PREDICTING FRANCHISEE SUCCESS

DO YOU REALLY UNDERSTAND WHAT MAKES A GREAT FRANCHISEE IN YOUR BUSINESS?

All franchisors agree that no matter what products and services they sell, their franchise brand is only as strong and valuable as the franchisees that represent it.

So how does a franchisor predict whether a potential franchisee will be a success?

The most consistent method is for the franchisor to objectively understand what makes their top franchisees so successful, and then objectively measure this. Using assessment data, they can benchmark each franchisee role to determine the inherent critical success attributes. By measuring potential franchisees against a proven benchmark, franchisors can increase their chances of selecting future top performing franchisees by up to 300 per cent. Additionally, by measuring poorer performing franchisees against the critical success attributes of their top performing peers, franchisors can identify the respective barriers to their success. Once these barriers are understood, they can be addressed appropriately.

This article aims to assist franchisors achieve the following:

- Increase the success rate of selecting future top performing franchisees;
- Identifying franchisee critical success attributes;
- Understand why some franchisees are not as successful as their peers;
- Develop strategies to increase franchisee success and performance.

UNDERSTANDING WHAT MAKES YOUR HIGH PERFORMING FRANCHISEES TICK

There is no single franchisee benchmark that works for all franchises. What might be great for McDonalds could be absolutely wrong for Bakers Delight, Fastway, Jim's Fencing, or even Hungry Jacks.

An individual who proves to be an outstanding franchisee for one franchise, could be an absolute failure in another franchise. There is no such thing as a global benchmark for franchisee success. Each franchise is different and requires a different success profile. Furthermore, a single franchise may require multiple benchmarks to address the different franchisee categories e.g. metro, regional, corporate (multi-sites) and individual (single site).

There is no greater tragedy in business than putting competent people into roles where they are destined to fail. An individual's fit to a role is the single most important factor in professional and job success. Yet, many franchisors and employers overlook fit when attracting, selecting and managing their human capital.

There are substantial rewards when a franchisor measures fit during the selection process, these include:

- Improved business outcomes (sales, customer service and profitability)
- Reduced franchisee failure rates
- Increased performance and productivity

To objectively understand the critical success attributes of a particular franchisee role, we

recommend using a multi-construct assessment instrument that measures the hardwiring, not personality, of the top performers. This assessment solution should measure the total person (cognitive, behavioural and interests) and be fully validated and normed to the Australian population (the instrument we recommend is the ProfileXT JobFit assessment).

Once you have assessed your proven top performing franchisees, use the data to quantify the abilities, traits and interests they share in common. This will identify the critical success attributes of your franchisees. These quantifiable attributes will provide you with the information to consistently attract and select future high performing franchisees, the true ambassadors of your brand.

ATTRACTING AND SELECTING FUTURE GREAT FRANCHISEES

The franchisee selection process is a costly one, so it makes sense to maximise and streamline the way you attract, screen and select your future brand ambassadors.

After reviewing a substantial number of advertisements posted by franchisors, there is one thing they have in common. They do not answer the one fundamental question a potential franchisee wants to know, "Will I be successful?" Many provide potential revenue numbers, but none describe the abilities and attributes required to be a successful, happy and engaged franchisee. By increasing the focus on the success attributes, rather than on what the role does, the resultant applicants that apply have greater suitability and will be more confident that they will be successful in the role.

The screening process is critical for determining whether an applicant has the required knowledge, experience and skills for the role as well as the resources, drive and family support. To ensure that a consistent process is applied we recommend the use of online skills/knowledge testing, resume/interview scorecards and structured consistent first interview questions.

Those applicants that pass the screening process should have the skills, knowledge and resources required to be a franchisee. The next part of the selection process is to identify those that will be great franchisees, by ensuring they have the required "fit".

We measure fit by using the same JobFit assessment used to develop the high performance franchisee benchmark.

The candidates' assessment results are compared to the high performance franchisee benchmark, reflecting the critical success attributes of the role. These assessment results should not only measure the applicant's fit to the franchisee role, but also identify potential barriers to success. It is these barriers, in the form of hardwired traits and abilities, which will determine the potential success of a franchisee more than anything else. By using the assessment information and behavioural interview questions, you can evaluate whether the identified potential barriers are manageable or not. If these concerns appear unmanageable on paper, there is a very high probability that they will be unmanageable in real life.

JobFit assessments also provide franchisees with crucial information about their own ability to succeed in the role. This can help them make the final decision to come on board. New franchisees take a huge leap of faith, in themselves and in the franchisor, when handing over their initial fee. The ability of the franchisor to provide the applicant with an objective and unambiguous measure of success is very powerful in motivating them to become a franchisee.

ASSISTING NEW AND EXISTING FRANCHISEES TO BE MORE SUCCESSFUL

There are numerous cases where franchisees have possessed the required skills, knowledge, training and financial resources but failed to build a successful business. In most cases, this is because the individual is not a perfect fit for the role. Furthermore, areas of concern may not have been identified and thus adequately managed by the franchisee and the franchisor.

By having the capacity to measure existing and new franchisees against the critical success attributes of your proven top performers, franchisors can assist franchisees to better understand and recognise the potential barriers to their success and provide them with the training, coaching and/or mentoring to enable them to minimise the potential negative impact.

This ability to better understand the barriers to success will dramatically improve the effectiveness of your business development managers to improve overall sales, brand success and the acquisition of new franchisees.

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Peoplogica is a leading specialist consultant in attracting, understanding and retaining top performers by increasing management capability and employee engagement and performance.

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