

Dave Galvin, Senior business development manager at Card Connection says that good franchisors should provide training that covers every facet of running the business

SCHOOL OF THOUGHT

All franchisors will operate a training scheme of sorts. However, some are better than others and it is the quality of teaching and content that defines whether a training course is a good one or not.

When buying a business, many franchisees are seeking a lifestyle change and have often opted for a completely new career and industry. Therefore, any training should take this into account and, subsequent to the course, franchisees should have all the basic information required to successfully run the business they are buying, regardless of previous industry experience or sales and marketing expertise.

To achieve this, a good franchisor will need to provide training that includes every facet of running the franchise business - from broad market knowledge to detailed stock or merchandise management, in addition to a wealth of information on the product and promoting company itself

Overview

It is recommended that an appropriate training course should begin with an overview of the history of the market the franchise is operating in. It should include product positioning, typical customer profiles, competitor information, as well as the drivers that sustain supply and demand. This information ensures franchisees can understand the market forces and what has driven business success so far. After all, past performance is the only indicator of future success and this information can be used to develop the business further.

As well as the history of the market, franchisees need an understanding of the constantly changing business environment, both internally and externally; and this can be explained well in the form of a SWOT analysis. Franchisees need to be aware of the strengths, weaknesses, opportunities and threats of the business in order to capitalise upon them or minimise them. However, none of these can be seen as 'absolutes', so a SWOT analysis should be presented against the business' resources, culture and strategies available to understand the feasibility of each.

Naturally, one of the largest threats to a business is competitors, and franchisees need a good knowledge of the comparative position of competing organisations within the sector. Market position has a significant impact on strategy because it analyses the unique selling points of products and services compared with the competition.

Similarly, effective training should provide an understanding of the business' advantages and disadvantages relative to competitors and therefore help in generating insights into competitors' strategies - past, present and potential. The training should offer an informed platform for franchisees to begin developing future strategies to establish and sustain advantages over competitors and promote the business properly on a day-to-day basis.

With an understanding of the market and competitors, the focus of training should shift to the business itself and initially the product or service being sold. It is said 'the more you tell the more you sell', so in order to market and distribute a product or service effectively, franchisees also need to know how it is designed and produced and its many benefits.

However, the day-to-day operational running of the business is equally as important as its promotion and positioning. From merchandising stores to stocking stockrooms and completing paperwork, years of experience have let franchisors know the secret of the most efficient ways of working. This information must be relayed in detail to the new franchisee to ensure the business enterprise proves efficient and therefore profitable.

Territory and call cycle planning, for example, fall into the category of operational planning. Franchisees need to know how territories are divided and in which geography they are entitled to sell. An understanding of the concept of call cycle planning will also help them make the most of valuable time resources.

Financial

Once positioning, promotion and the operational aspects of the business have been covered, the last theoretical focus of training should be the financial element, which is the core of the business and needs to be analysed in detail. This includes cash flow, annual accounts, tax allocations, VAT and information on employing people.

Many franchisees are new to running a business and will have had little, if any, experience in this department. For some it can be one of the most challenging parts of running a business, so training should be particularly detailed in this critical area.

All the training theory outlined should be captured in an operating manual. This will prove an invaluable reference tool after the training course and when the franchisee gets down to the everyday practice of running the business.

However, a good training scheme should not stop at theory alone. Franchisees need to spend time in the field with experienced franchise team leaders to ensure theory is firmly related to practice. At Card Connection we advise that between 60-70 per cent of the training should occur in the field, as this is the only way that franchisees can gain first-hand, real-life experience. The franchisor can also identify and work on individual areas where more support is required.

Overall, an effective training scheme will need to ensure that franchisees have the ability to get up to speed quickly and go straight out and run their business from day one. Franchisees should know exactly what is expected of them, how it should be achieved and, most importantly, the best way to take advantage of the vital resources of time and money.

As well as the initial training scheme, success can be optimised by a franchisor by providing ongoing support. Area managers, or the equivalent, should be readily available and work closely with franchisees to develop their business and offer help and advice throughout the life of a franchise.

As training is so critical to the early success of any franchise, potential franchisees need to ensure they fully explore the quality and content of training schemes on offer from their chosen franchise by asking relevant questions. For example, find out how detailed the operating manual is, how many people are included in each training session, how much time is spent in the field and what ongoing training and support is on offer.

Franchisors will want franchisees to be earning from day one and this will be reflected in the investment in the training programme offered. However, by exploring the content of training courses through asking the right questions franchisees can ensure they also get an appropriate return from their own investment and are in a position to assess fully the impact training may have on their long-term success.

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