

It's Time To Embrace Entrepreneurial Franchisees



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I write on franchising and how current events will impact the model. [FULL BIO](#) ▾

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Young Chefs Academy
CEO Julie Burleson Teaching Class

Very different brothers
pulling together.

Meet Charles
and David Koch



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Trade in Your Toy Soldiers

A stalwart component of most franchise systems is uniformity, and many franchisors wear it as a badge of honor, yet, pushed too far and the benefits of the model breakdown dramatically. While it is necessary to have common elements that customers and clients can count on across locations and geographies, increasingly the appeal of commerce is local. The notion that I can know the back story of a local business, have an understanding of how they contribute to the local community, and even develop a personal relationship with the owner is more realistic than ever. Social media provides us with real-time insights from customer intercepts that can drive us to a business or steer us clear. Yet, for those franchise systems that have developed armies of toy soldiers as franchisees, they may miss out on the power of franchising in the days ahead.

Cultivating a Culture of Innovation

The playing field in franchising is leveling and smaller brands that embrace the true entrepreneurial spirit of their franchisees will be able to realize exponential gains over larger, more established brands. This may not be borne out in total number of units but on success at the unit level. This requires cultivating a culture of innovation that permeates the network, starting with franchisee selection, yet I don't see much messaging that would be attractive to entrepreneurial types. "Wanted: Those that color outside the lines" is not the typical candidate slogan, rather "Turn-key System" is more the norm. Burger King tells customers to "have it your way" but can that be said for their franchisees or is it just the Burger King way?

Julie Burleson, founder and CEO of Young Chefs Academy was taught the traditional ways of uniformity when launching her franchise system. “I was told we must control everything and don’t let franchisees do what they want with the brand.” Thankfully, she decisively allowed entrepreneurs to “slip through the cracks” and it has shifted her thinking, trusting more than 30 franchisees’ input for new programs and, thus, new revenue streams. Even a relatively new franchisee in Ohio, Tresalyn Butler, pushed the envelope. “Tresalyn showed me that trusting franchisees to experiment with our model in their local communities can pay big dividends.” Her franchisee was compelled to let more than just kids enjoy the fun of cooking. To her “Young” meant a novice in the kitchen not just an age. She started offering classes to seniors, the disabled, and couples at her Young Chefs Academy franchise in Gahanna, Ohio, and her center utilization went through the roof. “I felt like the investment I’d made in people and facilities needed to be leveraged and I wanted to embrace more of my community in the concept. Julie trusts us, the franchisees, to suggest program implementations such as YoungChefs@Heart,” said Butler. “The results have been amazing as I am able to better reflect the rich diversity represented in my community through participation in my franchise.”



Young Chefs Academy

Young Chefs @ Heart Enjoying a Lesson

Incent the Behavior that Builds the Brand

The problem in many systems is franchisees like Tresalyn aren't winning awards at the annual convention, or if they are, it's for the wrong thing. While sales are a common and important monitor, it doesn't always incent the behavior that is best at building the brand. All too often the franchisees in the audience know the real story behind the trophy for fastest growth or highest sales and it's not compelling them to make changes in their business. What franchisor gives out an award for most growth without a single new customer, incenting deep and abiding relationships, high retention and margin growth? Or how about most creative brand extension, incenting new lines of business, ways to increase utilization of assets or meet changing customer needs? The recurring themes from students in my University of Maryland University College online course on franchising is "franchising is for people who aren't creative" or "I wouldn't buy a franchise because it's too restrictive". The reality is the franchisor has done the hard part to create a proven model, but the work is not done. The evolution of the concept will only occur when franchisees are allowed to truly put it to the test on the street.

Let Franchisees Lead the Way

The militaristic pyramid of management, referred to as “top down”, remains stubbornly entrenched in franchising and is holding back untold innovation and advancement of concepts and brands. The notion that the franchisor is the source of all change and innovation defeats the true purpose of the franchise model. Franchisees need to be embraced as the innovative catalysts that move the brand forward, a notion that may send chills down the proverbial franchisor spine.

However, it is critical to keep in mind they have eyes on the customer every day and have to solve a myriad of challenges, and yet, unless they operate in a franchise culture of inclusion and receptiveness they likely keep it to themselves, especially when the field support person is coming for a visit. Fear of retribution for compliance issues may well squelch exposure of key innovations that could enhance brand value across an entire franchise network. The notion of an Innovation Council of franchisees to solicit and vet ideas from their peers may be essential to the competitiveness of future franchise networks.

It's All About Leverage

Many franchise networks are not reaping the benefit of using the model effectively through leveraging the intellectual assets of the franchisees, in conjunction with the resource horsepower of the franchisor. And, increasingly, leveraging the customer voice in an impactful way to tell the brand story as opposed to just reacting to negative social media posts. As franchisor organizations grow they can easily capture value through strategic supply chain cultivation if they are deliberate in their approach and they engage franchisees in the process. If the focus is simply extracting value at the franchisor level, it can be difficult for franchisees to feel valued in the process, even if it reduces their cost.

Embracing Risk

Owning a business of any kind involves risk; a franchise should provide a reduction of traditional risk for the franchisee, but it should not be at the cost of muted creativity. The goal of the franchisor should not be to assess all elements of risk and mitigate them, but to provide each franchisee with the tools and resources to operate the concept effectively, leaving the success of the unit truly up to the franchisees efforts, especially in tackling the tough issues with creative, innovative and potentially game changing results. That level of accountability will foster the innovation needed for successful brands in the future of franchising.