STRONG CULTURES SELL MORE FRANCHISES-PART 1

(Part 1 of 2) *Originally Published September 2010*

By Evan Hackel

Every franchise organization has a culture, the same way every person has a personality. If your franchise brand is serious about growth and development, ask yourself these two questions: 1) Does our franchise system have a strong, positive culture?; and 2) Is it a culture that promotes selling franchises?

If you answered "No" to either (or both) questions, you've just uncovered major issues hindering your ability to sell franchises. The good news is that you can turn things around and supercharge your franchise sales.

Whether you manage a new or a growing franchise organization, you might be asking, What exactly is corporate culture, and how do I know if it's strong and positive? To answer that, ask yourself these questions: What is the vision of my company, and What is our core set of values and beliefs?

If you can't answer right away, this could be a sign of trouble. Every stakeholder in the organization should know the answers to these questions. Does your senior management team know? What about your corporate employees? Your franchisees? Your franchisees' employees? Your suppliers? And what about your customers? In franchise systems with strong corporate cultures, everyone in the organization understands the vision, values, and beliefs of the company.

It's important not to confuse culture with mood. Culture is systemic to an organization, something ingrained within the organization that doesn't change from one day to the next. Mood is the euphoria people feel, for example, when they leave your conferences after attending a motivational presentation. Mood is not permanent.

A few weeks ago, I was speaking with a prospective client before their franchise conference. They were having major problems in their organization. Franchisees were very upset: they felt neglected, and had felt this way for many years.

After the conference, when we continued the conversation, the client assured me that the conference went very well, and that people were now feeling so good that they no longer had a problem.

I understood how he felt. With all the excitement and energy generated at the conference, attendees left motivated and enthusiastic. Unfortunately, habits don't change quickly; and when the mood wears off, attendees usually return to how they felt before the conference.

Remember, culture is not mood. Culture is critical to an organization. It can take years to build, and even more years to change. If you have a strong, positive culture, the good news is that you have built something that will be hard to undo. Conversely, if you have a negative culture, it will take a lot of effort and time to change it. Don't expect one great conference to change everything. Yes, one great conference is a good start, but it's only a start.

When you create a strong, positive corporate culture, it means that everyone in your organization understands the mission and vision of the organization, and that they are working in unison toward that goal. When I say everybody understands, that means all of your stakeholders, which includes your franchisees and all of their employees. It also means that your customers get it. And while they may not "get it" in the same sense someone directly affiliated with your organization does, they feel its impact in each transaction they make with your brand, or whenever they see your stores, logo, and marketing.

There's an incredible charge when people in your organization have a common purpose and goals. When you think about companies with strong corporate cultures, you'll instantly understand what I mean. Think of the experience you expect and anticipate when you go to Walt Disney World. The same holds whenever you walk into a McDonald's or buy an Apple product.

I know what might be thinking: This isn't an article about culture, but an article about the power of a brand. In some ways that's true, because a company's brand is really a reflection of its culture. Culture is what builds the brand – it's not the other way around. Great advertising is not what made Disney successful – it was the company's true belief in its mission and vision that created the experience we know and expect from Disney.

I believe there is a lot of confusion around creating a brand. Most people believe a brand is created with the help of great marketing. The reality, however, is that the most important part of creating a brand is first creating a great culture in the organization. People who can feel or sense a company's culture understand the difference between a fake and a real brand experience. A real brand experience is one in which the marketing reflects the reality of the experience. If the marketing sets an expectation that isn't matched by the experience, it will, by nature, fail.

So, how does a strong culture sell franchises? People gravitate toward companies with strong, positive cultures; people like being around others who are passionate and who have a shared goal. Similarly, prospective franchisees look for organizations that have a strong, positive culture. While they may not ever ask direct questions related to your organization's culture, they are, on some level, trying to determine exactly what it is. When a prospective franchisee speaks with current franchise owners, they're listening for passion, and for commitment to the organiza-

tion and its vision; and when they speak with franchise employees, they're looking for the same thing.

When a prospective franchisee fails to find a great culture, they don't buy. You can attempt to make sweeping changes to the structure of your management team or to an entire department to positively affect your franchise sales results – but if you don't have a strong, positive culture it won't make much difference. If you've ever sat back and said, "It's such a great concept, I just don't understand why prospective franchisees don't get it," perhaps you need to examine your culture. It's easy for senior management to understand your organization's culture, but if you want to expand the brand it must filter through the entire organization.

Next month we'll examine how to create a strong, positive culture – specifically, how to create a culture that helps sell franchises.

Evan Hackel is principal at Ingage Consulting (ingageconsulting.com). He can be reached at 781-569-5900 or ehackel@ingageconsulting.com.

Reprinted with permission of Franchise Update Media Group. Copyright 2010.

ABOUT INGAGE CONSULTING

Ingage Consulting is a management consulting firm that focuses on the franchise industry. Although Ingage is a traditional management consulting firm, we focus on improving business outcomes by engaging franchisees and creating a culture of partnership.

Key Service Offerings
- **Creating Partnerships** - Turn your franchisee relationships into partnership relationships

- **Change Management** - Helping franchisors positively implement change
- **Teambuilding Conference Presentations** - Energizing, creating focus and building partnerships
- **Trust Building** - Creating a stronger trust relationship with franchisees
- **Creating Vibrant Website Community** - developing vibrant communities on your internal franchisee websites
- **Strategic Planning** - Engaging all stakeholders in developing powerful strategic plans
- **Better Onboarding** - How to start the franchise relationship on the right note

- **Improving Communication** - Simplifying, energizing and amplifying franchisee communication
- **Creating Field Partnerships** - Building partnership relationships in the field
- **Maximizing Advisory Councils** - How to get the most out of your advisory councils
- **Internal Teambuilding** - Great franchisee relationships start from the inside
- Performance Groups - Creating performance teams
- **Regional Groups** - Improving engagement and performance through regional groups

Principal/Founder of Ingage Consulting, Evan Hackel, has 25 years of franchise experience having developed, implemented and managed three successful new franchise systems. At CCA Global Partners, he oversaw 4 different business systems representing over $5 Billion in annual sales through 2,000 locations in 4 countries.

IFA
INTERNATIONAL FRANCHISE ASSOCIATION
SUPPLIER FORUM

For more information or to set up an initial consultation contact Evan Hackel at (781) 569-5900 or via email at ehackel@ingageconsulting.com.

STRONG CULTURES SELL MORE FRANCHISES-PART 2

(Part 2 of 2) *Originally Published October 2010*
By Evan Hackel

In the previous issue of the Franchise Update Sales Report, we defined concepts such as culture and mood, and discussed the importance of a strong corporate culture and its relationship to franchise development. In this issue, we'll show you how to create a great culture – and how that will help you sell franchises.

It might seem a bit overwhelming at first, but understanding how corporate culture works is the best way to create a strong, positive culture within your franchise organization.

Remember that culture and mood are not the same. Culture is long term and means having a shared vision or goal. Mood is a fleeting emotion that gives people a temporary high, something they might feel following a motivational meeting. If you confuse culture with mood, as many do, you might assume that you don't have a problem. However, you will see that you do have a problem when, after making structural changes within the organization, you still have trouble selling franchises.

A strong, positive culture is what builds your brand because franchisees and customers will gravitate toward organizations that have it. Always keep in mind that prospective franchisees are looking for passion and commitment in your organization. If you have a strong, positive culture, they will find this.

A strategic plan is the foundation of an organization's culture. If you want to create and have a strong, positive culture, you must start with your strategic plan. The exercise of developing this plan helps a company define its values and vision.

To be clear, having a strategic plan does not mean you automatically have a strong culture. Having a strategic plan means only that you have defined what you want the culture of the organization to be. Some organizations can have a strong culture without a written strategic plan. By simply having an entrenched culture, those organizations actually have a strategic plan. It just needs to be written down.

How you choose to create that plan can make all the difference in the world. A good strategic plan is not dictated from the top. Rather, it is crafted in a process that involves all of the stakeholders. Both the creation of a powerful strategic plan and the building of a strong culture thrive on all stakeholders feeling vested in the strategic direction of the company. The stakeholders involved in developing the plan will likely become vested partners.

Something else to consider when developing your strategic plan is entrenching important elements of the company's future in the plan. For example, if growth is a very important part of your company's strategic future (as it is for many franchise organizations), it should be a value and a vision within the plan. This way, as you build your culture around the plan, everyone learns the importance of growth to the organization. When everyone is working together toward growth, your organization changes and becomes a franchise sales machine, and each stakeholder will understand how their role supports franchise growth.

Once you have written down your strategic plan, you have defined values, a clear mission (what you are about), an inspiring vision (where you are going), and a Big Hairy Audacious Goal (a very hard-to-reach, long-term goal). These all need to become living, breathing parts of the organization.

Unfortunately, most strategic plans are written, presented one time, and shelved.

The process of making your strategic plan come alive starts with presenting it to all of the stakeholders. The presentation should come in different forms, based on the needs and roles of each stakeholder group. Ideally, corporate employees would receive a comprehensive view of the plan, but that isn't always possible. In addition to the comprehensive view, provide them with an extremely compressed presentation because everyone must understand your organizational direction.

Franchisees should receive a complete overview of the plan. This is normally done at a conference, in a motivational presentation. Franchisees' employees should get exposure to the strategic plan through a video presentation that provides a more concise overview. Customers will get the message in a much more subtle approach through your advertising and marketing materials.

Sharing the plan with all stakeholders is only the start. To really build a culture around the plan, it must be a plan that lives and breathes. Here are some ideas to help you sustain the plan within your franchise organization:

- Senior management must do a "value review" of all policies and programs, including advertising and marketing materials, to ensure they reflect the organization's values. Although the tactics of a strategic plan might change from year to year, a company's values should stand the test of time.

- Show how corporate employees can help achieve the company's vision, and how they can live the values to their job descriptions and performance reviews.

- At the start of every meeting within the company, review one aspect of the plan. This might be met with some resistance, but it is the best way to reinforce how important the plan is, and to ensure that people really understand it.

- At the start of every meeting with franchisees and their employees, start by reviewing one part of the strategic plan.

- Create a training video on the plan for all new employees (both corporate and franchise employees).

- At every conference, present a strategic plan review, i.e., how are you doing (good/bad), and what part of the plan you are currently focused on.

To help stakeholders internalize the plan, it's important for them to put it into their own words. To achieve this in my own career, I had members of my senior team each write their own version of the plan and take turns presenting it at meetings in which stakeholders were present. In time, these presentations became fun. People created songs, poems, and funny stories. It wasn't long before other employees (non-senior management) asked if they could present their own versions of the plan.

The reality is that the creation of a corporate culture in a franchise organization starts from the top. People must see that senior management truly cares and takes it seriously. Senior management should not make jokes, nor do anything to belittle the plan or the efforts to create a strong, positive culture.

You will know that the corporate culture you want is starting to ingrain itself in your organization when you hear people talking about how their actions are affecting the strategic plan. You might also start to hear complaints that you're talking about the plan too much. Don't let these complaints slow you down. To get the results you want, you'll need to repeat your messages in many of the tactics you use to communicate with your stakeholders.

Another positive sign that your strategic plan is creating a strong, positive corporate culture is the spontaneous generation of "franchise ambassadors." These ambassadors (franchisees) make a great secret franchise sales force. These franchise operators are inspired by the direction of the organization and take it upon themselves to encourage potential franchisees to buy a franchise if they can. These ambassadors also make fantastic references.

The essence of this concept is that a strong strategic plan must be created before a culture can develop. It is important to have all stakeholders, not just senior management, involved in the creation and implementation of this plan. If all levels of the organization truly stand behind the strategic plan, prospective franchisees will sense this and want to become part of your franchise system.

Initially, some members of the organization might be resistant to the introduction of the strategic plan. To combat any resistance, show everyone how their participation will have a positive impact on the plan and vision of the organization.

Summary
I know I've made it sound easy. But if you follow the steps and tips I've laid out, you'll be well on your way to creating a strong, positive corporate culture in your franchise organization and improving your franchise sales. To summarize:

1. Although a strong corporate culture must start at the top with those who serve as role models in the company, a strategic plan should not be dictated from the top down.

2. Having your senior management team truly excited about the plan means others in the organization will follow.

3. Repetition of the plan will be key once stakeholders understand and are willing to support the plan. Some may complain that the plan is being over-communicated, but this is a step in the right direction – it shows they are invested in and talking about the plan.

4. Once everyone has a vested interested in the strategic plan, they are more engaged in the franchise organization as whole and will be better ambassadors of the brand, helping you achieve your franchise sales targets.

Evan Hackel is principal at Ingage Consulting (ingageconsulting.com). He can be reached at 781-569-5900 or ehackel@ingageconsulting.com.

ABOUT INGAGE CONSULTING

Ingage Consulting is a management consulting firm that focuses on the franchise industry. Although Ingage is a traditional management consulting firm, we focus on improving business outcomes by engaging franchisees and creating a culture of partnership.

Key Service Offerings
- **Creating Partnerships** - Turn your franchisee relationships into partnership relationships
- **Change Management** - Helping franchisors positively implement change
- **Teambuilding Conference Presentations** - Energizing, creating focus and building partnerships
- **Trust Building** - Creating a stronger trust relationship with franchisees
- **Creating Vibrant Website Community** - developing vibrant communities on your internal franchisee websites
- **Strategic Planning** - Engaging all stakeholders in developing powerful strategic plans
- **Better Onboarding** - How to start the franchise relationship on the right note
- **Improving Communication** - Simplifying, energizing and amplifying franchisee communication
- **Creating Field Partnerships** - Building partnership relationships in the field
- **Maximizing Advisory Councils** - How to get the most out of your advisory councils
- **Internal Teambuilding** - Great franchisee relationships start from the inside
- Performance Groups - Creating performance teams
- **Regional Groups** - Improving engagement and performance through regional groups

Principal/Founder of Ingage Consulting, Evan Hackel, has 25 years of franchise experience having developed, implemented and managed three successful new franchise systems. At CCA Global Partners, he oversaw 4 different business systems representing over $5 Billion in annual sales through 2,000 locations in 4 countries.

IFA
INTERNATIONAL FRANCHISE ASSOCIATION
SUPPLIER FORUM

For more information or to set up an initial consultation contact Evan Hackel at (781) 569-5900 or via email at ehackel@ingageconsulting.com.