

Networking and Knowledge at the West Coast Franchise Expo

By Joel Goldstein



Whether a company is a seasoned franchise system or a new concept that's ready to expand, the West Coast Franchise Expo has educational opportunities available that will answer questions and provide insights for the company's future. During Nov. 3-5, MFV Expositions has arranged for some of the brightest minds in franchising to gather in Los Angeles and share expertise that will help franchises run more efficiently, be more effective and maximize market impact. The event is sponsored by the International Franchise Association.

"The A to Zs of Buying a Franchise" and "Franchising Your Business" are two popular symposia that will be returning this year, and two new symposia have been added, including "Operations Manual: The Foundation to Consistent Execution" and "The Use of Technology in Franchising."



Marla Rosner

Manually Speaking

When it comes to ensuring the proper implementation of a franchise system, the operations manual is a vital tool. Senior training consultant Marla Rosner of Michael H. Seid & Associates, a domestic and international franchise advisory firm, has been invited to share her expertise with attendees at the WCFE in a symposium about operation manuals.

"Operations manuals are the primary means of

communicating the system concept, including day-to-day operations and so on," explained Rosner. "This documentation is at the core of a franchise. It ensures consistency by effectively communicating the nuances of the business. That ties into developing the brand."

A franchise system is built upon a set of proven and tested standards and procedures that make the concept successful, and the operations manual serves as the franchisee's strongest reference and the franchise system's best assurance that all of its locations will operate consistently.

"In the absence of an operations manual, franchisees will be calling constantly with questions, and may not have a clear vision of what they're supposed to do," added Rosner.

Many new franchise companies can begin drafting an operations manual with the best intentions, but produce a manual that is long and difficult to read.

"I find the tendency of new franchisors is that they can overdo it," said Rosner. "The manual needs to be user-friendly with narrative verbiage. A new franchisor may not recognize that. [This symposium will] help franchisors understand what's relevant, and lay out tips that make it more user friendly."

Rosner described another common pitfall she's experienced with new franchise systems in developing their operations manual.

"Since the operations manual's goal is to help franchisors ensure compliance, [franchisors] think that it should sound like a legal document," Rosner said. "That type of information goes into the UFOC

and franchise agreement. Anything that needs to be drawn from those documents and reiterated in the operations manual needs to be in plain speech.”

Rosner urged all franchise companies to revisit their operations manuals. For new franchise systems, Rosner recommended that they review the operations manual every six months for the first couple of years. For veteran franchises, she advised an annual review.

While reviewing the operations manual, a franchisor can identify the areas that need improvement.

“It will help identify gaps in their documentation and recognize where they need to expand or elaborate,” said Rosner.

During the symposia, Rosner also will discuss the various types of manuals, the topics that should be covered in them and how to format and language the materials for easy reading. All the up-front legwork prevents legal issues with the manual down the road and it best captures business processes.

“Operations Manuals: The Foundation to Consistent Communication” is available on Nov. 3 from 2 p.m. to 3 p.m. during the WCFE. Included with the registration of this symposium is a three-day exhibit hall pass, as well as an invitation to network at an exclusive cocktail reception hosted by Michael H. Seid & Associates. Seating for the symposia is reserved, so advance registration is advised. Advance registrants will also receive a \$50 discount on the \$250 admission.

Technically Speaking

Taking full advantage of the latest technologies can give franchise systems a big competitive advantage. In the second new symposia, “The Use of Technology in Franchising,” Lee Plave and Theresa Huszka will discuss new technologies and how these developments can improve your system.

A partner at DLA Piper, Plave works in the Franchise Distribution Practice Group and is chairman of the firm’s Domain Practice Group. Plave has extensive experience counseling clients on franchise law and the application of technology to franchise and distribution systems. Huszka is executive vice presi-

dent of development for Cianci European Eatery and a Certified Franchise Executive who often speaks at International Franchise Association events.

Together, Plave and Huszka will give insight into leveraging technology to the benefit of franchisors and franchisees. Plave explained that a franchisor’s best tool may be the Internet.



Lee Plave



Theresa Huszka

“Technology has different applications for different companies, and there are many different ways to adopt technology to fit a system,” Plave said. “There is one application available to virtually every franchise system: using the Internet to attract prospective franchisees and provide basic information to them. While not all franchisors do this yet, many who do so have reported great success, although others are still trying to find the most effective way to manage the process and convert leads into signed agreements.”

As e-mail becomes a greater part of everyday communication, the symposium covers techniques and tips for maximizing the impact of e-mail messages and avoiding legal issues.

“E-mail is one of the most common ways that businesses communicate with their customers,” said Plave. “Having a professional, standard and proper approach to communication is just as important in the virtual world as it is in the offline world, and e-mail is a large part of that. So, having consistent e-mail addresses and a policy for compliance with the federal CAN-SPAM Act is important. Here, like in the area of a data policy, the issue is more about protecting the brand name than it is about protecting the franchisor or any one franchisee.”

Plave and Huszka will also tackle issues associated with e-commerce in “The Use of Technology.”

“In a world where consumers can choose from among any number of different offerings, it’s imperative that a

system be able to reach its customers where they are and provide them with what they want,” said Plave. “To an ever-increasing degree, that means being online, on a mobile device or otherwise. While e-commerce is not for every system and for every player, it seems to me that the key for franchisors is to manage the quality of customers’ online experiences and to make those interactions as consistent as practically possible with the bricks-and-mortar businesses.”

With the swift and frequent electronic transfer of data, misuse of technology is also a hot topic in business. Plave explained that franchisors should be proactive in implementing policies that address this risk.

“Every player in a franchise system may suffer if a story appears in the media that one of them lost or misused consumer data. The franchisor and every franchisee in the system will likely suffer competitively if that kind of negative publicity takes place,” said Plave. “Not many individual franchisees have the resources to figure out the various issues and laws on their own. Rather, franchisors need to take a hard-nosed look at how data is actually gathered and used in company-owned and franchised outlets and develop a best-practices, system-wide policy for managing and safeguarding that data.”

On Nov. 3 from 9:00 a.m. to noon, Plave and Huszka will elaborate on these topics and provide an in-depth discussion on ways technology can be applied for system-wide structuring, protecting the franchise brand and building the business. Advance registration is advised due to reserved seating. Admission to this symposium is \$200 for advance registration and \$250 on site and includes a three-day exhibit hall pass.

New Free Seminars

The WCFE has become heavily-attended for its free seminars, so two new topics have been added to the agenda.

Is multi-unit franchise expansion right for your concept? Franchise companies can explore this strategy for growing the brand by attending “Beyond Single-Unit Franchising: Expanding Franchise Systems Through Multiple-Unit and Third-Party Arrangements” led by Gaylen

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Knack and Max Schott, partners in Gray Plant Moody.

“There is no cookie-cutter approach to selection of an expansion model,” said Knack. “The right expansion model for a franchisor will depend on many factors, including the resources available to the franchisor and the goods or services that the franchise system will offer.”

This seminar will focus on some of the most popular expansion models and describe the basic components and pros and cons of each strategy.



Gaylen Knack



Max Schott

“Changing an expansion model once a system has matured may present headaches you otherwise might avoid,” said Knack. “As witnessed in several fast-food franchise companies, there can be frequent changes in the expansion

model and even a return to a previously rejected model. Selection of the right expansion model maximizes profit potential and minimizes system indigestion, such as franchisee unrest and lawsuits.”

The seminar from Knack and Schott will be from 1 p.m. to 2 p.m. on Nov. 4. There is no cost to attend.

“Selling Franchises Without Getting Into Trouble” will be led by Joseph Sheyka, partner with DLA Piper. With more than 30 years of experience in franchise and distribution law, Sheyka will shed light on the complications of federal and state franchise laws.

“Franchise laws change frequently,” said Sheyka. “So, even if you’re up to speed, franchisors should attend educational programs to stay current.”

This seminar will discuss how to maximize the franchise sales strategy while staying within the confines of the law.

“[A common mistake], is the giving of earnings claims,” offered Sheyka. “This includes giving information on certain business expenses, such as any line item on a profit-loss statement.”

Sheyka warned that franchise sales professionals should be careful while on the phone with prospects.

“During phone calls, it’s important to not say anything that is not consistent with the UFOC,” advised Sheyka.

Sheyka will touch on topics of staff training, recordkeeping, sales materials, earnings claims, Internet sales, transfer and renewal laws, and handling compliance issues. His seminar, offered at no cost, will also be from 1 p.m. to 2 p.m. on Nov. 4.

For more information about the WCFE, or to register for the symposia and the free seminars, visit www.wcfexpo.com. ■

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