

Iain Martin, head of Kyros Business Services, discusses the advantages of pooling franchisee prospects

AVOID WASTAGE BY POOLING PROSPECTS

THE ability to recruit both the right quality and quantity of new franchisees is the biggest single factor in determining a franchisor's success. So how many franchisors are actually happy with their recruitment programme. In my experience, very few.

Most franchisors use a variety of approaches to generate leads as part of their franchisee recruitment strategy. These can include advertising in the franchise media, the national media, vertical market media, websites, franchise exhibitions, business-to-business exhibitions, armed forces resettlement presentations, and other avenues.

Franchisors are also likely to have a number of employees involved in the overall recruitment process. Both the marketing and personnel costs can result in a significant budget allocation, but unfortunately the results are often disappointing, sometimes even to the extent that the franchise fails.

Although there are brands that are consistently capable of attracting and recruiting franchisees, the industry overall struggles.

Whilst the potential for franchising is huge, outside the franchise community both the awareness and understanding of the business is low and the concept is often met with suspicion. It will take a great deal of time and financial investment to create a wider appreciation of the benefits of franchising.

Some argue that this responsibility and the associated costs should fall on the BFA and those franchisors who are likely to be the main beneficiaries of an increase in quality prospective prospects.

Given this scenario and the challenges involved, I would like to explore another approach that could be used to attract prospects to either a specific brand or to franchising in general. This is lead sharing, a subject that has been discussed on numerous occasions, especially within the BFA, but there has been little progress in adopting it as a strategy because the practical impediments have been perceived as being too great.

There is currently an inherent wastage of prospects in the system because some are unsuitable for the particular franchise to which they have made their enquiry.

A prospect, for example, may be unsuitable for geographical, financial or profile reasons, but that doesn't mean that it is unsuitable for another type of franchise. However, most franchisors are normally too busy to provide further help to candidates who they found unsuitable.

A prospect, who enquires about a specific franchise and turns out to be unsuitable for that particular system, is thus lost to franchising and as a prospect for another franchise where it may have proved an ideal fit.

Given the accepted need to create a greater awareness and understanding of franchising, maybe franchisors should take some responsibility in promoting franchising in general by passing on to other franchisors those enquirers who for whatever reason have proved to be unsuitable for their own system. It maybe, for example, that the only stumbling block had been the candidate's lack of finance.

Companies are now emerging that provide a free recruitment service to match prospective franchisees with franchisors. This approach dramatically reduces the chances of a candidate, who has been rejected by the initial franchisor, being lost to franchising and consequently increases the overall pool of prospects.

One of our principal clients is embarking on a project with us that is designed to offer their unsuccessful candidates to other relevant franchisors in the hope that the parties will make an ideal match. We believe that everyone will benefit from this initiative and I look forward to reporting in a future issue that it is meeting with some success and holds promise for franchising in general.

Franchise Focus May 2007