2010

Another Wright Paper™

Fundamentals For "New Normal" Team Building

Lessons on Motivating Your Team
To Jump On Board
During Challenging Times

ALL Wright Franchise Consulting, Inc.

Helping You Make Informed Decisions

Fundamentals For "New Normal" Team Building

Welcome to the "*new normal*." A time where things aren't the way they are supposed to be – and you can feel helpless at times, trying to make progressive changes for your franchise organization. A time where every individual employee, franchisee, and franchisor organization has four unshakable issues that they have to deal with: one, technology is changing just about everything in our world today. (It may be subtle for some companies, but it's there.) Two, globalization is changing the economy. Certain jobs have left the U.S. – *and will not return*. Third, every employee feels they are "on their own" and therefore trying to make their own rules; and fourth, no one, including executives and CEO's, has time to deal with life. It's just not easy anymore.

But it's the employee segment of the "new normal" that we want to tackle today. You're likely dealing with a whole lot of, "*What's in it for me?*" from your employees. It's a simple question. But sometimes it's very hard to answer – whether posed in the form of a direct question, or inferred -- through their lack of inertia behind your latest initiative.

In the "new normal," navigating the company culture waters is difficult for many franchisor employees. "Fear of losing one's job in a tough economy" is the number one concern – but among the younger, "under-40" set, "fear of not getting along or fitting in" can be even a greater driver of behavior. As a result of both of these fears, "*consensus management*" has emerged to drive most franchisor organizations -- meaning everyone has to "buy in" to a new idea before it can truly move forward.

Is this good? Should you allow this to occur? This style of management is cumbersome and slow, as WAY too many people have to be part of any major decision process – so it can bog down -- or even kill -- an organization over time. So it's certainly not something you want to embrace for the long-term. But believe it or not, there are times when you really want to consider this style of management. But when – and how?

This is just one of many discussions you need to have internally if you want to succeed in the next decade – because under the "new normal," you must understand that *you have to look at new ways to build and motivate your teams* – be they employees or franchisees. The rules, quite simply, are changing.

But these are just thought-starters. Let's get to the meat and potatoes:

Here are what we consider to be "*the foundations for 'new normal' teambuilding*."

1. **Know what makes your company tick** – **AND HOLD ONTO IT, AND BUILD UPON IT DEARLY**. If you are not sure "what makes you tick," *then hire us to help define this for you*. And yes, we mean you *must define* the basic tenets of your organization – your brand and company vision, your mission, your essence, your positioning in the market, what makes your business model successful – what works, what doesn't work, your "pulse points" -- the things that keep your company alive and thriving every day. Too often, companies don't take these foundational elements seriously – and, as a result, they violate the very things that built their company to begin with. (See example in foundational element #2).

   AT MINIMUM, have a vision and mission statement, so that all employees are working against the same playbook. And make these statements meaningful. Your vision should open employee and owners' minds to *enormous future potential*, or it really isn't a "vision." (Bill Gates' mission when he started *Microsoft* was to provide software that would enable a "PC on every desk in America." One would certainly say he accomplished it. But when he wrote it, it seemed outrageous.) You have to really think about these tenets – and get them right.

   Furthermore, if your mission statement is to "sell 10 million units" – you need to start over on this tenet. That's a financial objective, not a mission statement. Your mission should be the "marching instructions" for meeting your long-term vision. For example, if *Disney*'s vision is to "Make Dreams Come True" -- their mission statement might be "to become a world renowned source of creativity and technology application" – as they realize *this is the magic formula* needed to "make dreams come true" – and it can become the mantra that all employees follow in generating ideas.

2. **Hire only good people and organize to put "wind in their sails."** In other words**, ELIMINATE "SILO-ONLY" INCENTIVES** – once and for all. Having an Operations Department and a Sales Department and an Accounting department, etc., work only toward self-serving departmental goals sets up territorialism, internal strife, and "we-them," fiefdom-like thinking. *So, end it. Right now*. Look for formal ways to encourage cross-departmental or divisional training and regular communications – and ensure that team goals reflect company needs, not department-only needs. Or pay the price. Those large meetings might be exactly what your company needs right now.

   Under the "new normal," your people are a bit more selfish and self-serving and unless you set up cross-functional goals, you WILL have problems. They have a lot of pressures in their lives and they WILL choose the easier route – and "silo thinking" will prevail unless controlled.

   The best example of recent silo thinking "gone awry" that we can think of is this one:

   Company A has been known to be a leader in the franchise industry for over 40 years. One of the primary reasons for their success is that "the numbers work." A good owner can buy a business for a reasonable level ($130-150K), ramp up, begin pulling money from their business in 12-18 months – and by the 3rd year of operations, be optimizing their unit performance and profitability.

   However, under the "new normal," their Operations department is feeling the pressure of new internet-driven marketing and a tougher economy, and, rather than look for new marketing and operations solutions for their new owners, has decided to "lower the standards" for new owner launch parameters – so that *they* (the operations department) feel no heat when higher historical goals aren't met.

   Under this new approach, as the Operations department was meeting their new self-established departmental goals, no one higher up the ladder really questioned their actions. Yet -- after only two years of this "silo thinking," the performance standards for new owners have been lowered to the extent that their validation is considered "too weak" by potential prospects to want to buy. New unit sales have dropped significantly – because it now takes 3-4 years before the owner can begin to take any significant money out of the business. Given this performance, not too many buyers want to buy this model anymore – because they can't afford to go 3 years without cash for living expenses.

   Another example of this kind of thinking is when a retail franchise's operations unit rejected a new merchandising program "because it required too much re-stocking." (Meaning, it sold too much product!)

   In both instances, the "silo thinking" resulted in the company forgetting *what it was about their business model that had made them successful to begin with*! And, in both instances, these errors were made by major institutions in the industry – not small, fly-by-night companies. In other words, it, too, can happen to you!

   There is a time and place for each silo to have a strong voice. When a company is first getting started it is critical for its players to establish processes and ways in which to do their work so that employees aren't constantly reinventing the wheel – and money is tight -- so Operations and Finance departments usually "rule the roost." When a company hits its high growth stage – its Sales unit takes control – and when the model matures and fewer sales are to be made – a more balanced, cross-departmental approach to business is critical.

   The best rule of thumb is to be cautious that no one department (including Legal staff) become too powerful, regardless of company stage-of-growth. It's dangerous to company health, pure and simple – and it shoots good teambuilding potential in the foot before it can even develop.

Ensure all performance goals are cross-divisional; this stimulates, or forces, regular conversation among your leaders and their employees. Remember the early reference in this paper to meetings with 10-20 people? Not terribly efficient – but often necessary – until people understand how the company works "outside of their silo."

3. ***Change how you communicate with employees.*** **OR, CHANCES ARE, THEY ARE NOT "HEARING YOU."**

   First, a few facts about your workforce (or potential buyers) that will help you understand why having a "new" communications perspective is necessary:

   One, most employees under 40 have grown up in a wholly "visual" world of television, video, computers, video games, etc. Studies have demonstrated that these generations simply respond better to visual communications than just words…particularly when those communications are "new" to them. Being able to "see the idea in action" helps them grasp what is being said. So, finding a way to "sell your idea visually" is going to go a long way – not just in your communications with employees, but in the sales process.

   Two, acknowledge that you are likely dealing with the "ask, don't tell" generations – and need to adapt accordingly. These employees would *like to be* automatically loyal to their company but have witnessed many workforce atrocities, including seeing their parents lose their jobs after years of such loyalty – and as a result, they are pretty jaded, regardless of their age. This doesn't mean you have to literally "ask" them to do anything in their job description – but it does mean they are far more likely to require motivation to do anything out of the ordinary.

   Three, the "specialist" nature of the last two decades of our work world is rebounding. Employees (and, yes, even franchisees) today want to be part of the "bigger picture" and not held down to menial or focused tasks. 9 out of 10 employees we surveyed indicate they are bored and frustrated with doing the same thing, every day – and want exposure to bigger, better things. Unfortunately, they are also often impatient and not willing to "pay their dues" to get that higher level of exposure. But knowing this *desire on their part* can help you structure how you speak with them.

Managing a franchise can be like learning a new sport – if you forget the fundamentals, you may as well forget playing the sport. Never be afraid to go back and check these basics – and make sure your organization is adhering to what's most important for the times. It's too easy to get caught up in a process, a way of working, which may have been right for different times than the ones you're currently living in.

If any of this sounds like something your company might need, call Chris or Nancy Wright at *AllWright Franchise Consulting* – 623.975.9703 – and we'll help get you back on track.

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How Do You Appear To Your Customers?

Lessons on Ensuring Your Brand
Is Being Perceived Exactly
As You Would Want It To Be

Helping You Make Informed Decisions

How Do You Appear To Your Customers?

Have you ever done a customer audit? It's an interesting exercise. You speak to your franchisee customers. You speak to your prospects. You speak to your franchisees. And when you speak with them you find out how *every point of brand contact* in your organization potentially affects them – or their opinion of your company.

When most companies conduct such an audit, it opens their eyes to a great deal of issues. Here are just a few of the types of issues such an audit commonly uncovers:

1. That your sales representatives are not just employees, but *ambassadors for your brand*. If they come across to potential buyers as bored, or unenthusiastic, or if they demonstrate poor listening skills, you likely lose the sale. If they excite the prospect with their passion and professionalism, it's not uncommon for prospects to become buyers – and STILL playback that positive enthusiasm they heard from that encounter YEARS LATER. A good ambassador builds goodwill – that lasts for a long time.

2. That your sales representatives are more concerned with *the process of selling* – than the requirements of selling. We hear from potential prospects every day that they asked a sales rep a question – and are told they can't have the answer to that question until Meeting/Module 4 -- or some such thing. In the most outrageous examples, the prospect repeated that they really wanted the answer *now*, regardless of when the sales representative wanted to provide the answer – and were told again they would simply have to wait. Needless to say, the prospect found other opportunities where the sales representatives were willing to be a little more flexible.

   If you don't already know it, you should know that the franchise industry today is a "buyer's market" – and this kind of overly strict adherence to process in this environment is downright ridiculous, if not laughable. If the franchisor says they are using such systems to test a prospect's "ability to follow process" *then they are losing their best potential candidates*. This is a ridiculous exercise – and doesn't test anything but a good prospect's patience. Good prospects don't want to be overly processed – like sheep—this is something that only C-D candidates are willing to do. Your better prospects are quick on their feet, and "smarter than the average bear," and an alert sales representative has to learn to be quick on his or her feet – *with them*. Or lose the sale. It's just that simple.

   Some of the new technologies on the market that are designed to support the sales process *can contribute to these faults* – if not adapted properly by an organization or sales representative. We're all for using technology to save time and organize thinking better – but not to replace thinking. Ensure your sales force is learning skills that are going to allow them to bring the very best candidate to your organization.

3. That whoever answers your main phone number *is also an ambassador for your brand*. How many of you have called your own company lately – only to be caught up in an electronic message that is time consuming and not user-friendly? Again, technology is notoriously cold and insensitive – and unless used properly can cause you more problems in good will or customer perceptions – than you save in using it.

   Or, how about the young employee who answers -- whose voice gives the impression that he or she has little interest in assisting you – just getting you off the line, so they can answer the next call? In retrospect, when we call a company and get a voice that is cheerful and professional and helpful – our first thought is "what a class outfit!" Which perception would you rather your potential customers or lenders – or existing owners – have?

4. Someone who uses your service from a franchisee – often does not understand that you don't own a particular location or office – and calls you to complain. They are bounced around from department to department – because your company doesn't have a policy in place to address these kinds of issues -- -- and the caller gets so fed up they hang up – and call their local TV network affiliate Ombudsmen

program instead. The next thing you know, your brand is a "featured complaint" on a nightly news program.

And don't think the phone number is the only means of reaching you with this kind of issue – many might choose to go to your website – or a "complaint" website. And if they don't feel they can get results from this point of contact, they can escalate their issue up to more visible media, who are, unfortunately hungry these days for ugly, unproven stories.

Again, a company in today's multi-media world has to think through every possible point of contact – and ensure they have policies in place to address potential concerns. And collect the good feedback as well! Always ensure a customer or client "has been heard" by following up and/or sending them some form of acknowledgement.

5. That your senior management are "unreachable" to owners. Understand that a franchisee that calls you may not agree with you that returning their call in 5 days is "okay." They are calling you because they are likely either 1) upset or 2) afraid – and it's best not to let either mood "brew" for several more days. Again, we live in a Twitter world – and one upset owner can cause more problems than you want to think about. Timely communications are critical to protecting your brand.

There are many, many more issues that these kinds of audits uncover – and you'd be surprised how vulnerable your brand might be – if you have taken simple steps to ensure your communications are sound, and consistent.

If any of this sounds like something your company might need, call Chris or Nancy Wright at *AllWright Franchise Consulting* – 623.975.9703 – and we'll help get you back on track.