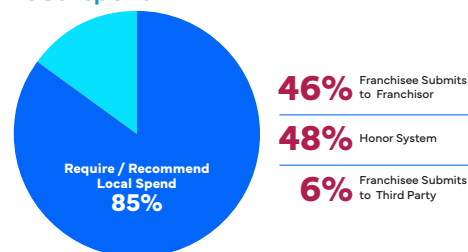
Local is no longer a growth option. The AFMR found a whopping 85% of respondents recognize the power of local marketing to drive customer connections, recommending or requiring their franchisees to invest in local marketing spend. But nearly half (48%) leave it to their franchisees to independently track and manage this effort.

Experts say this hands-off approach could mean missed opportunities and wasted spend. "We know how critical it is to engage at the local level," Phibbs said. "So, is that really the best way to do a local marketing program?"

Phibbs went on to push franchise leaders to rethink local marketing efforts. "Do you have a local component to all of your new campaigns, new products, and promotions?" Phibbs said. "And how are you executing these local marketing programs? Are you feeding franchisees the information, tools, and resources that they need to engage and execute effectively in their markets?"

Who owns CX?

Today's top franchisors understand that CX is everyone's job. Every brand surveyed reported having a formal process or model in place for measuring CX, underscoring its growing cross-functional prominence across marketing, operations, and technology departments.

For nearly half of the AFMR's participants, CX has become a collaborative mission with the customer experience of 47% of brands managed by multiple departments. That's a significant leap from previous years. The other 53% breaks down as follows:

- 35% look to operations and training teams.
- 10% rely on the CEO.
- 8% assign CX to marketing.

CX/online reputation

Online Reviews 90%
Social Media Mentions 50%
Conversion Rates 45%
Website Traffic 45%
Engagement Metrics 36%
Brand Mentions 29%
Sentiment Analytics 29%
Other 3%
None of the Above 2%

Review Monitoring Platforms 68%
Social Media Monitoring Tools 59%
Online Reputation Management Platforms 38%
SEO Tools 38%
Sentiment Analysis Tools 22%
None of the Above 4%
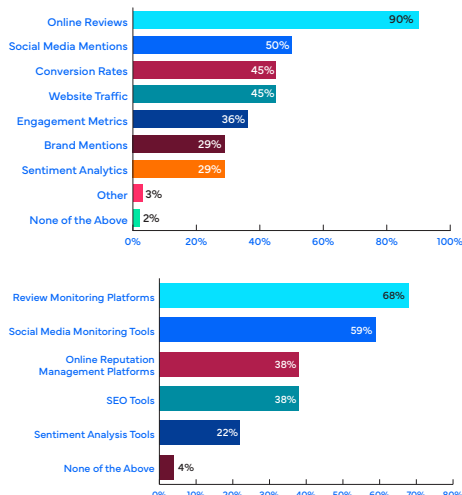
Online reputation is no longer just about damage control; it's the front line of customer experience and loyalty. This year's AFMR explored the importance of measuring and understanding the intersection of CX and reputation.

Online reviews dominate: A whopping 90% of brands now actively monitor online reviews, up from 75% just a year ago (2024 AMFR study).

Social listening is also critical. Brand mentions, conversion rates, website traffic, engagement metrics, and sentiment analysis round out the top tracking priorities.

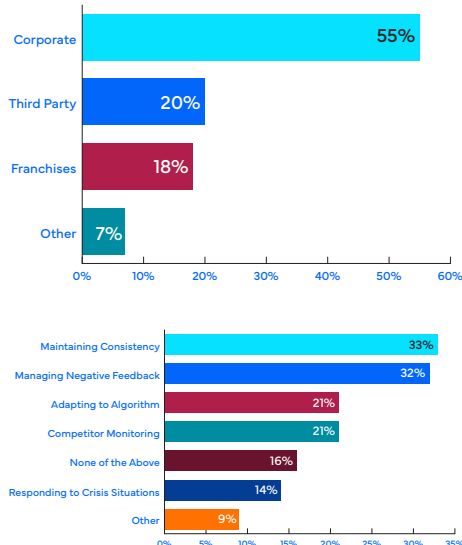In addition, 68% of those surveyed rely on review monitoring platforms, and 59% use social media monitoring tools. The use of online reputation management platforms and SEO tools ties at 38% with sentiment analysis gaining traction (22%).

Reputation at scale

Corporate 55%
Third Party 20%
Franchises 18%
Other 7%

Maintaining Consistency 33%
Managing Negative Feedback 32%
Adapting to Algorithm 21%
Competitor Monitoring 21%
None of the Above 16%
Responding to Crisis Situations 14%
Other 9%

When it comes to managing online reputation at scale, franchise brands are taking different paths, but the stakes are the same. According to 2025 AFMR data:

- 55% kept it in-house.
- 20% outsourced to a third party.
- 18% put franchisees in charge.
- 7% used other approaches.

While most of those surveyed recognize the importance of online reputation, many remain stuck in reactive mode. When executives were asked to pinpoint their biggest CX and reputation hurdles, key challenges emerged:

- One-third of brands (33%) cite maintaining consistency in the customer experience across locations as their top challenge.
- Nearly as many franchises (32%) struggle with handling complaints and bad reviews, suggesting many lack a clear, brand-wide response strategy.
- 21% report struggling with two modern online headaches: keeping up with constant platform algorithm changes (Google, Yelp, Meta) and monitoring the online moves of competitors.
- 14% of franchise marketers cited crisis management as a top issue.

Local reviews and social buzz don't just impact a single location; they have the power to shape perceptions of an entire brand. With more customers than ever making decisions based on digital word of mouth (95% of consumers read online reviews before making decisions, according to statistics compiled by Shapo.io), marketers need a unified strategy to track, respond to, and improve reputation management at scale.

The disconnect in the AFMR data shows there's still work to be done. While a majority of brands invest in corporate-run online reputation management, nearly half (48%) leave local marketing management to their franchisees.

Phibbs encouraged franchise leaders to consider outsourcing marketing challenges, including reputation management, to experts and reallocate those corporate resources to the local level.
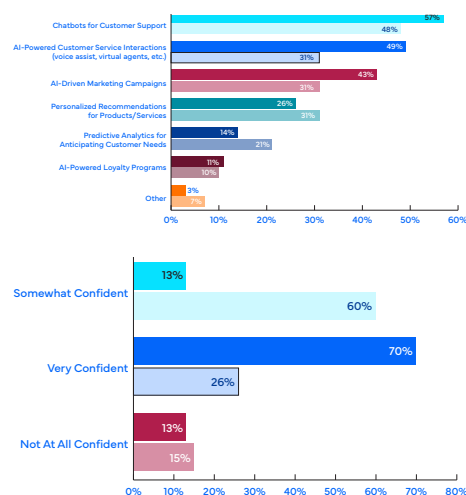
"If you've got your franchisees doing effective local marketing programs, that's going to drive royalties to pay for the resources to execute the programs and help ensure that your franchisees are doing what you want them to do," Phibbs said.

AI and CX

This year's AFMR continues to put AI under the microscope with expanded findings that reveal both excitement and growing pains. The message is clear: AI isn't just a passing trend. It's transforming the franchise industry—ready or not.

The report found that 60% of franchise brands now use AI to enhance customer experiences, up slightly from 57% last year, with 75% planning future investments.
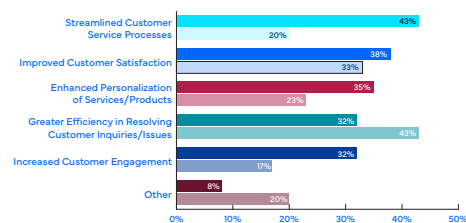
But that still leaves 40% on the sidelines. The gap could soon separate early industry adopters from the pack.

Chatbots for Customer Support 57% / 48%
AI-Powered Customer Service Interactions (voice assist, virtual agents, etc.) 49% / 31%
AI-Driven Marketing Campaigns 43% / 31%
Personalized Recommendations for Products/Services 26% / 31%
Predictive Analytics for Anticipating Customer Needs 14% / 21%
AI-Powered Loyalty Programs 11% / 10%
Other 3% / 7%

Somewhat Confident 13% / 60%
Very Confident 70% / 26%
Not At All Confident 13% / 15%

Franchisors are growing more confident in the ability of their teams to deploy AI effectively. Respondents reported the following strategies most in play:

- Chatbots and virtual assistants
- AI-driven marketing campaigns
- Personalized customer interactions
- Predictive analytics
- AI-powered loyalty programs

Year-over-year AI impact

Streamlined Customer Service Processes 43% / 20%
Improved Customer Satisfaction 38% / 33%
Enhanced Personalization of Services/Products 35% / 23%
Greater Efficiency in Resolving Customer Inquiries/Issues 32% / 43%
Increased Customer Engagement 32% / 17%
Other 8% / 20%

These moves appear to be paying off. For the second straight year, the AFMR tracked how franchise marketers are leveraging AI, and the results show real progress:

- 43% reported greater efficiency in customer service, more than double the 20% reporting benefits in 2024.
- 38% saw improved customer satisfaction scores compared to 33% in 2024.
- 35% achieved better personalization, up from 23% in 2024.
- While customer inquiry resolution efficiency dipped to 32% from 43% in 2024, engagement rates surged to 32% compared to 17% in 2024.

Retail & Franchise Client – A Case Study.

LISTINGS OPTIMIZATION

● **ABOUT**
A Retail & Franchise company focused on courier services and a variety of other small business services

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The Challenge.

With 350 independent franchisees, monitoring and maintaining the corporate reputation and branding was not an easy task as they did not have a tool in place to help

The Solution.

Optimize and synchronize Google Business Profiles across all locations, including posts and photos, Q&A, hours of operation, etc. All done through one point of entry – the RenderSEO portal

The Results.

With more access to insights and field data, the client has a better control on their corporate reputation. By monitoring Google Business Profile trends, the client could report back to franchisees in real time with feedback and tips for improvement.

+286%	**+125%**	**+55%**	**+49%**
Direct Searches YoY	Maps Views YoY	Driving Directions YoY	Reviews YoY

"With our previous provider, we simply felt like we were lost in the shuffle and were not happy feeling like we were just one of many. We switched to RenderSEO and haven't looked back. Their team acts as an extension of our own marketing team and they always go the extra mile to help us out in any situation."

Senior Director of Marketing, Retail & Franchise Client
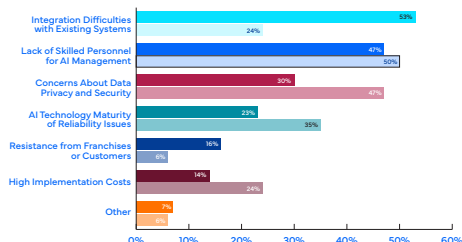
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AI roadblocks

Despite AI's promise, adoption across multiple locations isn't always smooth. The biggest reported hurdles include:

- 53% struggle with system-wide integration.
- 47% cite a lack of skilled personnel.
- 30% worry about data privacy and security.

Other concerns include unreliable tech (23%), franchisee/customer resistance (16%), and high implementation costs (14%).

Measuring AI success

Franchise marketers report the use of multiple data-driven strategies to assess AI's effectiveness:

- 56% monitor customer feedback and reviews.
- 48% track KPIs.
- 26% rely on engagement metrics and satisfaction surveys.

While the industry adoption of AI tools for marketing is still in its early stages, the survey found a notable openness to invest in new technologies and a recognition of the need for ongoing training and support for franchisees.
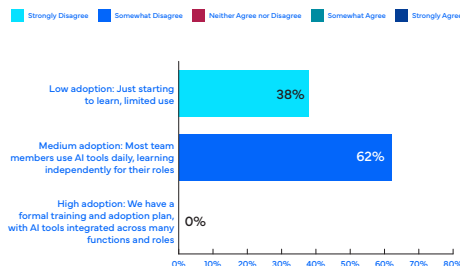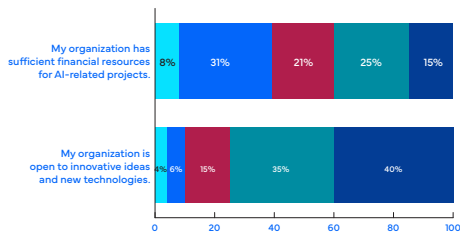
The future is now

"AI is here. It's not going anywhere," Phibbs emphasized, echoing AI futurist Steve Brown's message in his keynote to FCXC attendees. Drawing from her restaurant background, Phibbs offered the timeless management advice to "inspect what you expect."

"If you expect that your AI programs are going to integrate into the way you do business or help you change the way you do business, it would be advantageous for you to step back and take a look at what your technology staff looks like today and make sure you're ready," Phibbs said.
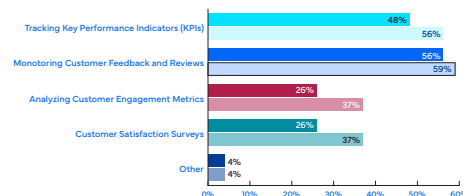
The road ahead

Franchise brands that are breaking down silos to enhance CX, embrace innovation, and keep the customer at the center will lead the next wave of growth.

Insights from this year's AFMR reveal franchisors must prioritize both robust CX strategies and the thoughtful integration of AI while ensuring their teams and local franchisees have the necessary resources and training to succeed. Experts say the brands that will thrive are those that merge tech with a people-first mindset. ∎

Key AFMR Recommendations for Franchise Leaders

- CX should be a shared, strategic priority across marketing, operations, and technology departments.

- Use AI to enhance, not replace, human interactions.

- Empower franchisees with training, tools, and a seat at the table.

- Invest in measurement, feedback, and reputation management to drive continuous improvement.

- Support local marketing as a driver of both traffic and revenue.

- Prepare your organization for ongoing change; reskilling or upskilling is not optional.

For a copy of the report, scan the QR code with your phone

Cadence Bank SBA Franchise Lending Program

The Cadence Bank SBA Franchise Finance Team can help franchisees to:

- Construct Leasehold Improvements
- Purchase Equipment and Inventory
- Fund Working Capital
- Purchase Real Estate
- Acquire a Franchise

Typical Terms:

- Finance up to 90% of project costs
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- 25-year terms on real estate with pre-payment assessment during first three years
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Our preferred status means a faster loan approval process for *you* and *your business.*

Typical Borrower Profile:

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- Direct or transferable experience
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- Outside source of income preferred for start-up franchises
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FRANCHISE
INNOVATION
AWARDS

7th Annual Franchise Innovation Awards

2025 winners embraced change to boost their businesses

Written by **KEVIN BEHAN**

This year's Franchise Update Media Innovation Award winners turned technological advances and strategies into cost-cutting, time-saving efficiencies and increased customer engagement. Franchise brands—large and small, legacy and emerging—submitted more than 80 entries.

The contest recognized two overall winners: Goldfish Swim School won the Franchise Marketing Leadership Award, and Dave's Hot Chicken took home the Operations & Technology Leadership Award.

A panel of expert judges evaluated each entry's objective, the problem it solved, and the innovations required to achieve the stated goals. The four major categories are:

- **MARKETING & BRANDING.** This category asked brands what innovative solutions they employed to grow consumer awareness, engagement, and loyalty. It includes everything from traditional advertising and PR campaigns to social media, rewards programs, new product launches, and local store marketing campaigns.

- **OPERATIONS & TECHNOLOGY.** Systems and processes, along with replicability and scalability, are essential for franchising success. Who could do all that without advanced technology? Judges reviewed the most forward-thinking operations teams.

- **HUMAN RESOURCES.** This category examined how brands employed unique strategies and tactics to attract, hire, train, and retain the employees who best suited their vision and culture.

- **PRODUCTS & SERVICES.** To meet the needs of today's consumers, franchise systems must evolve products, services, and delivery options. Technology played a huge role in adapting to how customers ordered, paid for, and received their products or services in 2024.

The contest included five main categories and 21 subcategories. Winners in the fifth category, Franchise Development, will be announced at the Franchise Leadership and Development Conference in October.

MARKETING & BRANDING

BEST PR CAMPAIGN

Mountain Mike's Pizza

Objective: Mountain Mike's Pizza's innovation objective was to expand its signature Heart-Shaped Pizza campaign with the introduction of the Sweetheart Cherry Pie Dessert Pizza. This initiative was designed to enhance brand affinity, drive consumer engagement, and boost seasonal sales through an integrated PR and marketing campaign that spanned traditional media, digital platforms, and local store activations.

Overview: Mountain Mike's executed a multifaceted campaign to spotlight its two seasonal offerings, the Heart-Shaped Pizza and its new Sweetheart Cherry Pie Dessert Pizza. The campaign secured national and local media coverage in top food and lifestyle outlets and included partnerships with food influencers and

social media personalities. The brand also offered exclusive deals for rewards members while increasing campaign visibility through in-store signage, limited-time packaging, and strategic promotions on third-party delivery apps.

Results: The campaign reached an estimated audience of more than 625 million and achieved several key metrics. Mountain Mike's sold nearly 46,000 Heart Shaped Pizzas and Sweetheart Cherry Pie Dessert Pizzas in February, representing a 25% year-over-year increase for HSPs, while sales on Valentine's Day were the third-highest sales day in company history. The promotion received media coverage in nearly 30 national and regional outlets with television segments in a half dozen key Mountain Mike's markets. The campaign generated almost 3.5 million social media impressions and an engagement rate increase of nearly 9%. The brand also experienced a 135% increase in followers compared to the previous month, reaching more than 1.2 million accounts. Through 15 strategic influencer partnerships, Mountain Mike's reached more than 300,000 social media users. Year-over-year loyalty transactions increased 135%, and loyalty sales were up 139%. In addition, 30,000 new members joined the Mountain Rewards program during the promotion period.

BEST DIGITAL CAMPAIGN

Primrose Schools

Objective: The Beginning of Something Big campaign was designed to showcase how Primrose Schools is the ultimate partner for parents to maximize the first five years in a child's life and show educators that they can build lasting, meaningful careers at Primrose. The marketing team sought to demonstrate how the early years of a child's life are filled with wonder and opportunity.

Overview: The Primrose marketing team launched the Beginning of Something Big to grow the brand's awareness among prospective parents through digital marketing at the national level. It executed a full-funnel approach, including a series of organic and paid social media content, ads, blogs, brand emails, and school-level resources. A comprehensive PR strategy was designed to make the brand prominent and trustworthy as the top early education and care provider for prospective families. The concept began with a complete overhaul of digital creative and photography featuring Primrose students, capturing meaningful moments and learning experiences. Primrose engaged in two separate influencer campaigns on Instagram. It also leveraged a new creative suite and videos in organic social and paid media content at both the national and local levels, equipping schools with graphics, flyers, bulletin board material, and templates for enhanced local marketing.

Results: The digital campaign effectively reached and engaged prospective parents across the country to drive awareness of the impact Primrose Schools make in a child's first five years. Findings from a national parent survey generated national and local media coverage, resulting in a combined total audience of 967 million and 203 pieces of coverage, including 141 backlinks to the Primrose website. National media outlets included MSN, Yahoo, and the New York Post. The paid social campaign produced 1.14 million media views, 877 inquiries, 34.9 million media impressions, and 138,725 landing page views. The paid influencer campaign with a top parenting and education influencer generated 135,000 impressions, nearly 700 engagements, and a unique reach of 92,000.

BEST SOCIAL MEDIA CAMPAIGN

Dave's Hot Chicken

Objective: Dave's Hot Chicken introduced two major menu innovations in 2024, Dave's Bites and Dave's Not

Chicken. Both were backed by campaigns designed to drive awareness, engagement, and sales by harnessing the power of user-generated content and strategic digital marketing. The brand sought to amplify these menu innovations and drive tangible business results by leveraging the voices of its passionate customers on social media.

Overview: Dave's Not Chicken and Dave's Bites each received a tailored, high-energy social media campaign that embraced the raw, unfiltered nature of fan reactions. For Dave's Not Chicken, the brand relied heavily on Instagram and TikTok and transformed exterior signage of several locations to "Dave's Not Chicken," creating eye-catching, "Instagrammable" moments that fueled organic shares.

For Dave's Bites, the brand repurposed organic fan videos of customers' reactions when taking their first bite for a Connected TV (CTV) ad, making it the centerpiece of the campaign. Dave's followed up with a second wave of content, ensuring sustained engagement and prolonged sales impact. A simple TikTok search of "Dave's Hot Chicken taste test" now reveals countless clips capturing customers' reactions, effectively turning guests into the brand's most powerful influencers.

Results: The dual campaigns for Dave's Not Chicken and Dave's Bites generated more than 200 million organic TikTok mentions and contributed to an 8-percentage-point increase in same-store sales. The Dave's Not Chicken campaign led to significant guest acquisition with 54% of guests who ordered the Cauliflower Sliders or Bites being new to the brand. Guests who started with Dave's Not Chicken were 45% more likely to return compared to those who first tried the core chicken menu. Fifty percent of guests who initially ordered a cauliflower-based item later transitioned to meat-based entrees, proving that the new menu innovation was an effective gateway product.

BEST LOCAL MARKETING LEADERSHIP

Cicis Pizza

Objective: Cicis Pizza developed the Focus Store Program to support its underperforming locations by providing tailored marketing and operational strategies that address specific challenges. The goal was to help franchisees improve visibility, increase guest traffic, and drive sustainable sales growth through a data-driven, localized approach.

Overview: The Focus Store Program identified underperforming Cicis restaurants each quarter and provided them with dedicated resources to improve their performance. A thorough analysis was conducted to determine the root causes of problems, which may include low brand awareness, competitive market conditions, and/or operational inefficiencies. Based on these insights, a customized action plan was created for each location, incorporating a mix of hyperlocal marketing initiatives, digital and direct mail campaigns, operational training, and community partnerships. Key strategies included targeted advertising, guest promotions, and increased brand presence in the local markets. By implementing these tailored initiatives, Cicis ensured that franchisees receive the support needed to strengthen their businesses and drive long-term success.

Results: The program led to significant improvements across participating locations with the most notable impact seen through direct mail and digital media campaigns, resulting in a 15.9% overall coupon redemption rate. Many stores experienced an increase in sales and guest traffic. Discounted buffet pricing and family-friendly incentives were particularly effective. The initiative drove double-digit year-over-year sales increases, which proved that strategic, localized marketing combined with operational support can revitalize underperforming locations. By combining localized marketing efforts with hands-on franchisee support, the program successfully revitalized underperforming locations.

Spavia Day Spa

Objective: Spavia Day Spa's Mother's Day campaign was designed to uplift women through self-care and community giving. The goal was to engage guests, franchisees, and vendor partners in a purpose-driven initiative that would provide meaningful support to women in need.

Overview: With the objective of uplifting women's wellness, each franchisee developed partnerships with local charities dedicated to supporting women and families in crisis. More than $40,000 was raised and allocated to shelters, domestic violence support groups, and health and wellness initiatives. Spavia also launched the Mom's Ultimate Luxury Spa Gift Basket giveaway, which was valued at $1,000 and featured a carefully selected array of high-quality spa and self-care products. Through this initiative, Spavia gave away more than $50,000 worth of luxury self-care essentials to more than 50 deserving moms who were nominated by guests. Every Spavia location across the U.S. participated and helped raise funds, organize local donation efforts, and promote the initiative to its customers.

Results: In addition to the funds donated to local charities and the more than $50,000 worth of self-care gift baskets distributed, Spavia saw a 7.9% increase in gift card sales, totaling $1.4 million. Promotion of the campaign led to an estimated 208 million national media impressions and seven million local media impressions. Spavia generated more than 1,500 new followers, 20,900 impressions, and nearly 1,000 interactions, which was the highest engagement since the brand's inception.

Goldfish Swim School

Objective: Goldfish Swim School wanted to expand its reach throughout the holiday season of November and December of 2024 by connecting with diverse gift-giving audiences outside of the brand's typical demographics. The goal of the campaign was to increase end-of-year revenue for the franchise.

Overview: This campaign utilized enhanced brand messaging told via new and existing channels to reach an expanded audience. Goldfish targeted the grandparent demographic with display ads on Amazon, TikTok, and AARP's Facebook and website pages. It featured messaging about gifting opportunities for safety with children's swimming classes that reached a wide audience of users who were already shopping for holiday gifts. TikTok ads aligned with organic social posts reached additional hyperspecific audiences. The campaign offered customizable location-specific package options that were most appealing to each Goldfish Swim School community. Goldfish also executed a co-branded sweepstakes with like-minded brands, such as Tonies, Tytan Magnetic Tiles, and Step 2. The campaign featured flash sales to increase urgency on high-sales days.

Results: The campaign was extremely successful in driving overall revenue, increasing package sales, and reaching new audiences across several metrics. Goldfish increased revenue by 90.2% year over year in November and December 2024, and package sales grew 72.3% year over year. Nonmember package sales outnumbered member package sales with 53% coming from new members and gift givers. Goldfish also received increased engagement on TikTok, AARP, and Facebook.

OPERATIONS & TECHNOLOGY

Burn Boot Camp

Objective: Burn Boot Camp created Burn Intelligence to address multiple franchise system challenges by establishing a unified, trusted data platform with a franchisee-first mentality. Before this initiative, franchisees didn't trust corporate data systems, leading them to create their own time-consuming dashboards. The project had three primary objectives. The first was to establish consistent and consolidated data and standardized KPI definitions. It also sought to create a mobile-friendly, franchisee-driven interface displaying key metrics needed to operate gyms each day. Finally, the franchise built specialized reporting tools for promotion tracking and lead management. Everything needed to be developed collaboratively with franchisees, ensuring system-wide adoption.

Overview: The Burn Intelligence project stemmed from a core insight: Data systems should serve the business users who rely on them daily. The team recognized that reducing technology costs while improving data quality required fundamental architectural changes. By establishing a single source of data and eliminating redundancy, the project created a more efficient system. These changes established standardized KPIs, provided regular feedback on preliminary designs, offered beta testing of dashboards before a system-wide rollout, and created a scalable foundation for future growth. Recognizing that most franchisees often manage their businesses on the go, Burn Intelligence was designed with a mobile-first platform. The key innovation was the Gym at a Glance dashboard with a concise view of the five most critical metrics franchisees need to see daily. This was complemented by a specialized tool kit dashboard for promotion tracking.

Results: The Burn Intelligence platform delivered substantial, measurable results across multiple dimensions, changing how franchisees operate their businesses and how the organization manages data. Before incorporating Burn Intelligence, fewer than 40% of franchisees regularly used corporate data systems. Within the first month, there was a more than 15% increase in franchisee platform utilization, and the vast majority have abandoned parallel tracking systems. Early indications showed that gyms actively using the platform are outperforming peer gyms in revenue growth and consistently show higher lead conversion rates. The Gym at a Glance dashboard reduced the time spent analyzing daily performance from more than 30 minutes to less than five minutes. In general, the Burn Intelligence platform increased efficiency and created greater trust among franchisees while providing standardized definitions for KPIs and a scalable architecture that can grow with the business.

Hand & Stone Massage and Facial Spa

Objective: Hand & Stone Massage and Facial Spa wanted to create a centralized system that addressed the lack of real-time, data-driven insights into spa performance, staffing efficiency, and revenue optimization. The objective was to empower franchisees with actionable data to make informed business decisions, optimize scheduling, and enhance overall operational efficiency.

Overview: To address the challenge of a lack of real-time data for its franchisees, Hand & Stone implemented a multiphase approach to designing and executing a new data warehouse and reporting system. They aggregated data from multiple sources to ensure accuracy and consistency across all franchise locations. The brand designed interactive dashboards and detailed Excel reports to provide real-time insights at various levels: spa wide, multilocation, and individual provider. They then built the Service Provider Utilization Tool, a proprietary feature that allows owners to analyze provider productivity and optimize service schedules. After initially launching a pilot with select franchisees to test system functionality and gather feedback, Hand & Stone scaled the system across all franchise locations while integrating additional enhancements, including comparative performance tracking.

Results: Hand & Stone successfully deployed a new data warehouse and reporting system, enabling franchisees to improve scheduling efficiency, make smart hiring decisions based on actual provider demand, enhance marketing effectiveness by tracking lead conversion rates, and increase revenue opportunities. When comparing the six months leading up to the data warehouse going live to the six months following the launch, Hand & Stone saw increases in the following key metrics: gross monetary sales (12.6%), total prospects (3.7%), total members (3.2%), service counts (3%), appointment hours (3.3%), available hours (4.1%), and schedule hours (3.8%).

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MOST INNOVATIVE FRANCHISEE SUPPORT

AdvantaClean

Objective: AdvantaClean wanted to create a training program that goes beyond classroom learning to deliver immersive, hands-on experiences and equip franchisee teams with the technical confidence they need to thrive in pressurized restoration environments. It created a full-size Flood House, a code-built structure designed to be flooded and dried repeatedly for real-world training in water mitigation and structural drying. The Flood House combines with AdvantaClean's accredited certification programs, live-streamed courses, and monthly webinars to create a multilayered training ecosystem that supports every role, from owners to technicians, through continuous, practical, and scalable learning.

Overview: Recognizing that success in the restoration industry demands more than theoretical knowledge, AdvantaClean developed a training system that combines immersive, real-world practice with accessible, scalable education to support teams throughout their franchise journeys. The centerpiece of this innovation is the Flood House, which allows the training team to simulate real-world water damage scenarios by intentionally flooding rooms and guiding trainees through the complete drying and restoration process. This controlled, repeatable environment creates a transformative learning experience, bridging the gap between textbook learning and actual field conditions. AdvantaClean also created monthly webinars and virtual learning sessions to facilitate continued education for its franchise owners and their teams.

Results: AdvantaClean's investment in its training infrastructure created a meaningful impact across the franchise network. The hands-on training in the Flood House helped bridge the gap between theory and practice, ensuring high preparedness and confidence in the field. AdvantaClean had 123 total course enrollments in 2024, delivering more than $40,000 in training cost savings to franchisees. By removing common cost and travel barriers through onsite and live-streamed courses, the brand made it easier for franchise teams to achieve industry certification while minimizing disruption to operations. AdvantaClean also delivers a steady rhythm of monthly webinars that focus on marketing, technology, and technical operations. The franchise's training innovations, anchored by the Flood House and bolstered by scalable education and ongoing support, created a foundation for sustainable franchise success and operational excellence.

MOST INNOVATIVE BUILDING DESIGN, REMODEL, OR PROTOTYPE

Dine Brands–Applebee's/IHOP

Objective: Dine Brands wanted to develop a dual-branded Applebee's/IHOP concept that allowed guests to enjoy the best of both brands' signature items on one shared menu. By operating two brands within one space, franchisees could leverage shared back-of-house equipment, cross-train staff, share management, and maximize productivity by hour and head count, reducing overhead costs and optimizing space.

Overview: The Applebee's/IHOP restaurant concept optimizes resources for franchisees by sharing kitchen facilities, management, and staff while maintaining the distinct identities of both Applebee's and IHOP. This approach provides operational efficiencies and maximizes all day parts, including breakfast, lunch, dinner, and late night, appealing to a wide range of guest preferences. Following Dine Brands' success with dual-branded Applebee's and IHOP restaurants across seven international markets, franchisee R. Hakim Corp opened the first U.S.-based Applebee's/IHOP in Seguin, Texas, in February 2025. When guests enter the dual-branded restaurant, they will find two distinct dining areas to choose from: the warm, familiar atmosphere of Applebee's or the bright, cheerful ambiance of IHOP. Shared common areas, including the host stand and bathrooms, create an integrated experience, while the optimized back-of-house and single kitchen provide operational efficiencies. Whether seated in the Applebee's or IHOP dining areas, guests will receive one extensive menu featuring 124 items based on favorites from both brands, which can be mixed, matched, and ordered at any time during operating hours.

Results: On average, Dine Brands has seen the dual-branded locations achieve 1.5 to 2 times the revenue compared to a single-brand restaurant. In its opening week, the restaurant in Seguin achieved sales of almost three times the amount of its performance as a standalone IHOP. For Dine Brands, the implementation of its dual-branded restaurants abroad has been a key driver for growth. By introducing this concept to its U.S. development strategy, Dine Brands opens the door to appealing investment opportunities for current and prospective franchisees through conversions and new ground-up builds. Following the opening of the Seguin dual-branded location, Dine Brands and its franchisees plan to open 14 more dual-branded restaurants over the next year.

HUMAN RESOURCES

MOST INNOVATIVE EMPLOYEE RECRUITING

Hand & Stone Massage and Facial Spa

Objective: Hand & Stone Massage and Facial Spa wanted to help increase awareness and financial accessibility for career opportunities in massage therapy. It is often an overlooked field despite a growing demand for its services. Although schools often partner with massage brands for job placement and funding, Hand & Stone went further by leveraging its marketing expertise to support its 80 school partners. The brand also collaborated with an industry growth consultant to help schools and franchisees access grants. By increasing both awareness and financial accessibility, Hand & Stone helped hundreds of students enroll in massage school and created a direct, sustainable talent pipeline for its spas.

Overview: Through research and direct collaboration with its 80 school partners, Hand & Stone identified key barriers to declining massage therapy enrollment: Schools needed help attracting students, prospective candidates lacked awareness of massage therapy as a viable career, and financial constraints limited enrollment. The brand developed a multifaceted initiative focused on marketing support, financial accessibility, and industry partnerships. This targeted marketing effort helped schools generate more leads, increase enrollment, and, ultimately, create a strong pipeline of licensed therapists. Recognizing the financial challenges of trade school education, Hand & Stone partnered with an industry growth consultant to identify and secure grants, making tuition more accessible. Franchisees also played an active role by offering tuition reimbursement programs for graduates who go on to work in their spas. This dual approach not only eased financial burdens, but also incentivized long-term employment within the brand. These efforts strengthened the education-to-employment pipeline, allowing Hand & Stone to cultivate top talent and support its franchise network. It led to hundreds of new students enrolling in massage therapy programs and transitioning into careers within Hand & Stone spas.

Results: Through strategic marketing, financial assistance, and franchisee-led school partnerships, Hand & Stone expanded the pipeline of licensed massage therapists entering the workforce, addressing one of the industry's most pressing challenges. Since launching this initiative, the brand has helped drive increased enrollment at its 80 partner schools with hundreds of students enrolling in massage therapy programs as a direct result. Franchisees reported tangible benefits with many locations hiring multiple graduates through school partnerships. By investing in local education, these owners are not only solving their hiring challenges, but also strengthening the overall industry workforce. Many franchisees have also introduced tuition reimbursement programs, providing financial incentives for graduates who choose to work in their spas. This dual approach has made massage therapy a more viable career path and has strengthened employee retention. Since implementation, Hand & Stone has increased available massage therapist hours by 8.9%. By establishing a structured talent pipeline, franchisees have been able to reduce hiring gaps, fill therapist positions quickly, and reduce turnover by 3%. This has helped spas meet the growing consumer demand for massage services and increased service availability, creating strong client retention and improved guest satisfaction.

MOST INNOVATIVE EMPLOYEE RETENTION

Celebree School

Objective: Celebree School's objective was to create a structured, scalable, and sustainable career development program that fosters employee engagement, job satisfaction, and long-term retention. The Career Pathways program was developed to empower team members at all levels, equipping them with the tools, mentorship, and education needed to advance within the organization. By focusing on internal growth, Celebree aimed to build a high-performing workforce while also enabling franchise partners to expand successfully with a culture-first approach.

Overview: The Career Pathways initiative was designed to provide franchisees with a structured framework for employee development, ensuring a clear trajectory from entry-level roles to leadership positions. Key elements of the program include:

- **Personalized growth plans.** Leaders invest intentional time with team members to discuss career aspirations and create customized development plans.
- **Training and development.** Employees have access to tailored training programs that align with their career goals, equipping them with the skills needed for advancement.
- **Financial support.** Celebree offers funding for continuing education, certifications, and relevant coursework to further professional growth.
- **Mentorship and leadership development.** Employees receive guidance and support from experienced team members, fostering a culture of internal promotion.

By focusing on internal career development, franchise owners benefit from an engaged workforce, reduced turnover, and a steady pipeline of qualified leaders. Rather than hiring externally to open new locations, franchisees promote trained, tenured team members who already understand Celebree's mission, vision, values, and operational routines. This results in a seamless culture transfer, operational excellence, and a thriving business model.

Results: The Career Pathways program had a measurable impact on Celebree School's HR retention efforts. Here are some of the top results:

- Strong employee participation and engagement increased with more than 160 individuals active in the Career Pathways program.
- 85% of current management team members were promoted from within, reinforcing the effectiveness of internal career development.

- Lead teacher annual turnover decreased by 25% since the inception of the Career Pathways initiative, significantly improving staff stability.
- Employee Net Promoter Score increased by 58 points, reflecting heightened job satisfaction and loyalty.
- More than 6,500 applicants applied to join Celebree in 2024, highlighting the program's strong employer brand and appeal.
- This initiative strengthened Celebree franchisees' ability to scale and ensured that team members feel valued, motivated, and excited to grow their careers within the organization.

PRODUCTS AND SERVICES

MOST INNOVATIVE PRODUCT INTRODUCTION

PJ's Coffee

Objective: PJ's Coffee wanted to serve its guests iconic New Orleans beignets across all its franchise locations. However, the logistics of adding traditional fryers, which required hoods and vents, to its real estate model were not conducive to existing franchise locations. The brand developed the AutoFry MTI, a tabletop appliance that allows PJ's franchise locations to make batches of beignets in three minutes and keep them fresher than traditional heat lamps.

Overview: PJ's selected the AutoFry MTI, an automated, ventless frying system that allows the brand's locations to execute this program safely without the need for large fryers and hood vent systems. The system was incorporated at its franchise location in Bowie, Maryland, along with several corporate stores as test sites where beignets were sold in batches of six to nine. The team focused on understanding operational logistics, customer response, and profitability, and the beignets quickly became the top-selling item in the test markets. This initial success bolstered PJ's broader launch strategy, ensuring that each franchisee had access to necessary training, supply chain logistics, and marketing materials to seamlessly integrate beignets into their shops. Beignets are available in 104 of PJ's 193 locations.

Results: By identifying a cost-effective, space-efficient frying solution in the AutoFry MTI, the New Orleans coffee concept successfully ensured that beignets could be seamlessly introduced into its franchise locations without significant and costly design overhauls or major operational hurdles. With this innovative product introduction, PJ's is now the only coffee franchise to offer beignets. The pilot location in Maryland saw immediate success following the launch of its beignets and now attributes 25% of its total store revenue to beignet sales alone. Across the board, beignets are the top-selling menu item at PJ's Coffee locations where they are offered. The brand hopes to expand its beignet sales to all its franchise locations, making the regional treat accessible to more markets as it expands.

MOST INNOVATIVE SERVICE INTRODUCTION

Christian Brothers Automotive

Objective: Christian Brothers Automotive developed a Vehicle Service Contract to provide a convenient, transparent, and hassle-free way to protect their guests' vehicles from unexpected repairs. The goal was to enhance the overall vehicle service experience by making it easier for guests to stay ahead of costly repairs, offering peace of mind, and a simple, straightforward process from enrollment through claims.

Overview: Nice Difference Care+ is a subscription-based vehicle service contract that offers a modern, guest-friendly approach to extended coverage. Unlike traditional contracts, it is structured as a monthly subscription, giving guests complete control and flexibility over their coverage. With no long-term commitment, guests can cancel at any time and pay for protection for as long as it makes sense for their needs regardless of how many miles they drive. Christian Brothers Automotive built transparency into the process by requiring a vehicle inspection before purchase. If an issue is discovered during the inspection, guests can choose to have it repaired in order to include it in the coverage or decline and move forward with full clarity on what is excluded. This proactive approach avoids surprise claim denials and ensures guests are informed every step of the way. To further support the long-term health of the vehicles through ongoing maintenance, Nice Difference Care+ includes a $50 oil change credit every four months of active coverage.

Results: With nearly 1,000 active subscriptions to date, Nice Difference Care+ has assisted customers across the country in finding a better way to protect their vehicles. To date, more than 200 claims have been paid, helping customers save money on unexpected repairs. Nice Difference Care+ launched in phases and officially rolled out system wide to all Christian Brothers Automotive locations on March 3, 2025. The program was intentionally built to support consumers and provide franchisees with an innovative, value-added service that differentiates their shop and drives retention. One of Nice Difference Care+'s most notable advantages is that there is no third-party administrator involved because it was developed by and is fully administered by Christian Brothers Automotive. This direct ownership has streamlined the claims process, eliminating the long hold times that are often frustrating for service advisors. As a result, repairs can be completed fast, technicians can reopen bays quickly, and guests can enjoy a smooth, efficient service experience.

MOST INNOVATIVE USE OF CUSTOMER-FACING DIGITAL TOOLS

Kitchen Tune-Up and Bath Tune-Up

Objective: Kitchen Tune-Up and Bath Tune-Up sought a solution that would capture key customer insights, including style preferences, needs, and budget, while also enhancing the consumer's experience. The brand created a visually appealing quiz that seamlessly integrated into its sales process. The objective of the Design Style Quiz was to innovate preconsultation processes by replacing the limited homeowner survey with an interactive tool. This innovation aimed to improve prospect engagement, providing sales consultants with richer insights before appointments. With the main focus being the customer experience, the goal was to also benefit other sides of the business, including marketing and sales. With an improved program and high-tech services, the objectives were for closing rates and average job sizes to increase and for owners to gain confidence in pricing discussions.

Overview: With the development of the Design Style Quiz, Kitchen Tune-Up sought to improve customer engagement, create a visually appealing and personalized experience, and gather key budget insights up front. The brand chose an online platform that collected information on a variety of sales goals, including budget expectations, project scope and priorities, and style and product preferences. By transforming the approach, the quiz became a bridge between marketing and sales, setting the stage for strong customer relationships and improved business results. With the goal of innovating a personalized experience where customers can select their preferences to get an exact idea of what their kitchen transformation could look like, Kitchen Tune-Up crafted an engaging quiz

on a platform that is user-friendly and aligned with sales goals.

Results: The new Design Style Quiz effectively addressed the growing demand for a more tech-savvy and personalized experience, creating a seamless path for customers from the initial stage of interest to the final purchasing decision. Engagement rates with the new quiz format greatly surpassed the results of the survey. While the previous preconsultation survey saw an engagement rate of only 10% or less, the innovative new quiz garnered an 80% to 100% participation rate. This dramatic increase in engagement translated directly into higher sales and a streamlined customer experience for participating locations. Since the introduction of the Design Quiz, Kitchen Tune-Up has seen a 22.8% increase in the average ticket size year over year and a 26.4% rise in overall sales.

MOST INNOVATIVE USE OF TECHNOLOGY: SERVICES

Dave's Hot Chicken

Objective: Dave's Hot Chicken created an initiative called Dave's of the Future, which uses cutting-edge technology to make operations smoother and service faster and to enhance the overall guest experience. As the brand continues to expand at a rapid pace, keeping operations consistent while boosting efficiency is key. Dave's uses automation, AI, and real-time tracking to help team members work smarter and make it easier than ever for guests to get their food fast and fresh. Examples of the new technology include order-ready boards and AI-powered voice ordering, drone delivery, and in-game ordering.

Overview: Dave's of the Future integrated cutting-edge technology to streamline operations, enhance efficiency, and elevate the guest experience. By strategically implementing automation, AI, and real-time tracking, Dave's Hot Chicken ensures fast service, improved order accuracy, and a seamless connection between guests and team members. The technology was deployed across all new locations with plans to retrofit the existing 200-plus restaurants over the next two years. Drone delivery was launched with a pilot program in five locations before expanding across Los Angeles and San Francisco with the potential to become the primary method for home orders. Dave's of the Future also tapped into new digital frontiers, including in-game ordering with partnerships with several gaming platforms. Voice AI was piloted at two stores in February, and this technology will eventually expand to phone and in-app ordering, providing a more seamless, customized experience. CURBIT, another key feature, delivers hyperaccurate promise times and alerts staff when customers are approaching, ensuring that orders are ready at peak freshness. The goal of Dave's of the Future is to create a guest-centric experience regardless of the customers' plans or location.

Results: The results of Dave's of the Future initiative have positively affected both operational efficiency and guest satisfaction. Since rolling out these innovations, inaccurate orders have dropped by 8.75%, reducing food waste and improving service quality. Customer sentiment scores on platforms like Google and Birdeye have increased by 2.1% in pilot locations, and kiosks and automation are projected to drive a 5 to 7% sales increase thanks to improved throughput and enhanced order customization. Beyond boosting sales, these technologies have created major labor efficiencies. Automation allows team members to focus on hospitality and guest engagement rather than manual order entry. Order-ready boards, SMS updates, and real-time tracking provide transparency, ensuring customers always know the status of their orders. ■

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FRANCHISE
INNOVATION
AWARDS

2025 Franchise Marketing Leadership Award Winner — Goldfish Swim School

Written by **KEVIN BEHAN**

Goldfish Swim School's campaign to connect with grandparents to spur end-of-year sales helped it earn the overall award for Franchise Marketing Leadership as part of Franchise Update Media's 7th Annual Franchise Innovation Awards.

Judges reviewed more than 80 entries in five main categories and 21 subcategories to determine Innovation Award winners. Goldfish Swim School won the top overall marketing award with its program to increase sales in November and December 2024 by targeting extended family members, such as grandparents, aunts, and uncles, to purchase swim lesson packages as a holiday gift.

The 2024 Holiday Campaign used targeted advertising across multiple social media channels to reach an expanded audience with an emotional message about the benefits of swim lessons. Franchise locations received a sales boost during a slow time of the year as holiday package sales increased 72%. Goldfish was able to reach new audiences through the campaign with 61% of the holiday packages coming from nonmembers.

We spoke with Alex Bajrektarevic, Goldfish Swim School's marketing director, about the planning that went into the initiative and the results they experienced.

Briefly describe the innovation. The innovation involved repositioning Goldfish Swim School's holiday swim lesson packages as unique, giftable experiences for extended family members, such as grandparents, aunts, and uncles. This broadened the marketing focus beyond the traditional "Supermom Stephanie" persona, utilizing refreshed creative assets and targeted messaging across various platforms. The strategic shift resulted in a significant increase in sales to new families, many of whom were previously outside the existing customer base.

What were the original goals and objectives in launching the campaign? Our goal for the

> **"The innovation involved repositioning Goldfish Swim School's holiday swim lesson packages as unique, giftable experiences for extended family members, such as grandparents, aunts, and uncles."**

> **"We also closely monitored campaign performance, making real-time adjustments to optimize results. This thoughtful, audience-first approach successfully helped us reach a previously untapped segment and drive meaningful growth."**

2024 holiday season was to expand our reach by connecting with more gift givers through targeted messaging, utilizing new tactics and platforms to advertise and reach audiences outside of our usual demographic.

How long did it take to plan, create, and launch? The planning, creation, and official launch of the campaign took approximately four months. Including the campaign's active period (November to January), the total time frame extended to around seven months.

What were the main results, impacts, successes, and ROI?

- Revenue generated from holiday package sales increased 90.2% year over year.
- Holiday package sales increased 72.3%.
- 61% of holiday packages were sold to non-Goldfish members, and half of those were not the actual new members; they were the gift givers.

What role did social media play in the success of the campaign? In understanding the growing role of social media in product research and discovery, particularly during the holiday season, we ensured it was an integral part of this campaign's strategy. This involved incorporating influencer marketing via our brand ambassadors, expanding user-generated content, executing engaging brand-led giveaways, and optimizing our social search and keyword strategies.

You targeted a different potential audience of grandparents who may give swim classes. What were the risks and challenges associated with that strategy, and how did you ensure it was successful? Targeting grandparents and extended family as gift givers presented a new challenge as this audience wasn't necessarily familiar with who we were or why swim lessons mattered. Awareness was low, and we ran ads on new platforms to reach them. To overcome this, we spent

time researching and vetting platforms and partnerships that aligned with this audience's habits and values. We tailored our messaging to highlight emotional benefits, like gifting confidence, safety, and fun, and designed creative that would resonate during the holiday giving season. Franchisees received a turnkey tool kit and were incentivized with an internal contest. We also closely monitored campaign performance, making real-time adjustments to optimize results. This thoughtful, audience-first approach successfully helped us reach a previously untapped segment and drive meaningful growth.

Why do you think this message resonated so strongly with your customers? This message tapped into something meaningful and personal: the desire to give a gift that lasts. Swim lessons aren't just another toy or trendy item; they represent confidence, safety, life skills, and fun. For grandparents and extended family, that emotional connection made the gift feel thoughtful and impactful. The messaging reframed swim lessons as more than a practical purchase; it became a way to invest in a child's future. By presenting it in a way that was easy to understand, emotionally compelling, and timely during the holidays, we made it feel like the perfect gift they didn't know they were looking for.

> **"Seeing the response from both gift givers and franchisees confirmed that our strategy truly resonated."**

What was the impact on customers? The impact on customers was meaningful. Gift givers provided a lasting, confidence-building experience, and parents received a valuable gift that supported their child's development. It also introduced new families to Goldfish, making it easy to start their swim journey.

What was the impact on franchisees? For Goldfish Swim School franchisees, it provided an increase in revenue during a time of the year when they typically see a little bit of a seasonal decline.

How gratifying is it for a brand when a campaign not only meets your objectives, but far exceeds your expectations with its success? We were very excited to see that the campaign not only met, but far exceeded our expectations, especially since it brought in new families and strengthened our brand in such a meaningful way. Seeing the response from both gift givers and franchisees confirmed that our strategy truly resonated. We're proud of the results and excited to build on this momentum heading into the 2025 holiday season. ∎

'25
FRANCHISE
INNOVATION
AWARDS

2025 Franchise Operations & Technology Award Winner – Dave's Hot Chicken

Written by **KEVIN BEHAN**

With artificial intelligence (AI) and robots involved, Dave's Hot Chicken might as well have invented a time machine to win the Overall Award for Franchise Operations & Technology Leadership during Franchise Update Media's 7th Annual Franchise Innovation Awards.

More than 80 entries in five main categories and 21 subcategories were judged to determine the winner. Dave's Hot Chicken took the award this year with its Dave's of the Future initiative. The brand used the latest technology, such as AI-powered voice ordering, real-time tracking, and drone delivery, to create a smooth and fast customer ordering process. The strategic use of automation helps support the brand's rapid growth while enhancing the customer experience through the speed and accuracy of orders.

The initiative was launched in June 2024 and is expected to be completed within the next two years. It features multiple technology operations, including robotic kitchen automation. Early returns from Dave's of the Future have yielded positive results for franchisees and customers with increased sales, operator adoption, and positive feedback along with fewer inaccurate orders and waste.

We caught up with Leon Davoyan, Dave's Hot Chicken chief technology officer, and asked about the technology the brand uses and how it is transforming customer experience.

Briefly describe Dave's Hot Chicken's "Dave's of the Future" initiative. Dave's of the Future is a brand-defining initiative designed to modernize and streamline Dave's Hot Chicken's operations through technology. It's a comprehensive transformation of the QSR experience from the kitchen to the guest interface through automation, AI, and real-time data integration. The project reimagines how orders are placed and fulfilled, bringing together best-in-class vendors and internal innovations to drive consistency, speed, and scalability across more than 320 locations. Leveraging drone delivery, dynamic quote times, voice AI, and robotic kitchen automation, Dave's is building a digital-first infrastructure to support its rapid growth while enhancing every customer touchpoint.

What were the goals and objectives in developing this technology? The primary objective was to deliver a consistent, mind-blowing guest experience across hundreds of locations without compromising on speed or hospitality. We aimed to reduce operational friction, increase order accuracy, and enable fast service all while relieving labor pressure. Another key goal was to future-proof our technology stack so that we could continue to scale without disruption and create an integrated system that could grow with our needs and those of our franchisees, restaurant teams, and guests.

How long did it take to plan, build, and launch this program? The initiative was first conceptualized in early 2024 and formally launched in June 2024. Many of the technologies had been

"At Dave's, our service philosophy is about blowing guests' minds and meeting them where they are."

individually piloted or lightly tested before that, but the formal rollout took several months of planning. Implementation is ongoing and expected to be fully completed over a 12 to 24-month time frame, depending on pilot performance and location type. We're already seeing strong results in pilot stores, and the retrofit effort is about 60% complete toward our 2025 goal.

What was unique about this innovation within the QSR industry? What makes this initiative stand out is the careful integration of technologies deployed simultaneously and how well they are customized to our operating model. While many QSRs test innovations in isolation, Dave's of the Future is a coordinated ecosystem of tools (POS, KDS, drone delivery, voice AI, guest tracking, and more) all working in sync. It also includes robotic kitchen automation, which is still rare in the industry. Most importantly, the way we've built real-time visibility and feedback into the guest journey ensures that every new tool is actively enhancing our brand's authentic experience.

How is this initiative consistent with the service Dave's tries to offer its customers? At Dave's, our service philosophy is about blowing guests' minds and meeting them where they are. Every element of this initiative was chosen to do just that. Between faster service, better order accuracy, and clearer communication through SMS and order boards, the guest is always at the center of our innovation. Even the AI voice ordering system is designed with personality, wit, and the tone of our brand to portray Dave's Hot Chicken's no-frills, authentic persona.

What kind of technology is involved with this service?

- QU POS system as Dave's of the Future's digital backbone
- Kitchen Display Systems (QSR Automations) for operational efficiency
- Custom mobile app tailored around the Dave's menu ordering flow
- Dynamic quote time tools (CURBIT) for third-party delivery orders
- Guest arrival and order tracking (Flybuy)
- Grubbrr kiosks
- Voice AI ordering (piloted in February 2025)
- Drone delivery (launching in fall)
- French Fry Roboto, a robotic fryer from Atosa
- Digital menu boards
- Order status boards with SMS functionality

How does this benefit your customers? Guests benefit from a faster, more transparent, and more personalized ordering experience. With live quote times, status boards, and SMS updates, they know exactly when their food will be ready. Kiosks offer better customization and shorter wait times. Drone delivery gets food to them quickly and efficiently. For digital natives, the ability to order in-game or via voice AI is another way we meet them where they are.

What was the impact on your franchisees?

- Reduced labor pressure due to automation
- Increased throughput and sales with kiosks driving a projected 5–7% lift and boosting average checks by 4–6%.
- Better order accuracy (8.75% improvement), which also reduces waste
- Streamlined training and onboarding via digital systems
- Real-time operational insights that help them manage shifts and challenges more efficiently

What were some of the primary results you have seen with this initiative?

- 8.75% reduction in inaccurate orders
- 2.1% increase in guest sentiment scores in pilot locations (Google, Birdeye)
- 5–7% sales lift at kiosk-equipped stores
- Faster order fulfillment enabled by real-time guest tracking and smarter quote times
- Improved throughput during peak hours
- Positive staff feedback on ease of use and reduced error rates
- Strong franchisee adoption with 60% of retrofits complete toward the 2025 goal

What has been the response from your franchisees? Franchisees have responded with enthusiasm and growing confidence. Some were initially cautious about the cost and complexity, but after seeing the performance improvements and labor efficiencies, they've leaned in. Several have expressed appreciation for the clear rollout plan, the brand consistency it enables, and the way it grants teams more time to focus on hospitality and authenticity. ∎

"Some were initially cautious about the cost and complexity, but after seeing the performance improvements and labor efficiencies, they've leaned in."

How do you integrate technology into your marketing efforts while also ensuring a personal touch?

As the world of marketing continues to evolve, integrating technology into your business is essential for staying ahead of trends, optimizing performance, and reaching the right audiences at the right time. But no amount of technology can replace the value of human connection, especially in industries that rely on in-person interactions and expertise.

At Spray-Net, the innovative home improvement franchise, we're dedicated to giving local homeowners a convenient way to revamp their home with high-quality products, proprietary systems, and quality services. While technology helps us handle the heavy lifting of automation, reach, timing, and reminders, every customer interaction is designed to feel personalized, local, and human. We're driven by our marketing strategy that is designed to help us scale like a tech company while connecting and building trust like a neighbor.

We intentionally embrace a hyperlocal approach, encouraging franchisees to immerse themselves in their communities. We encourage and love when our franchise owners appear in their localized advertising and marketing materials. This involvement truly fosters the neighborhood feel of our company and brings authenticity to our brand messaging.

Through their digital platforms, we guide and empower franchisees to connect with their audience in a genuine, relatable way. To further immerse themselves in their local communities, we also encourage franchisees to pursue sponsorships, such as charity golf tournaments or local speed skating teams. We suggest that they participate in neighborhood cleanup efforts. Such efforts are all about creating a strong sense of community pride.

The home improvement industry is competitive, and staying ahead of the curve requires more than just quality service; it demands an intentional marketing strategy. At Spray-Net, we turn to integrated technology, automation, and data-driven tools to maximize reach. Equally as important is blending that technology with a people-first mindset, which helps us build real and meaningful relationships. Those connections form authentic communities, which is arguably the most powerful and long-lasting marketing tool out there.

Our goal has always been to reach the right consumers, earn their trust, and, ultimately, breathe new life into their homes through services that feel personal from beginning to end. ∎

HALEY HUGHES

Director of U.S. Marketing
Spray-Net

> *We'll continue exploring new tools and platforms but only when they help us connect more meaningfully, improve the guest experience, or support our franchisees.*

DANA BENFIELD

Chief Marketing Officer
Spavia Day Spa

At Spavia Day Spa, we believe technology should enhance human connection, not replace it. This mindset guides how we integrate technology into our marketing efforts while ensuring a personal, thoughtful experience remains at the core of everything we do.

We use technology to anticipate guest needs, personalize communication, and simplify the wellness journey. From tailored emails to customized treatment recommendations, every touchpoint is designed to make guests feel seen and valued. Building on this focus on the guest experience, our digital ecosystem has been intentionally built to reflect Spavia's high standard of care and hospitality, whether that be through our online scheduling processes, automated reminders, or post-treatment follow-ups.

This same philosophy applies to our localized marketing efforts for our franchisees. They are the heartbeat of Spavia, and we see technology as a tool to strengthen their local connection with guests. We provide scalable, automated marketing support to help them maintain consistency across the brand while preserving their ability to engage authentically in their markets. We've also incorporated real-time feedback tools, including survey automation, so that we can listen to our guests' needs and continually improve the experience on both the local and national levels.

Looking ahead, AI is already reshaping how consumers search and interact with brands. We're continuing to evolve our content strategy to meet guests where they are, whether it's in traditional search or AI-driven platforms. We're embracing these innovations with care to ensure our marketing remains rooted in human emotion and connection. For us, technology is a tool to help share authentic stories, but it's the people, purpose, and guest experience that make those stories meaningful.

Ultimately, balancing innovation with intention is nonnegotiable. We'll continue exploring new tools and platforms but only when they help us connect more meaningfully, improve the guest experience, or support our franchisees. Technology can open doors, but human connection will always be at the heart of our brand. ∎

> *We combine transaction data, online panels, visual scanning technology, AI, and old-fashioned human menu expertise to ensure we're delivering flavor, value, and experiences guests want to share.*

PATRICK NOONE

Chief Marketing Officer
Slim Chickens

At Slim Chickens, we believe the future of marketing lives at the intersection of cutting-edge technology and real human connection, and we've built our strategy around exactly that.

We've made a significant investment in a proprietary digital platform that empowers our restaurant teams to engage with their local communities in meaningful ways. It modernizes grassroots marketing by turning our food into currency, allowing our teams to reward guests with free Slims and create emotional connections all within a digital space. It's a perfect example of blending technology with a personal touch.

Our broader marketing approach is just as dynamic. We've built a model that actively shifts dollars across paid, earned, and owned channels in real time based on how our fans are interacting with campaigns. We use advanced data visualization tools to guide those decisions to keep us nimble, responsive, and focused on guest engagement.

When it comes to our menu, we leverage technology at every level. We combine transaction data, online panels, visual scanning technology, AI, and old-fashioned human menu expertise to ensure we're delivering flavor, value, and experiences guests want to share. AI also plays a role in the creative process; we use it to rough out visual concepts quickly before handing them over to our talented human teams to bring to life.

We've integrated mobile location data into our media tracking and site development platforms to validate traffic flow projections, an insight that wouldn't be possible without the tech behind it. But we never let tech replace human oversight. Our teams manage the inputs and check the outputs every step of the way.

We're keeping a close eye on emerging tools, including collaborative bidding through DoorDash's acquisition of Symbiosis. Between AI-optimized ads and deep integrations across platforms, we're excited about the new ways technology will help us bring guests closer to our food without losing the personal connection that sets Slim Chickens apart. ∎

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> *While technology gives us the ability to market in smart ways, ultimately, it's the voice, style, and soul of PJ's—infused through our digital and in-café guest experience—that keep our connection to people truly personal.*

REID NOLTE
Executive Vice President of Marketing
PJ's Coffee

At PJ's Coffee, we see technology as a tool to deepen our connection with the people and communities that our cafés serve. Whether it's through personalization, automation, or brand storytelling, we're using digital tools to bring our guests closer to the heart of what makes our specialty coffee experience unique: the warmth, charm, and flavor of New Orleans.

We recently integrated with Paytronix to enhance our loyalty program and mobile app, providing a strong platform to deliver hypertargeted messaging. For example, if a guest who typically visits twice a week suddenly drops to once, we can reengage them with a personalized nudge. If someone frequently orders oat milk, our promoted offers should avoid dairy-based items to show we're paying attention and respecting individual preferences.

Where this personalization becomes even more strategic is in our nurturing campaign, which is designed to turn casual visitors into loyal guests. We've found that once someone makes three transactions, their visit rate increases by 25%, their average ticket climbs by 6%, and their lifetime value grows by more than 230%. The campaign uses behavior-based incentives to guide guests across those key first visits, and we're learning a lot in the process. We may think we know which drinks hook customers, but the data might tell a different story. The insights that we gain through the nurturing campaign will help us refine our entire approach to menu innovation and guest engagement moving forward.

On a broader level, the next phase of our brand evolution is Project NOLA, which ensures that the PJ's experience feels unmistakably us from every angle. Inspired by our New Orleans roots, this initiative reimagines everything from menu language ("Customize Your Beverage" becomes "Jazz It Up") to food offerings and staff uniforms. Even our flavor strategy is changing as previous limited-time flavor profiles, like Southern Wedding Cake, become core items, and new personality-packed energy drinks, like the Hurricane, Swamp Attack, or Voodoo, are introduced.

While technology gives us the ability to market in smart ways, ultimately, it's the voice, style, and soul of PJ's—infused through our digital and in-café guest experience—that keep our connection to people truly personal. ∎

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Nurturing the Garden

Neighborly's CMO balances the unique needs of 19 brands

Written by **KERRY PIPES**

Mega home services platform brand Neighborly operates 19 brands across North America, working with thousands of franchise locations that serve millions of customers. CMO Stacy Lynn Bourgeois approaches the situation with a metaphor.

She sees herself as a gardener of a diverse brand ecosystem where she must nurture all 19 brands based on their unique needs while cultivating a unified, thriving portfolio. The approach reflects her belief in balance between individual brand autonomy and system-wide cohesion, between data and intuition, and between performance and purpose.

Bourgeois joined Neighborly following a stint at Amazon, where she grew from marketing into broader business leadership roles, including global head of product, quality, and operations for Amazon Renewed. While with the online retail giant, she led initiatives to boost discoverability of preowned products, improve conversion and customer experience, and streamline operations.

She has a reputation for being customer focused and for driving double-digit growth across a range of initiatives. While with Yum! Brands, she helped launch new products and a restaurant concept, built teams in performance marketing and data science, and implemented a new marketing tech stack.

With almost a year under her belt at Neighborly, Bourgeois says, "Our marketing and branding strategy is grounded in the customer." The strategy is developed collaboratively using real-world insights to craft brand-specific plans. It's refined by marketing leadership into a cohesive, purpose-driven strategy that aligns with the company's long-term vision. It is then executed through annual plans and tactics.

As the gardener, Bourgeois says, "The goal is to help each brand grow strong individually and stay true to its roots yet flourish as part of a vibrant, unified landscape that attracts customers and empowers our franchise owners."
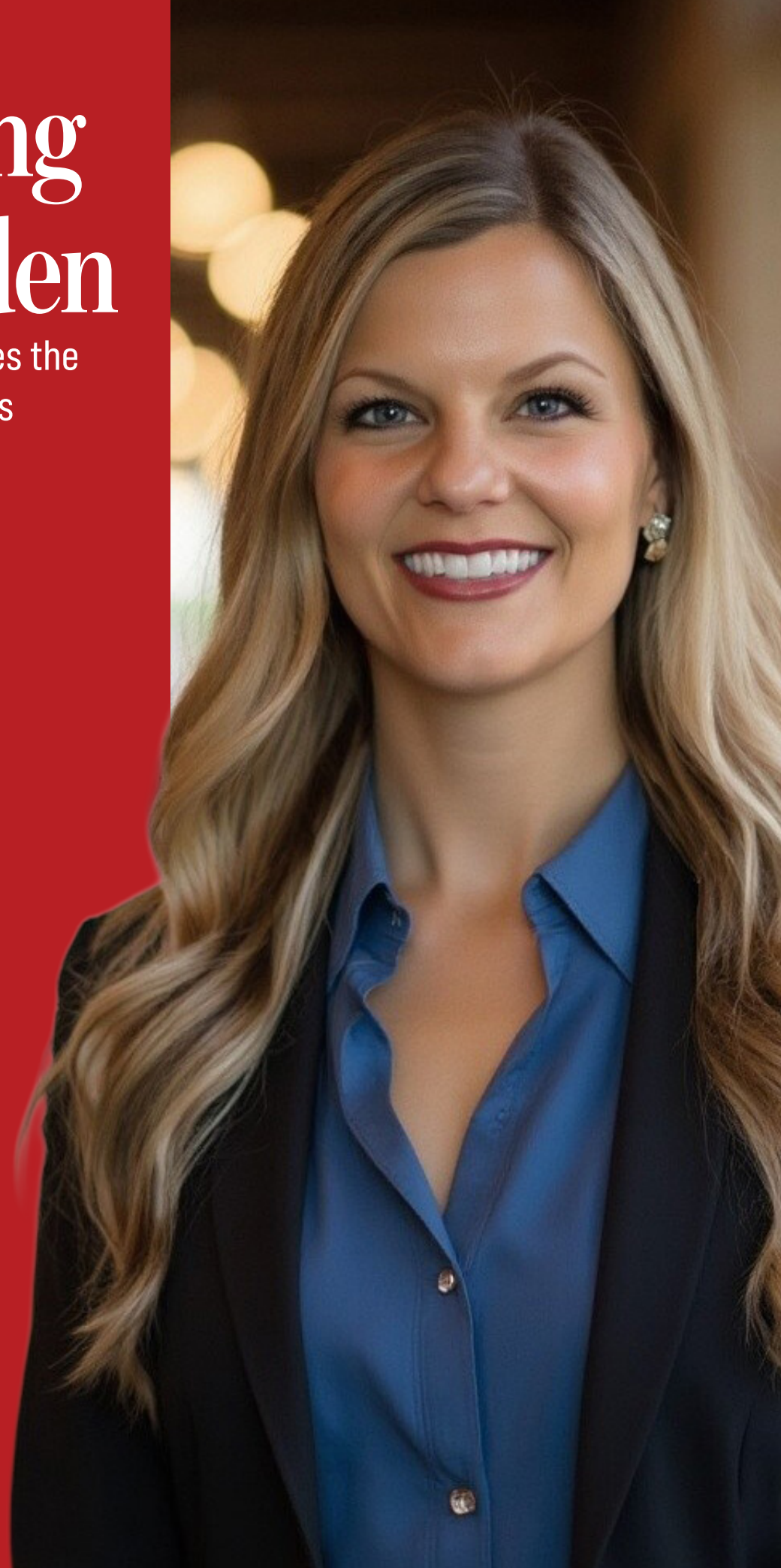
Describe your role as CMO. Being a CMO for Neighborly is like being a gardener with a diverse garden. Each brand is distinct: Some are mature oaks, and others are seasonal vegetables or budding flowers. They all require some of the same fundamentals: sun, water, soil. But each requires unique care and a slightly different environment to thrive.

What's the most challenging part of being a CMO today? The biggest challenge—and simultaneously, the most exciting part—is the speed of change. Marketing today is more dynamic than ever: Customer demands, communication channels, and the technology we use to do it all are all evolving rapidly. And while that creates opportunities for innovation, it also requires constant adaptability. There's this pressure to stay ahead of the curve, to keep your brand not just relevant, but truly on the cutting edge. When I first got into this field, I thought things moved quickly, but today, it's on a completely different level. But that's also what drew me in and made me fall in love with marketing; it keeps you on your toes.

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

1. **Supporting a diverse franchise network.** CMO leadership in a franchise system means supporting a wide spectrum of owners. Our network ranges from first-time, small-business owners trying to break even to large, multibrand, multilocation operators. Each has very different needs, so being able to provide the right marketing tools, resources, and guidance tailored to where they are in their growth journey is essential.

2. **Being a change agent.** Marketing must lead through change, supporting internal and external stakeholders. As marketing becomes increasingly interconnected with tech, CMOs must drive innovation and lead teams through constant evolution.

3. **Demonstrating business impact.** Connecting marketing activity and investments directly to business outcomes is key. Marketing is a revenue engine, not a cost center, so it's important that the team understands how their efforts contribute to growth and that we can measure the results of our investments.

How do you prepare a marketing plan and execute the strategies? It starts with customer centricity and listening to customer needs to guide strategy. With 19 different brands, it's not one size fits all. Each brand serves a different audience with different services, so the planning process starts at the brand level. Those individual plans roll up into a broader, cohesive strategy that brings alignment and continuity across the portfolio while still allowing each brand the flexibility to do what's right for their customers. But it always goes back to the customer.

How do you measure marketing results and effectiveness? At a high level, it's important to view marketing as an investment, and hence, effectiveness is measured in terms of return on that investment.

There are plenty of data models and tools we use behind the scenes, and the approach is very much a blend of art and science. Ultimately, it's about striking the right balance between the numbers and the bigger picture to drive meaningful results.

Discuss your core consumer marketing strategies and objectives. Our core consumer marketing strategy focuses on being ridiculously easy to do business with, which helps us earn customer trust and drive same-store sales growth. We aim to be the most trusted and value-added marketing team supporting our franchisees. At the same time, we are committed to building the most comprehensive data asset in franchising to enable best-in-class marketing. Lastly, we strive to become the most sought-after destination for top marketing talent, ensuring we continue to innovate and lead in the industry.

How do you go about creating a customer-centric marketing and brand philosophy? It begins with listening to the customer through data, insights, and direct feedback. Marketing is not just lead generation. Throughout my career, from data science to marketing, the common thread has been understanding customer pain points and figuring out how we can better serve customers. From there, the focus shifts to how the brand can uniquely address their needs. The goal is to consistently deliver on those pain points that set the brand apart and truly resonate with customers.

Describe your marketing team and the role each of them plays. Our marketing team is really made up of two key groups. Half of the team is dedicated to a brand. They know their brand's customers inside and out and work closely with our franchise owners, coaching them on what it takes to grow and succeed. The other half consists of centers of excellence, which focus on specialized areas like SEO and paid search. These experts bring deep knowledge of their respective fields. Together, these two sides collaborate to deliver the most value for our owners and the business as a whole.

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? At Neighborly, we believe that every franchise prospect is evaluating not just a business opportunity, but a relationship. A personal touch from marketing ensures prospects feel heard, seen, and valued from their first interaction with us and throughout the whole mutual evaluation process. We have built our company and brands on a foundation of trust and service, and this begins with how we communicate throughout the process. Personalized franchise marketing helps us tailor messages to match the motivations, goals, and concerns of a prospective new owner, making it easier for them to form a genuine connection with Neighborly that sets the tone for their long-term success.

How does this help your franchise sales and development effort? Personalizing our franchise development marketing helps us accelerate trust, increase lead engagement, and improve our conversion rates. Neighborly prospects receive relevant, brand-specific content that speaks to their needs, whether they're looking for a career change, investment opportunity, or purpose-driven business. Our franchise development marketing efforts also enable our franchise development team to have more meaningful conversations because we've already created familiarity with our values and differentiators. Aligning franchise candidates early on helps them move through the mutual evaluation process efficiently and with greater confidence in our brands, our company, and themselves.

What ways/tools do you rely on to do this? At Neighborly, we use a variety of tools to support franchise development, including CRM automation, segmentation strategies, and behavior-based triggers to make sure we are delivering the right message at the right time to franchise prospects. Platforms like HubSpot, Meta, Google, LinkedIn, and YouTube help us track interest levels and personalize our follow-up communications. We also rely on video storytelling, journey mapping, and tailored materials to bring our brands to life for potential franchise owners. Whether it's through engaging webinars or personal outreach from our brand leaders and current owners, we focus on making every interaction feel genuine and personalized. We always strive to humanize and personalize the experience with franchise prospects while maintaining scale.

Do today's prospects expect more from the franchise marketing department? What, and how do you provide it? Yes. From a franchise development marketing perspective, I think today's franchise prospects are more informed and discerning. They not only want, but expect a curated experience. Prospects want transparency, adequate content, and easy access to proof points, like validation, earnings potential, and support systems. People today are busy, and they want quick, helpful responses and a journey that feels both professional and personal. At Neighborly, we work diligently to meet those expectations by investing in high-quality digital content, targeted lead-nurturing campaigns, and responsive, human-centered communications throughout the whole franchise development process. Whether it's through branded emails, virtual tours, or personal conversations with our existing Neighborly brand franchise owners, we want to make every interaction a reflection of our culture and value proposition. At the end of the day, we have a success story to share, and we want future franchise owners to picture themselves as part of our story.

From the consumer marketing perspective, customers are looking for a seamless experience that meets them where they are. It's all about the right message at the right time. Because of the proliferation of information out there, customers can't sift through it all, so it's more important than ever to be relevant with your messaging to break through. Customers have also raised the bar for how they expect us to communicate with them because they know they've given us the data, so it's on us to add value for them.

What advice would you offer to aspiring CMO executives? *First off, congratulations on aspiring to one of the most fun, rewarding careers. As marketers, we spend so much of our time and brain space thinking about the customer and asking "why?" Take that same curiosity and intentionality to your career. Ask the five whys and ensure you know why you want the role, who you want to touch with it, and what impact you'll make. Just like you have to be clear on your brand's purpose, it starts with being clear on yours. Then keep the curiosity and chase your dream with grit. You've got this!*

How is today's consumer and marketing data helping you fine-tune your marketing initiatives? Today's consumer and marketing data plays crucial roles in helping us understand our customers' journeys and experiences with our brands. It highlights where we might be falling short and uncovers opportunities to improve. This insight allows us to engage more thoughtfully rather than overwhelming customers. By focusing on delivering the right message to the right person at the right time, we make our marketing more relevant and meaningful.

Describe the evolving role of social media in your brand's marketing efforts. Social media is an effective tactic for reaching our audience and generating leads efficiently. It's important to be where our customers are, and social media is one of those places. The role of social media continues to evolve, especially as AI comes out and relies heavily on human-created content for its answers. Social media platforms like Reddit, which have human-generated content, have become more important. The shift is moving away from brands simply telling their story to providing customers with nuggets about the brand and letting them tell the story themselves.

How do you work with other internal departments, and does technology help? Technology is embedded and intrinsic in everything we do as a marketing department. Marketing departments today spend more on technology than technology teams in some companies. I'm a huge believer in collaboration and partnerships across marketing, technology, operations, and other departments. When we communicate well, it ensures that together we build the right thing. For example, what you want to avoid is marketing wanting to create a swing, finance thinking it's a tire swing, IT is building a rocket swing, and no one checks with operations, so the swing doesn't even work. That collaboration is so important to make sure we're building what our customers want and what will move the business in the right direction. One specific action to help foster this culture is designating single-threaded owners on initiatives, paired with representatives from all the core departments to make sure every department's voice is represented. At the same time, we are really clear on the owner who is driving it forward.

Which technology tools are most valuable to you and why? I think the reality is that technology is becoming more and more of a commodity. The most fundamental and critical tool isn't a tool at all; it's our first-party data. That's where we differentiate our experience and create enterprise value for the business and our owners. To me, that's the most important piece of the technology stack, making sure we're leveraging data in everything we do to best serve our customers.

How do you stay on top of changing technology? We're leaning into AI and how it's creating opportunities in media optimization, modeling, and customer engagement. It has already started to change the way people search for and discover service providers like our brands and, ultimately, how they book and manage appointments. There's no perfect way to stay on top of changing technology. We lean on our agencies, we lean on our partners, and most importantly, we're all really intellectually curious. I listen to tons of podcasts and news and just try to stay connected to what is happening. Our team is 140 people strong and all incredibly curious, and that helps expand our knowledge in a way that's far more powerful than relying on any one individual.

How do you manage costs and budgets for the marketing department? Every dollar the marketing department spends is evaluated to understand the return on investment for our owners and the business. As we continue to grow as a company, we're always looking for ways to drive efficiency. It's a fragmented industry, but we look to leverage Neighborly's scale to create those efficiencies and deliver them back to our owners.

Do you see vendors as business partners? Why/why not? Absolutely. I view our core marketing vendors, agencies, and partners as a true extension of our team. We bring them in for their expertise and the unique value they add, so if we don't invest in building strong partnerships with them, we can't succeed. Especially with the number of brands we manage, the pace of the market, and the ambitious goals we've set, it's critical that we stay in lockstep. That means treating them like team members and keeping communication open and ongoing.

How have marketing strategies/tools changed over the past decade? How have you adapted? What marketing looked like a decade ago is vastly different from what it looks like today. Everything is so dynamic now that we have to be constantly learning, moving, and staying agile. It's about being open to continuous reevaluation. We might make the best decision for today, but tomorrow we have to be willing to reassess and ask if it's still the right one. That's a big shift from how things used to be, where you could set a plan and stick with it for five years. Now, it's less about perfection and more about focusing on the impact we can make right now while staying ready to adapt again the next day if needed.

How is your marketing/branding strategy developed, and how does it flow through the system? Our marketing and branding strategy is grounded in the customer. Our brand teams take their insights and work with operations teams to shape brand-specific strategies based on real experiences, feedback, and market dynamics. Then, our heads of marketing review the input—evaluating competitive positioning, industry trends, and growth opportunities—to create a cohesive marketing strategy. This collective input supports the long-term vision that aligns with our board. It's not about creating strategy; it's purpose-driven and built-in collaboration with our stakeholders and our customers. Once set, those strategies flow through the system, from the broader five-year vision to the annual plans and tactics each brand team develops and executes.

What advice would you offer to aspiring CMO executives? First off, congratulations on aspiring to one of the most fun, rewarding careers. As marketers, we spend so much of our time and brain space thinking about the customer and asking "why?" Take that same curiosity and intentionality to your career. Ask the five whys and ensure you know why you want the role, who you want to touch with it, and what impact you'll make. Just like you have to be clear on your brand's purpose, it starts with being clear on yours. Then keep the curiosity and chase your dream with grit. You've got this! ∎

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LOCAL MARKETING BLIND SPOT

New AFMR reveals surprising spending trends

Written by **JACK MONSON**

This year's Annual Franchise Marketing Report (AFMR) from Franchise Update Media features some surprising survey results.

Several stats were expected and followed recent trends. But one thing that stood out to many of us was the large percentage of franchise brands reporting that their franchisees were not required to report on their local marketing spend.

I asked several members of the International Franchise Association's Marketing & Innovation Committee to share a few thoughts on this year's report, specifically the local marketing requirement numbers.

Traditional marketing wisdom says a franchisor should monitor franchisees' local marketing to maintain brand consistency, ensure compliance with guidelines, and enhance marketing effectiveness. This also allows a brand's marketing team to step in if issues are seen and help fix a franchisee's marketing problems.

The AFMR found that 85% of franchise brands surveyed require or recommend marketing dollars to be spent locally by franchisees. That's the good news. And many brands agree that the requirements at startup for new locations are even more critical.

Kristina Munoz, senior brand marketing manager at Eggs Up Grill, shares, "At Eggs Up Grill, we take a uniquely supportive approach to local marketing, where a 0.4% local spend is required with most franchise partners spending beyond the minimum. However, for new restaurants, a $10,000 to $15,000 grand opening deposit empowers our marketing team to handle the heavy lifting. This hands-on partnership provides a taste of our exceptional brand support, inspiring franchisees to continue investing in local marketing efforts."

SURPRISING NUMBERS

The big surprise came from the stats about those brands that do require/recommend local spend:

- 46% require the franchisee to submit the spend to the franchisor.
- 48% use the honor system with no required reporting by franchisees.
- 6% require franchisees to submit via a third party.

Brandi Kloostra, VP of digital marketing at Franworth, says, "Remarkably, 48% of franchisors trust an honor system for local marketing requirements. Monitoring LMR intentionally is vital for brand growth. Neglecting local investment impacts sales and brand stability. For emerging franchisors, local marketing is key to brand awareness and where most marketing dollars are spent absent a robust national marketing fund. Franchisors should monitor P&L or preferred vendors to report on local marketing spend."

Kristen Pechacek, president and CEO of MassageLuXe, sees a problem not only for those franchisees not reporting, but also for the system as a whole. She says, "One of the greatest marketing advantages of a franchise system is cross-learning among locations. When 48% of brands are relying on the honor system for local spend tracking, they're missing the opportunity to connect the dots between investment and impact. Without visibility into actual spend, franchisors are not able to apply learnings to other markets, shortcutting the learnings that need to take place."

GETTING ON TRACK

How does your franchise system stack up when it comes to local marketing requirements? For the AFMR Topline Results, see page 32, or get a copy of the report by visiting afmr.franchiseupdate.com. ∎

Jack Monson is the chief growth officer of franchise development marketing agency Thunderly and has been working with franchise brands in marketing for more than 15 years. He is also the chair of the IFA's Marketing & Innovation Committee and the host of "Social Geek," the number one podcast in franchising.

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FAST TRACK TO KNOW-HOW

Microlearning reaches employees where they are

Written by **JOHN DIJULIUS**

Long gone are the days of sitting employees in front of a screen and having them watch hours and hours of a talking head on a training video. Reading training manuals is also yesterday's news. This is not just a generational trend. The way employees learn, retain, and consume information has evolved.

Whether that is education, entertainment, or headline news, people prefer video and audio to reading. Studies show that book readership and long-form article consumption have declined, especially among younger audiences. People are more likely to skim than read deeply. Attention spans are shorter, and scrolling is the new norm.

According to Cisco, video accounts for more than 80% of global internet traffic. Podcast listenership has skyrocketed with more than 42% of Americans listening monthly, and it's even higher among younger demographics. Platforms like Spotify, Apple Podcasts, and Audible are fueling the shift.

People can listen to audio content while driving, working out, or cooking. Video delivers immediate engagement and storytelling with faces, movement, music, and emotion. TikTok, Instagram Reels, and YouTube Shorts condition us to consume fast, visual bites of content.

On trend

Microlearning is the hottest trend in professional development. Microlearning is an educational approach that delivers content in short, focused segments, typically lasting less than five minutes. These concise learning units are designed to address specific training, making them digestible and accessible at the learner's convenience.

Microlearning fits busy schedules and boosts engagement and knowledge retention by breaking learning into bite-sized units. Modern workforces benefit from on-demand, mobile-friendly, and easily digestible training. Organizations leverage microlearning to continuously upskill their staff without pulling them away from day-to-day interactions. Microlearning can improve empathy, communication, problem-solving, and executing your brand's CX standards in customer-facing roles.

A successful microlearning program uses engaging, varied content formats to hold learners' attention and reinforce skills. Rather than lectures, companies are adopting interactive and multimedia elements in short bursts.

Quizzes and flash drills

Many companies incorporate brief quizzes or flash-card-style Q&A into microlearning. These knowledge checks reinforce learning through active recall and give immediate feedback. Spaced-repetition quizzes delivered daily or weekly can dramatically improve the retention of customer service knowledge. For example, employees might get a five-question quiz each day reviewing service standards. This keeps important information fresh and identifies areas for improvement.

Gamified learning

Turning training into a game adds motivation and competition. Microlearning platforms often award points, badges, or leaderboards for completed modules and quiz performance. Gamification makes learning fun, friendly, and competitive, spurring employees to stay engaged and revisit training to beat their own or peers' scores.

Gamified microlearning can boost participation rates as employees enjoy earning rewards and seeing their progress. Southeastern Grocers introduced a gamified microlearning platform that let store employees earn digital trophies, resulting in higher voluntary participation. Gamified challenges on customer service topics can encourage repetition until mastery, which translates to better service on the job.

ROI

Microlearning produces tangible improvements in both learning outcomes and customer experience metrics. Because microlearning platforms track frequent engagement and assessments, companies can gather data to evaluate impact. Across industries, organizations have reported significant gains from switching to microlearning-based CX training.

Engagement rates

The user-friendly nature of microlearning leads to better participation than lengthy courses. Retailer Pet Supermarket saw an average 79% training completion rate after introducing microlearning, which was 49% higher than the industry average. Employees welcomed the format, and 89% of Pet Supermarket's staff reported they enjoyed being upskilled via short, social-media-style lessons.

Walmart achieved a 90% completion rate within 30 days of launching nanolearning modules on its app. It's an unprecedented result compared to traditional training completion. These metrics indicate that employees are starting and finishing their required CX training when it's delivered in micro chunks likely because it feels manageable and engaging. When training engagement climbs, employees stay informed and skilled, translating to consistent customer service on the front line.

Retention and accuracy

Microlearning's design (spaced repetition, reinforcement, quizzes) leads to better retention of information and less skill fade. Companies often measure this via pre- and post-quizzes or on-the-job knowledge checks. In Vrbo's case, rolling out daily microlearning led to 89% of its customer service reps improving their scores and accuracy on post-assessments. This kind of improvement is critical in CX: Better-informed employees make fewer mistakes. It also indicates that microlearning can close knowledge gaps (e.g., understanding new features, updated procedures) more efficiently than older training methods.

Performance

Walmart reported that after implementing micro/nanolearning, customer satisfaction scores jumped by 10%. This suggests that better-trained, more confident associates translate to happier customers likely through quick assistance, product knowledge on the floor, and consistent service behaviors. In call centers, knowledge gained from microlearning often reduces average handling time and increases resolution rates. Vrbo's microlearning program led to a five-second reduction in average time per call for its customer support reps.

The ultimate test of any CX training is its effect on customer outcomes. Microlearning has been linked to measurable improvements in service quality. ∎

John DiJulius III, author of *The Customer Service Revolution,* is president of The DiJulius Group, a customer service consulting firm that works with companies, such as Starbucks, Chick-fil-A, Ritz-Carlton, Nestle, PwC, Lexus, and many more. Contact him at 216-839-1430 or info@thedijuliusgroup.com.
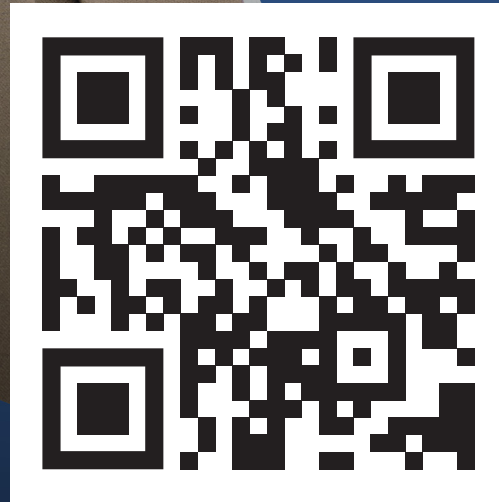
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WHERE TO GROW NEXT

THE FRANCHISE SITE HUNT GETS A TECH UPGRADE

Written by
M. SCOTT MORRIS

For decades, franchise real estate was driven by instinct, handshakes, and clipboards. Paper maps, pushpins, and "pin studies" were the industry norm with field teams flagging down strangers in strip mall parking lots to ask about lunch habits or childcare preferences.

In today's franchising world, those tactics have been replaced by data layers and predictive algorithms designed to determine where to grow next.

Across industries, from pizza and trampoline parks to early education and disaster restoration, franchise brands are reinventing how they analyze and select new locations.

"We tell people that you need the technology, and that's going to narrow down what your option is," says Robert Morris, vice president of franchise development at Indoor Active Brands, which owns Altitude Trampoline Park and The Pickle Pad, "but real estate is still tactile at the end of the day. You're going to have to walk around that space."

Michelle Ryman, vice president of real estate and strategic market planning at Papa Johns, echoes the shift from old-fashioned techniques to large amounts of consumer data. "Instead of 26 responses in a day," she says, "I now have 2,600 data points."

PUSHPINS TO AI

When Ryman began her career, there were no apps, no live dashboards, and certainly no AI. Instead, there were paper maps on office walls, color-coded pushpins, and field teams with clipboards trying to flag down strangers outside restaurants.

"We called them pin studies," Ryman says, describing the process of conducting in-person interviews.

Back then, if a company wanted to know if a new restaurant location made sense, they hired a market research firm to stand outside and ask passersby. The data was limited, the sample sizes were small, and the respondents were often skewed demographically.

"The only people who would stop were retirees," she says. "You'd never get someone like me to pause mid-errand."

MICHELLE RYMAN
*Vice President of Real Estate
& Strategic Market Planning*
Papa Johns

Despite its obvious flaws, pin studies remained in use for decades. Even 10 years ago, Ryman's team at Wendy's still occasionally deployed them.

Ryman now operates in the era of real-time decision-making powered by tools like Kalibrate and Google AI. Papa Johns has access to information about customer origin, visit frequency, transaction details, and movement patterns passively collected through mobile devices and digital behavior.

"The only data that I'm missing is the people who don't have their cell phone on," she says.

Papa Johns recently completed a full rebuild of its predictive analytics platform, Kalibrate 2.0, in partnership with its data science vendor. The new system can layer competitor locations, employee counts, and other data points that are rendered on a digital map.

"We use it every day," Ryman says. "Not just the real estate team: Operations, marketing, even pricing teams rely on it now."

While Kalibrate helps Papa Johns look outward, a partnership with Google AI is helping to look inward. The company is building an internal dataset on all 3,500 North American restaurants, tracking sales history, manager performance, and more.

"Each department used to keep its own version of history," Ryman says. "Now, we're bringing it all together in one place."

The human element hasn't disappeared. Every proposed site still gets a set of eyes on it when real estate directors and operations partners physically visit. But there's no retreat from the digital transformation. Decisions that once relied on intuition now lean heavily on data.

"The technology's here," she says. "The challenge now is building teams that know how to use it."

The wall map with pins has been gone for years. Ryman remembers the map store she used to frequent during her early days as a real estate professional. She occasionally thinks about buying one for her kids.

"I actually don't even know if they have a concept of what a paper map looks like," she says. "I'm going to order them an Atlanta map and tell them to put it in their car and see what happens."

MAPPING THE TERRITORY

Tim Courtney, vice president of franchise development at PuroClean since 2017, also remembers the old ways.

Courtney says the tools were rudimentary when he joined the company. "It wasn't even web-based yet. They were a little behind the times when I got here," he says. "Even managing leads, they had a big giant whiteboard and magnets of where each candidate was in the process," he says. "I walked in and said, 'Well, that's got to go.'"

That setup has been replaced by a layered data strategy that reflects how much the business of franchising has evolved. Today, PuroClean uses a customizable mapping tool called GBBIS to build its territories by ZIP code.

Unlike sandwich shops or gyms, which can rely on traffic and visibility, restoration services like PuroClean require a different calculus. "We're not selling sandwiches here," Courtney says. "You can't throw a commercial out there: 'Hey, the next time you have a kitchen fire, call PuroClean.' It's not how this works."

Instead, PuroClean builds territories by layering demographic data like population and median income with professional networks (insurance agents and adjusters, roofers, and plumbers).

"We want to see which of those other services and contractors and insurance people are also in those areas," he says, "because that's how the franchisee is going to execute their local marketing strategies."

The company's standard protected territory includes 100,000 people with an additional 150,000 in a "halo." Each market is evaluated for reach and serviceability. Rural areas must be weighed carefully.

ROBERT MORRIS
Vice President of Franchise Development
Indoor Active Brands

TIM COURTNEY
Vice President of Franchise Development
PuroClean

"As we start to go out into more rural areas, is a service area really serviceable by a franchise?" Courtney says.

PuroClean draws on multiple data sources, including AM Best, to assess how many insurance claims exist in a given market and whether current franchisees are already absorbing that demand. The system helps the company determine when to open new territories and where.

"We can look and see what my existing franchise owners are getting from claim work and how much opportunity is there from claims that PuroClean franchisees aren't getting," he says.

The company also ranks open territories based on claims data, population, and contractor networks. It uses those rankings to decide where to focus marketing dollars. "Feed success, starve failure," Courtney says.

The technology is layered, but the mindset remains human. "In the end," he says, "it's the same old franchise development. It's just got new lipstick on."

THE MORE YOU KNOW...

For franchise brands like Altitude Trampoline Park and its parent company, Indoor Active Brands, finding the perfect location requires layers of data, tech tools, and a healthy dose of human instinct, Morris says.

"When most people think of franchising, they think of restaurants. And rightfully so," Morris says. "We have to find unique things because we are a trampoline park and an entertainment building."

Unlike fast food, entertainment brands aren't impulse stops; they're destinations. That changes the real estate equation.

"Most people plan their trip to a location," Morris says. "You'll drive by a Starbucks and go, 'Well, I do need a mocha right now.' We're not necessarily a spontaneous purchase."

To refine their site-selection approach, Morris and his team lean on geospatial and demographic tools like Placer.ai.

"Placer.ai is huge because it narrows down a neighborhood," he said. "They're looking at cell phone traffic. If someone goes into the shopping center, some people might go to Target and leave. That's great. But three blocks down, a shopping center might have a Burlington, a Kohl's, and a Ross, and everyone goes to all three stores. That might actually be better for me, even though it has less traffic, because the traffic's more spread out."

Demographics are crucial, especially for child-focused attractions. "If you find a place with 100,000 people and 25% kids, it could be a great demographic for us," he says. "We're not looking at it in the same way that a Starbucks looks for a location."

Altitude also collects unique data from its existing locations. Everyone who comes into a park fills out a waiver, which includes a section for ZIP code. That's valuable information in the right hands.

"We can literally reverse the math and find out what demographics all of our parks are pulling from," he says.

He adds that today's mapping software allows the company to model realistic drive times, which is the true radius of a location's reach.

"The majority of our guests are driving within 15 to 21 minutes to our parks," he says. "Proximity to an interstate can be very valuable. We really look at the drive time."

When Morris consults his system, a location could have access to 486,000 people, and when a landlord consults their system, it could show 482,000. People have different ways of accessing data, but it generally creates a range that allows Altitude Trampoline Park franchisees to move forward with confidence in the numbers.

"If you're going to sign a 10-year lease based on data," Morris says, "that data should have a value the moment after you signed your lease."

Some landlords use Matterport, a mapping tool that provides a virtual look at the inside of the building, but it's not in widespread use. "We could actually go into it and move attractions around inside the space to see what our park would look like," Morris says. "I would say very few landlords do it, but for the ones that do, it's a good asset for us."

Massive amounts of data help to find potential locations, but human experience always comes into play before any final decision. Cost is always a factor, and Morris says some landlords understand trampoline parks while entertainment venues are new and untested for others. The condition of the building is also central to the decision. Someday, AI might be able to take all those elements into account, but for now, feedback from flesh-and-blood professionals is required.

"Technology allows us to find the right neighborhoods to go to, but there's still the feel and the emotion," he says. "Even with using the technology, there's still the art of it."

SMART, SAFE, SPECIFIC

When Matt Zaia describes site selection for The Goddard School, he sounds like someone playing a long game.

> "TECHNOLOGY ALLOWS US TO FIND THE RIGHT NEIGHBORHOODS TO GO TO, BUT THERE'S STILL THE FEEL AND THE EMOTION. EVEN WITH USING THE TECHNOLOGY, THERE'S STILL THE ART OF IT."

MATT ZAIA
Senior Vice President & Chief Development Officer
The Goddard School

"If you're going to go build a Goddard school, it's probably going to cost you $4 million to $8 million, so it matters," he says, adding that there are different types of builds depending on the sites available.

As senior vice president and chief development officer, Zaia knows how important it is to get the location right the first time. Childcare isn't like sandwiches or fitness centers. With 15-year franchise agreements and premium tuition rates, every build has to deliver on accessibility, safety, and long-term viability. Zaia notes that Goddard often builds in markets with average household incomes that range from $100,000 to $150,000.

To navigate that complexity, Zaia and his team lean hard into data. Their go-to tool is SIMMS, a CBRE-backed market planning platform created by Forum Analytics.

"It uses census block information," Zaia says, "and then what SIMMS does is it procures data, purchases outside data, and wraps it into one user interface so that it's convenient for us to use."

The platform combines basic demographics (household income, population density, education levels) with predictive modeling.

"What's being created is what's called a regression model forecast," he says. The model takes known performance data from existing schools and looks for national matches. If a school in one town is thriving, the model looks for other places where the same conditions exist.

But algorithms don't know everything.

"The machine says, go here, and then the human goes and validates whether or not that is where we want to go," he says.

No matter how well drawn it may be, some things can't be identified on a map. Any new location needs to be convenient for families to reach. Which side of the street gets morning traffic? Where are new schools and subdivisions coming? Does the site have a calm, controlled environment?

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"We want a very safe area for them to be," Zaia says. "That doesn't necessarily mean that it's sequestered. We prefer to be prominent with quality buildings, visible signage, and safe parking."

While he appreciates access to all of the data points, Zaia says he relies on local intelligence before sealing a deal.

"The market planning software is a snapshot in time," he says. "What my real estate team can tell me is there are 1,200 houses being built on this north side, there's a brand-new school coming up over here, and, oh, by the way, a brand-new retail development is being planned for this area and should break ground at the end of 2026."

In the end, it's about what Zaia calls "permission to believe." The tech creates confidence, the team confirms it, and students get a safe, stable space to learn.

TECHNOLOGY MEETS INTUITION

For Potbelly, selecting the right franchise location is informed by what a potential franchisee will need to operate their business. Sites have clear requirements.

"We're an A-site brand," says John Beckley, Potbelly's vice president of franchise and corporate real estate. "Our standard prototype is 1,800 to 2,200 square feet. We love end caps. We don't necessarily need to have a drive-thru. Anchored centers are preferred, but we can do unanchored centers where it makes sense."

When looking for locations, the real estate teams use Sitewise, Potbelly's primary mapping and market planning platform.

"I see Sitewise as the bridge between the art and science of what we do," Beckley says. "There's a lot of forecasting, and it identifies trade areas."

It helps the company plan intentionally. Information is forwarded to franchisees, but it's not just handed over. Potbelly teaches franchisees how to use the information.

RAYMOND PHILLIPS
Director of Market Planning & Analytics
Potbelly

Raymond Phillips, director of market planning and analytics at Potbelly, says he enjoys getting into the weeds with all the possibilities modern technology offers.

"We just finished evaluating new tools within Sitewise that will allow us to basically build a map view that has the data layers we would want the franchisees to see," Phillips says. "They can go in and pan around the map zoom. They can only see the territory we share with them and the data layers we share with them, but it is a live, interactive map."

Those data layers include information about competitors, trade areas, visibility, parking, access, and daytime population.

"We're a lunch-centric brand," Beckley says. "Most of our transactions happen before 4 p.m., so we're looking at daytime population first."

All of that data is layered together as different models are combined to create a single forecast. As for artificial intelligence, Potbelly is experimenting.

"It is a new tool in this specific field," Phillips says. "I would say it hasn't been fully vetted out."

AI is being used to evaluate variables in Potbelly's forecast model, but it hasn't proven its usefulness yet. "It's not something we're ignoring," Phillips says, "but it's not fully integrated either."

Even the most advanced analytics can't replace years of experience. Beckley says there's always a need for a human component because franchising is a relationship business.

"In franchise development, the relationship and the time that you spend together are critical," he says. "When you're having these discussions, you always need to lean on experience."

Phillips echoes the sentiment: "The technology is a tool to give you guidance, and then humans make the final decisions." ∎

JOHN BECKLEY
Vice President of Franchise & Corporate Real Estate
Potbelly

Technology and Site Selection

Technology is transforming how franchise brands identify and evaluate new locations. Here are five key ways data and digital tools are influencing the site selection process:

- **Predictive mapping tools.** Franchise brands now rely on specialized mapping platforms that combine demographics, competitor data, and performance metrics to identify optimal growth areas.

- **Custom territory design.** Modern systems allow real estate teams to build tailored territories using ZIP code-level inputs, population thresholds, and service range criteria.

- **Data layer integration.** Site selection models pull from multiple data layers, such as income, foot traffic, co-tenancy, and labor patterns, to forecast site performance.

- **AI and machine learning applications.** AI is used to improve forecasting and identify patterns in consumer behavior, trade areas, and competitive saturation, but full integration is still evolving.

- **Physical validation required.** Every potential location undergoes a physical site visit to confirm on-the-ground conditions and uncover factors that data can't capture.

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How do you use technology to improve the quality of franchisee leads?

At Launch Entertainment, we don't just use technology; we build our development strategy around it. It starts with knowing who we want to attract and making sure everything we put into the market reflects that. Our franchise development site is designed to speak directly to the type of candidate we're looking for, whether it's a seasoned operator expanding their portfolio or a first-time owner with strong leadership and execution skills. We're clear up front about what we expect, what we offer, and what it takes to be successful. That early filtering saves everyone time and helps keep unqualified leads out of the funnel.

From there, SEO ensures we're showing up in front of the right audience at the right moment. Once someone engages, we keep the process moving with automated emails, text follow-ups, and AI-driven qualification tools that collect key info, answer initial questions, and even schedule intro calls. This helps us identify strong candidates quickly and keep momentum through the pipeline.

We also use data-driven targeting tools to go outbound when needed, zeroing in on specific industries or investor profiles that align with our brand and growth goals. And we manage it all through a strong CRM foundation, using Monday.com to track leads, coordinate follow-up, and keep our team accountable and aligned across departments.

Our enterprise systems go one step further by creating a bridge between prospective and existing franchisees, which gives us insight into performance and allows us to tailor our approach throughout the process.

At the end of the day, improving lead quality isn't just about more data; it's about using the right tools to deliver a better experience both for us and for the candidates we want to grow with. ∎

JEFF TODD
CDO
Launch Entertainment

> *We focus on ZIP codes that align with our ideal franchisee profile: areas where prospective owners are likely to match the values, experience, and financial requirements we seek.*

At The Big Biscuit, technology and targeted strategy play a vital role in how we attract and qualify prospective franchisees. We start by using Placer.ai to help identify strong potential markets. Because we prefer franchisees to live in or near their territories, pinpointing areas where our brand can thrive is one of the first and most important steps.

Once a promising market is identified, we target key demographics with our digital marketing agency. We focus on ZIP codes that align with our ideal franchisee profile: areas where prospective owners are likely to match the values, experience, and financial requirements we seek.

As leads begin to come in, we use a streamlined website form to further qualify prospects and ensure alignment with our criteria. Key qualifications include:

- Prior franchising or restaurant experience
- Strong financial standing (income and net worth)
- Interest in a viable and available territory
- Alignment with our brand culture and values

Additionally, we expand our reach by building look-alike audiences from franchise events and existing networks to target highly qualified prospective owners.

Social media is a key tool for reaching restaurant operators and industry professionals exploring new opportunities. We position ourselves as thought leaders in the franchise community and recognize that meaningful relationships are critical to our brand's success. We also build visibility through trusted industry platforms, like the International Franchise Association, Fast Casual, and FSR Magazine, where we engage with franchise listings and editorial content to boost awareness and generate new leads.

Our website, BigBiscuitFranchise.com, serves as a key destination for potential franchisees to learn more about our brand, model, and values.

Finally, we use a CRM system to ensure timely, personalized communication with prospects. Our CRM process supports regular newsletters and updates to keep prospects engaged. We also collaborate with national public relations partners to amplify our message and increase brand equity within the franchise and restaurant community. ∎

MARITA SWIFT

VP of Strategic Growth
The Big Biscuit

> *"We also place a strong emphasis on conversion tracking. It's not just about how many leads we generate, but how many of those leads turn into strong operators.*

JON FISCHER

Head of Development
Wetzel's Pretzels

At Wetzel's Pretzels, we've embraced technology as a key driver in improving the quality of our franchisee leads. Over the past decade, franchising as a whole has evolved significantly in how it attracts, tracks, and nurtures prospects, and we've worked hard to stay ahead of the curve.

Today, most of our leads are generated through digital and social media campaigns. These platforms give us the ability to precisely target specific demographics, psychographics, and geographies where we're looking to grow. We can segment audiences based on behaviors, interests, and even franchise readiness. From there, we continuously test creative elements, refine messaging, and monitor engagement levels, adjusting our campaigns in real time based on performance metrics. Over the past five years, this agile and targeted approach has led to notable improvements in both the quality of leads and cost per lead.

We also place a strong emphasis on conversion tracking. It's not just about how many leads we generate, but how many of those leads turn into strong operators. By analyzing past performance and lead sources, we're able to better understand which marketing efforts drive the best results. That insight helps us refine campaign strategies and double down on the channels and messaging that are most effective.

Technology also supports the human side of the franchise process. With many initial conversations now happening virtually, we leverage video conferencing tools for meaningful, face-to-face discussions. These virtual touchpoints are efficient and insightful, helping us get to know candidates early in the process. However, we still strongly believe in the value of in-person meetings. When it comes to selecting franchisees, we apply both data-driven decision-making and personal connection to assess long-term fit.

At Wetzel's, technology empowers us to be strategic, responsive, and relationship focused in how we grow our franchise system. ∎

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FLEXIBILITY – We're not locked in to specific industries or lenders. That means we can connect you with lenders that understand your brand's business model and offer a loan structure tailored for your success.

CONVENIENCE – We understand the time required to build a business. That's why we find the right lenders and bring them to you, saving you valuable time and money.

EXPERT GUIDANCE – We know the process so that you don't have to. Whatever your project, we have the knowledge and experience to help you get it done.

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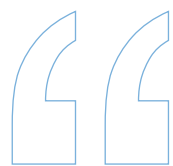
> *Our confidential questionnaire is fully integrated in the CRM, making it quick and easy for candidates to complete and allowing us to assess fit early on.*

RYAN STANSBURY

Executive VP of Franchise Development
PJ's Coffee

At PJ's Coffee, technology plays a supporting role in our larger, strategy-driven approach to attracting qualified franchise prospects. While we use a variety of digital tools to attract and qualify leads, the key to improving lead quality lies in how we track, measure, and refine every step of the awarding process.

A candidate's development journey begins with targeted digital advertising across platforms like Facebook, Google, and LinkedIn. These campaigns are designed to engage our ideal audience, and we use Google Analytics and website data to continually evaluate what messaging, creative, and platforms are converting high-quality leads. Look-alike audiences based on our top-performing franchisees also help further sharpen our strategies.

Once a prospect expresses interest, their information flows into our CRM system, where we can track them through every stage of the discovery process, from target to prospect to qualified candidate to franchisee. Our confidential questionnaire is fully integrated in the CRM, making it quick and easy for candidates to complete and allowing us to assess fit early on. We also use an automated text messaging platform to ensure an immediate connection between our prospects and our franchise development coordinator.

Email drip campaigns help us stay in front of leads with valuable, timely content, whether it's highlighting recent openings and brand milestones or sharing franchisee testimonials. These automated campaigns are part of a nurturing process that builds trust and educates prospects about PJ's unique value.

At the core of our approach is a disciplined focus on tracking, measuring, and adapting. Every inquiry is monitored from its source through to qualification and conversion. We review performance data weekly and evaluate broader trends monthly to identify what's driving results. If a campaign or platform isn't yielding qualified leads, we reallocate the budget and adjust the strategy. If something is working, we scale it.

This commitment to continuous improvement, backed by actionable data, allows us to stay agile and make smart, ROI-driven decisions. ∎

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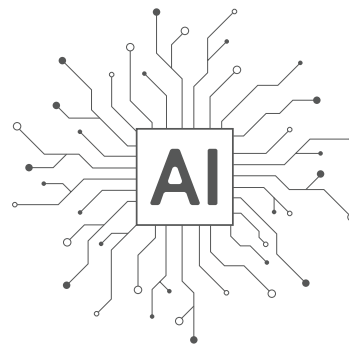**Join the platform** and take control of your franchise lead volume.

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The Naked Salesperson

AI informs prospects, making transparency paramount

Written by **EVAN HACKEL**

In today's franchise marketplace, the most significant transformation is in information. Artificial Intelligence (AI) has changed how prospective franchisees evaluate opportunities. They arrive with more data, analysis, and insights than ever.

For the franchise salesperson, there are no more guarded conversations. You can't control the flow of information. You're the naked salesperson, and there's no turning back.

Informed buyers

Before a conversation begins, today's prospect likely knows your average unit volume, failure rate, initial investment breakdown, franchisee satisfaction score, and litigation history. They've read reviews on multiple platforms, consumed YouTube videos made by franchisees (and ex-franchisees), and scanned your FDD using AI.

Prospects can compare dozens of opportunities, using dynamic analytics, not glossy brochures. They've explored Item 19 with rigor. They may have asked ChatGPT to simulate the owner profile, analyze growth rates, and generate questions.

Your buyer has changed. Have you?

AI-indexable franchise

Make your content "AI-indexable." That means structuring documents, websites, and sales materials so that they can be easily processed by AI. If AI can't find your information, it will find someone else's. Buyers love facts.

AI tools learn from well-structured data. If your FDD, discovery materials, and FAQs are in clean, text-based formats with consistent terminology and logical organization, tools like ChatGPT or franchise research bots can accurately read and relay that content to your prospects. If your documents are poorly formatted, locked in scanned PDFs, or filled with marketing speak, your brand might be skipped by data-driven candidates.

Smart franchisors publish FDDs in searchable formats, breaking down content with clear headers (e.g., "Training Support," "Franchisee Role," "Territory Rights") and tagging materials with metadata.

Reversed roles

For traditional discovery days, the franchisor held the power by controlling the narrative, presenting the vision, and showcasing success. That model is obsolete.

Candidates arrive not to discover, but to validate. You must align with their expectations. They want to see what they already suspect is true.

This means more transparency, less polish. Open access to operations; don't just give presentations. Offer direct, unscripted access to franchisees. Be prepared for challenging questions. After their AI assistant flags something, a candidate might ask, "Why did unit-level economics dip last year?" You're a participant in their due diligence.

Don't lose the essence of the franchise system by dealing only with facts. Your role as a salesperson is to create a powerful vision so that the franchisees see themselves and recognize the possibilities. This becomes more important as basic information becomes ubiquitous.

Strategic guide

A redefinition of the salesperson's role is required. You're not selling a dream. You're facilitating alignment. You're not the gatekeeper of information. You're the interpreter of truth.

Modern sales strategy must be consultative, flexible, and deeply individualized. The best salespeople:

- **Study the prospect's AI trail.** What content have they downloaded? Which webinars have they watched? What data have they likely reviewed?
- **Invite scrutiny.** Anything not addressed directly will be uncovered anyway.
- **Engage in collaborative conversations.** The candidate may know more about performance trends than your marketing team.
- **Encourage validation.** Have prospects talk with current franchisees. This step is about to become more important than ever.

It's about being ready. It's about understanding that the sales process starts early and happens mostly outside your visibility.

Two-way street

AI can also empower your sales team. Tools exist that help you monitor prospect behavior on your website, anticipate questions based on industry patterns, and personalize follow-up sequences using predictive analytics.

Use AI to simulate objections, test claims, and benchmark performance. Train your team with AI-driven coaching platforms that simulate prospect scenarios based on real conversations.

If you're still using a generic slide deck and relying on charm to close deals, you're falling behind. Progressive franchisors are redesigning the entire discovery process to embrace transparency. They're:

- Providing AI-friendly content early in the buyer journey
- Creating open, unfiltered franchisee panels during discovery days
- Encouraging unsupervised franchisee conversations, not fearing them
- Refining their message based on AI-powered candidate behavior

The more informed the candidate is, the better the match. These franchisors aren't afraid of being "naked" because they know their value holds up to scrutiny.

The opportunity

Being the naked salesperson requires a shift in posture from protective to open and from persuasive to consultative. In reality, it's a gift. When a candidate arrives knowing everything there is to know about your brand and still wants to engage, that's a high-quality lead.

You're not wasting time convincing someone of basic truths. You're having a real conversation about fit, goals, and partnership.

In a world where information is frictionless, the best strategy is to lean into it. Build your brand on truth. Make your discovery process AI-indexable. Train your team to be guides, not guards. Stop trying to "sell" your franchise. Let the facts—and your culture—do that for you. ∎

Evan Hackel is CEO of Ingage Consulting and Delta Payment Systems and an advisor to Tortal Training. He is a thought leader in the fields of leadership and success and an author, speaker, and entrepreneur who has been instrumental in launching more than 20 businesses and has managed a portfolio of brands with system-wide sales topping $5 billion. He is the creator of Ingaged Leadership and author of *Ingaging Leadership Meets the Younger Generation.* Reach him at ehackel@ingage.net, 781-820-7609, or www.evanhackel.com.

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Let automation help.

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Digital leads are expensive and perishable. You may be paying hundreds to get each conversation.
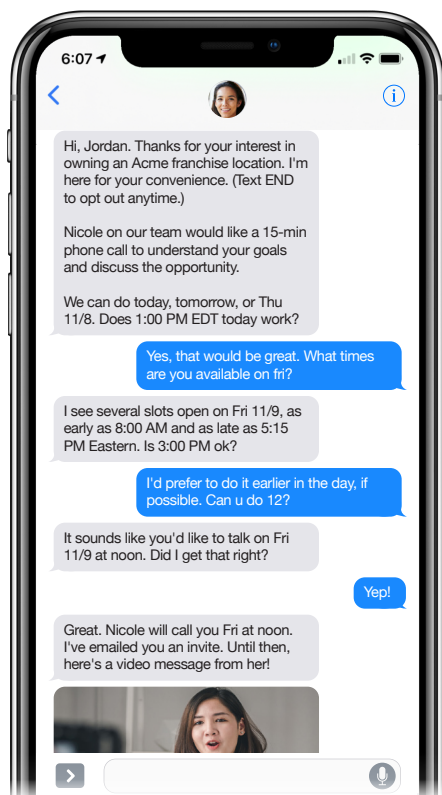
Shift the economics.

Warm your prospect

When you catch your prospect off guard, quality drops. Before you meet, earn a commitment…

…and nurture the relationship.

Overcoming Four Key Challenges

Challenge #1: People aren't answering voice calls.
You live it every day: a perfectly good lead doesn't answer; or the individual does answer, but is distracted by a day job, children, or meal preparation.

Challenge #2: "Speed to lead" is critical.
Most products automate only the outreach. Engaging means responding fast when the lead wants to engage. Your other responsibilities prevent that.

Challenge #3: Many leads are just window shopping.
Leads who are unqualified or not ready can swamp you with manual chasing, when you should be focusing on the hottest hand raisers.

Challenge #4: Even the best leads get busy or forget.
Your hottest leads may be your busiest ones—they do say "if you want a task done, ask a busy person". A no-show doesn't always indicate a lack of interest!

Lumin.ai uses artificial intelligence (AI) driven text messaging to give your prospects control over when to respond and when to meet.

Try it!

6:07

Hi, Jordan. Thanks for your interest in owning an Acme franchise location. I'm here for your convenience. (Text END to opt out anytime.)

Nicole on our team would like a 15-min phone call to understand your goals and discuss the opportunity.

We can do today, tomorrow, or Thu 11/8. Does 1:00 PM EDT today work?

Yes, that would be great. What times are you available on fri?

I see several slots open on Fri 11/9, as early as 8:00 AM and as late as 5:15 PM Eastern. Is 3:00 PM ok?

I'd prefer to do it earlier in the day, if possible. Can u do 12?

It sounds like you'd like to talk on Fri 11/9 at noon. Did I get that right?

Yep!

Great. Nicole will call you Fri at noon. I've emailed you an invite. Until then, here's a video message from her!

THE SCIENCE OF SITE SELECTION

FIND THE RIGHT BRAND, OPERATOR, AND LOCATION

Written by **PAUL WILBUR**

For decades, real estate pros could point to traffic counts, growth corridors, or anchor tenants and then predict a location's success. But franchising is more complicated now. A site that's perfect for one concept might doom another. Likewise, even the best brand-location match can fail in the hands of an underqualified operator.

That's why the most progressive franchisors and developers have embraced a holistic, data-centric approach that includes an understanding of the franchise system overall. They no longer ask, "Is this a good location?" Instead, they ask, "Which brands and operators are best suited to thrive here?"

It starts with matching the site's physical and market attributes to brands whose prototypes, target audiences, and operational requirements align. Using franchise-focused databases, brokers and developers can analyze:

- **Prototype requirements.** Does the brand have flexible formats that fit square footage and zoning? Will it accept nontraditional build-outs?

- **Investment profiles.** What's the average build cost? What breakeven thresholds and EBIDTA margins does the concept typically deliver?

- **Brand marketing power.** Is there a strong national advertising presence that will draw initial foot traffic that's supplemented by local co-op campaigns?

- **Customer match.** Does the brand's customer base overlap with the trade area's demographics and spending patterns?

Imagine a 1,300-square-foot inline space in a suburban strip with heavy weekday lunch traffic. A national bakery-café or health-focused QSR brand with low labor requirements might be a strong fit versus a casual dine-in requiring more seats, parking, and dinner volume. Without precise brand data on prototype flexibility, unit economics, and market positioning, these distinctions often get missed, leading to poorly matched concepts that struggle to meet projections.

COMPARE POSSIBLE BRANDS

Many brands may fit the physical and marketing specifications for a space. There are other important considerations:

- **Current brand footprints.** Mapping where competitors (and the brand itself) already exist prevents oversaturation.

- **Development pipelines.** Who's already signed for new units in the trade area? This protects both landlords and franchisors from future cannibalization. How large is the new store development backlog with the system?

- **Historical continuity and closures.** What is the overall historical unit success for the brand and the industry? A market littered with closed locations from the same sector may suggest systemic issues that even the best site won't overcome.

It's this level of intelligence—far beyond a standard broker market survey—that allows brands, operators, and developers to collaborate on truly sustainable growth plans.

As or even maybe more important is finding the right franchise developer. In franchising, location alone doesn't guarantee success; the operator's experience, financial capacity, and portfolio strategy often matter more.

It's important to identify and gather intelligence on local and regional franchisee developers. Brokers, landlords, and franchisors should examine:

- **Portfolio of existing units.** What other brands does this franchisee own? How many units in which sectors? Are they overextended or diversified in ways that complement this concept?

- **Ownership and management snapshots.** Who are the key principals? What's their operational track record? Are they experienced multi-unit managers or new entrants needing heavy support?

- **Financial profiles.** Does the franchise group have private equity or other investors? What is their approximate portfolio-wide sales?

This is especially critical when landlords weigh leasing incentives or when franchisors evaluate multi-unit or area development commitments. A site might work well for a new sandwich concept but only if an experienced multi-unit operator with compatible systems is on board.

DATA MAKES THE MATCH

Franchising's real estate process is fundamentally about aligning brand requirements and value propositions, operator capability, and market/site characteristics. Data is what ties these together.

At FRANdata, we've spent more than 30 years building the only database that spans every franchise brand and franchisee in the U.S. along with local developer portfolios, franchisee continuity, financial support programs, and brand growth backlogs. This allows brokers, developers, and franchisors to skip the guesswork and, instead, engineer success from the outset.

In short, a site doesn't succeed because it's good. It succeeds because it's right for the brand, right for the developer, and right for the market. And everything needs to be backed by data. That's how smart franchising gets built today. ∎
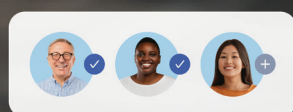
As COO of FRANdata, **Paul Wilbur** is instrumental in building the research and consulting framework at FRANdata. He plays an integral role in the strategic development of FRANdata's suite of franchise solutions. Nearly a 20-year veteran at the company, he is the franchise business model expert and plays a key role in fostering strategic advisory relationships with some of FRANdata's biggest clients.

ADAPT WITHOUT COMPROMISE

When franchises reinvent themselves abroad

Written by **WILLIAM EDWARDS**
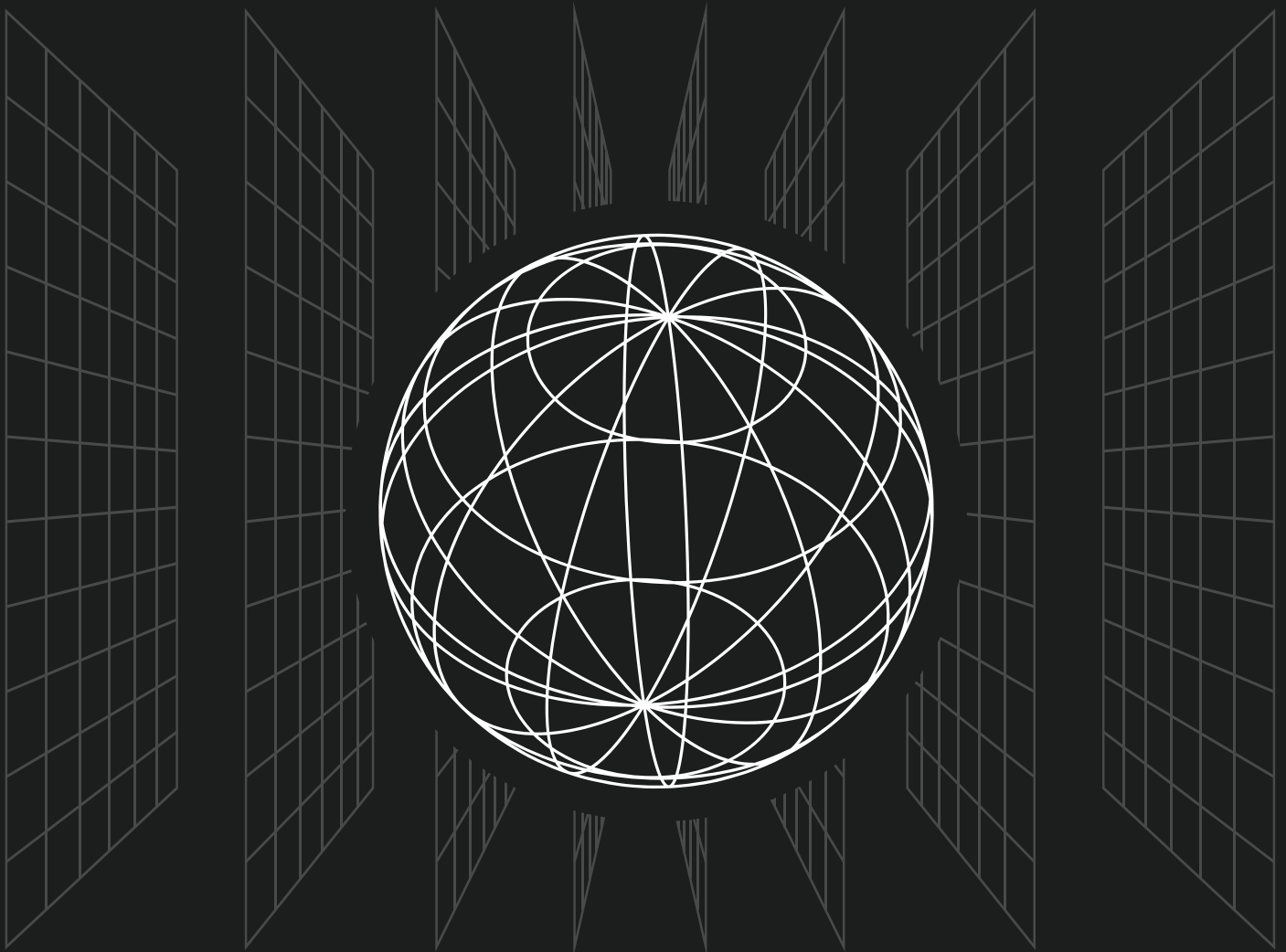
Franchising internationally isn't just about exporting a proven concept; it's about transforming that concept for a different world while maintaining brand integrity. Brands that thrive overseas make smart, respectful changes without compromising their identity.

After decades of helping more than 40 franchises expand globally, I've seen one key truth play out time and again: The more thoughtfully you adapt, the more successfully you scale in other countries. Here are some standout examples of brands that didn't just adjust; they reinvented themselves for success in a new culture while maintaining brand integrity. These are the bold, well-thought-out moves that paid off.

FOOD AND BEVERAGE

- **Carl's Jr., Mexico.** Carl's Jr.'s strong local franchise partners know that Mexican consumers are extremely family oriented. Playgrounds and spacious dine-in environments have been built along with newer inline and food court locations. This, combined with Mexican-inspired ingredients, a premium burger experience, and much more service than typical QSR players, helps distinguish the brand as a bold, crave-worthy char-grilled burger destination.

- **Denny's, Honduras.** In Central America, Denny's is less about late-night diners and more about all-day family meals. Locations are larger with playgrounds and private dining rooms to attract groups. The brand invested in delivery services and local menu options, helping it thrive in a high-competition, high-volume environment.

- **KFC, Japan.** What started as an American fried chicken chain is now part of a national holiday in Japan. KFC became a Christmas staple through years of localized advertising, emphasizing tradition, family, and celebration. Their holiday meal buckets, available only in December, drive enormous demand and require preorders. This powerful cultural pivot gave KFC a unique status in Japan's festive landscape.

- **McDonald's, France.** In France, McDonald's reinvented the experience with sleek interiors, local ingredients, and premium offerings. Gone are the bright plastic tables. They're replaced with wood finishes and espresso machines. The company also adjusted its sourcing practices to feature 100% French beef. These moves gave it credibility in one of the world's most demanding food cultures.

- **PJ's Coffee, Vietnam.** In a market flooded with international and local coffee chains, PJ's Coffee succeeded by aligning with Vietnam's preference for sit-down cafés. It introduced smaller, iced coffee beverages, including Vietnamese-style brews, and marketed freshness with daily roasted beans. The experience blends the brand's New Orleans roots with Vietnam's café culture.

- **Randy's Donuts, South Korea.** This iconic California brand made a big impression by turning its takeout model into an "Instagrammable" café experience. Randy's Donuts stores in Korea are larger, have ample seating, and serve locally inspired flavors like black sesame and green tea as well as Korean rice cake flavor pastries. Their colorful designs and digital-savvy promotions captured Korea's café-centric audience.

- **Taco Bell, India.** To succeed in a market with a predominantly vegetarian population and diverse regional palates, Taco Bell overhauled its menu to include paneer-based offerings, vegetarian tacos, and spicy chutney sauces. Beef was removed entirely. The stores resemble upscale casual dining spaces, a departure from the U.S. fast-food look.

NON-FOOD

- **7-Eleven, Japan.** Far beyond a convenience store, 7-Eleven in Japan is a daily necessity. Stores offer ready-to-eat meals, bill pay, postal services, and even ATMs. Strategic store placement, immaculate cleanliness, and curated inventory helped turn the chain into one of Japan's most respected retail brands.

- **Chem-Dry, Australia.** Chem-Dry differentiated itself with eco-friendly, allergy-safe cleaning services. Australian marketing emphasizes child and pet safety, positioning the brand as a responsible, family-first choice.

- **Curves, Japan.** Curves focused on older women seeking a comfortable space to begin fitness routines. The brand emphasized safety, empowerment, and support, which are critical themes in Japanese society, where aging populations value preventative wellness.

- **Great Clips, Canada.** Great Clips kept its core promise (affordable, convenient haircuts) but emphasized local community engagement. With bilingual messaging and support for Canadian charities, it earned trust and built a strong neighborhood presence.

- **Home Instead, United Kingdom.** The brand localized its model by emphasizing relationship-centered care. With more demand for aging-in-place services, Home Instead focused on matching caregivers with families and building long-term bonds. It emphasized trust and personal connections in a culture with high expectations for senior care.

- **Jetts Fitness, Thailand.** Unlike its mid-sized gyms elsewhere, Jetts Fitness in Thailand built more than 50 large-format gyms with premium amenities. Its marketing taps into social media and influencer culture, and flexible memberships and 24/7 access have helped it lead in a highly competitive fitness market.

- **Kidzania, Mexico and the Middle East.** In Saudi Arabia and the UAE, role-play zones include culturally relevant jobs like falconers or souk managers, and activities are adjusted for gender norms. In Mexico, brands like Pemex and Bimbo are integrated to reflect local business and civic life, deepening the educational and cultural value of the experience.

- **Kumon, Brazil.** Kumon adapted its materials into Portuguese and realigned its marketing to speak directly to Brazilian parents' desire for long-term academic results. Its focus on self-learning and university success resonates with Brazil's large middle class.

- **The Learning Experience, China.** In a country where early childhood education is highly competitive, The Learning Experience stood out by offering bilingual curriculum and U.S.-style cognitive development programs tailored for local families.

- **Mathnasium, Saudi Arabia.** To meet cultural and educational norms, Mathnasium operates gender-segregated centers and teaches in both Arabic and English. Parents see math as a gateway to professional success, and the brand's messaging emphasizes long-term academic outcomes.

- **The UPS Store, Canada.** Known primarily as a shipping center in the U.S., The UPS Store in Canada also positions itself as a resource hub for entrepreneurs. Offering bilingual services and localized business tools, it appeals to Canada's vibrant small-business community.

- **Wall Street English, Vietnam.** This global English language school chain adapted to Vietnam's rising middle class by incorporating IELTS prep and career-linked learning into its core curriculum, recognizing the market's job mobility and international study goals.

RESPECT BRAND INTEGRITY

Adapting U.S. franchise brands for international markets is vital due to differences in culture, preferences, and expectations. But adaptation must preserve brand integrity, maintaining the core identity and customer promise. Successful global franchises localize menus, messaging, and operations to fit local norms while staying true to what makes the brand recognizable. This balance builds trust, relevance, and long-term success. In international franchising, adapting with intention without losing the brand's essence is essential for sustainable growth.

The brands featured here didn't just localize; they adapted intelligently and respectfully. They remained true to their DNA while showing local audiences that they understood their needs. That's the key: adaptation rooted in identity. When global expansion begins with listening and evolves with purpose, franchises can thrive far beyond their home market. ∎

William (Bill) Edwards, CFE, is the CEO of Edwards Global Services (EGS) and a global advisor to international businesses. With five decades of experience, Bill has helped more than 40 companies expand internationally. Contact Bill at +1 949 375 1896 or bedwards@edwardsglobal.com.

FIVE KEY TAKEAWAYS FROM BRANDS THAT WENT BIG GLOBALLY

Change the space.	**Culture counts.**	**One size rarely fits all.**	**Messaging must resonate.**	**Let locals lead.**
Layout, lighting, and flow matter as much as the product.	Connect to local rituals, not just global trends.	Tailor your format and service model to local needs.	Translate values, not just words.	They know what works on the ground.

Built To Fit

Technology must adapt to the franchise model

Written by **DENNIS LESKOWSKI**

Most technology is built for a single company to succeed. But franchises are built for many companies to succeed at once, and their software must embrace the franchise model.

In software development, two primary software models exist: single-tenant and multi-tenant. Single-tenant software is custom-built for one company's unique needs. For example, I once built an end-to-end genomics ordering platform exclusively for one particular pharmaceutical. Multi-tenant software hosts multiple companies with separate logins, data, and experiences.

Franchises add a twist: multi-tenant within tenants. The franchise model creates a parent-child structure. Franchise software serves the whole system while respecting the boundaries between each part. That means central controls for the franchisor, local tools for the franchisees, and nuanced setups for multi-unit owners. This architecture has implications far beyond code; it reshapes how software is bought, built, and used.

Core considerations

Franchises have different views. From franchisor to owners to store staff, each link depends on the others but not equally. The franchisor sees the whole. The store manager sees the part. The owner stands in between, needing both detail and distance. Good platforms respect that. They shape access, filter views, and flex as the chain shifts.

Locations open. Locations close. Ownership changes. This is normal in franchising. Software must make it painless. Templates are needed for fast onboarding and, if the store closes, clean offboarding. When owners change, store data and permissions should travel, not disappear. Franchise software isn't just tech; it's infrastructure for change.

Everyone looks at the same data, but no one needs to see it the same way. Franchisors track brand-wide KPIs. Owners scan across units. GMs focus on team schedules and tasks. A good platform personalizes these views and protects them. Letting one "child" see another's financials opens legal and political issues. The best systems visualize by region, store age, or tier, creating benchmarks without naming names. It's not just a feature. It's how you drive performance.

Be aware of bad data, which breaks trust, decisions, and brands. If one store logs "referral" and another logs "ref," you've lost clarity. Systems must enforce naming rules, validate fields, and structure inputs across every tool, from the CRM to the POS. You don't fix dirty data later. You prevent it at the door.

Marketing, billing, and support are shared functions, but who pays? Franchise systems must track spend, route requests, and split costs. If national ad spend hits local revenue, attribution matters. If a support ticket needs a vendor, routing logic matters. If the invoice drops, clarity matters most of all. Don't force franchisees to fight over spreadsheets. Build tech that handles it cleanly.

Even the best software is worthless if no one uses it. Adoption isn't about features. It's about fit. Offer in-app walk-throughs. Phase rollouts. Let early adopters lead. Pilots prove value and provide time to test before pushing full-scale. Don't just deploy: introduce, teach, and adapt.

In food, health, and childcare, compliance isn't optional; it's survival. Track safety checks. Log required training. Flag risks early. Provide real-time audit tools and proof for regulators. Compliance can't be bolted on. It must be baked in.

Franchisor needs

Because of these parent-child considerations, buying and building software require a different process than the rest of the business world:

- COOs want software that can lock down standard processes and dashboards while providing freedom for franchisees.
- CFOs want ROI, predictability, and fraud prevention like any other CFO, but they also want split billing or "cost per location" rather than "cost per seat" so that they don't need to track every little expense.
- CMOs want brand control and A/B testing, but their main consideration is attribution. CMOs need tech that allows franchisees to customize local ad spend while showing credit for national efforts.
- CTOs want APIs, data access, security, and integration, but they need software that doesn't overwhelm support teams and ideally integrates into the Identity and Access Management (IAM) process.
- Product teams want flexible feedback and room to iterate. Flexible dashboards are appreciated more than rigid reports.
- CDOs want tech that helps find quality prospective franchisees and provides clear performance reporting and location data.
- Construction leads want tech that works on day one. How easy is it to install and onboard new locations?
- CEOs want consistency, scalability, and vision that connects.

Franchisee needs

The view is different on the franchisee side:

- Franchisees want proof that the system works, cuts waste, and grows revenue. They believe in data, case studies, and peer validation, not pitch decks.
- GMs want speed and simplicity: few logins, fast actions, and mobile tools.
- End users want ease, clean interfaces, and no friction.

Franchise tech isn't about building for a brand or a store. It's about building for both at the same time! When it works, everyone feels it. When it doesn't, everyone knows. To win in franchising, build to flex, build to scale, and build to last. ∎

Dennis Leskowski is an experienced franchise CTO with expertise in software development, data, and AI.

Active Participation

Executive sponsors change the recruitment game

Written by **ART COLEY**

Let me get right to the point: If you're an executive/senior leader in franchising and are not actively participating in your brand's recruitment, you're missing out on one of the most important levers for long-term system success. I'm not talking about micromanagement. I'm talking about strategic, intentional executive sponsorship that connects vision to execution.

Your presence as an executive in the recruitment process does more than look good. It produces results. Brands that increase regularly, quarter after quarter, tend to have engaged leadership. It's not always in an excessive or flashy manner, but in significant, high-trust, high-touch ways that elevate teams while also engaging candidates.

Dual roles, real impact

Executive sponsorship has two sides:

- You serve as an advocate, inspector, and aligner. Your duty is to provide your recruitment team with the resources, tools, clarity, and responsibility they require.

- You serve as a brand ambassador and build credibility outside. You're there to motivate prospects, foster trust, and reveal the reality about what it takes to succeed in your system.

I frequently remind executive teams that your recruiters are not simply selling an opportunity; they are also filtering for fit. Your responsibility is to ensure that this happens with clarity and conviction.

Equip, don't hover

Just to be clear: Oversight does not imply micromanagement. It entails showing up in the proper ways:

- Hold a weekly one-to-one meeting with your recruitment manager and use your recruitment reports to guide the agenda to troubleshoot what's working and what is not.

- Attend monthly team meetings. You don't always have to be the one to take the initiative; simply showing up and listening can be enough to have an effect.

- Ensure proper organizational design and resource alignment. I've seen brands aim for 30 annual signings while only having the capacity for 12. The gap leads to burnout, broken/strained trust, and stalled momentum.

- Contribute to FDD review, particularly Item 19. When executive sponsors go through the FDD as if they were candidates, it always strengthens the document and conversations.

People respect what you inspect, not what you expect. That principle has stuck with me for years. It's a simple truth, and nowhere is it more critical than in franchise recruitment.

Move the needle

Candidates nowadays are discerning. They're wary, cautious, and conducting more due diligence than ever before. That's exactly why your voice matters. When a CEO or VP picks up the phone and says, "Hey, I see potential in you," it carries weight. It matters.

Here are a couple of factors that move the needle:

- Encourage recruiters to identify remarkable candidates early (Steps 1 or 3). A brief, sincere email, call, or text from you can leave a lasting impact. That early executive engagement often becomes a turning point in a candidate's journey.

- Be active on discovery day. Open the day by welcoming candidates, setting the tone, and expressing genuine appreciation for their time. Join them for meals, initiate conversations, and lead the Q&A session with humility and transparency. Your leadership presence doesn't just elevate the experience; it reinforces the culture you've invited them into.

- Stay involved post-awarding of a franchise. If a candidate hesitates after receiving their award letter, a personal outreach from you can help them cross the finish line. Once they join the system, continue checking in throughout their early months. Ask about their confidence and clarity, not just performance metrics. You'll earn their trust and uncover insights others won't hear.

Willing to go the extra mile? Record a brief video walking through the key sections/themes of the FDD. Hearing your voice explain the essentials can demystify the legal language and reinforce your leadership presence before a candidate signs.

Truth telling

Let's finish with something deeper than tactics.

There are two kinds of recruitment: one built on narrative, the other rooted in truth. Narrative is polished, promotional, and often curated for effect. Truth telling, on the other hand, is grounded in honesty. It's real, courageous, and unafraid to acknowledge the tough parts.

The most impactful leaders I have worked with, the Hall of Famers, are truth tellers. They do not sugarcoat or sell illusions. They present a clear and honest view of the opportunity, including the rewards, the challenges, and the potential. They communicate in a way that builds trust and inspires people to move forward with confidence.

The most powerful thing you can offer isn't a pitch. It's the truth delivered with boldness, consistency, and the kind of presence that moves people to act.

Let's go to work! ∎

Art Coley is CEO of CGI Franchise. Using the proven Recruitment Operating System (ROS), Art and the ROS team help franchise companies implement and execute a predictable, repeatable, and sustainable franchisee recruitment program. The company is based in Temple, Texas, and works with brands worldwide. Contact Art at 281-658-9409 or acoley@cgifranchise.com.

3 High-Impact Moves To Make This Month

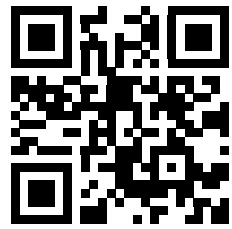| Call a standout candidate and personally affirm their potential.	Join your team's next weekly meeting.	Check in with a new franchisee just to ask, "How's it really going?"

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