



Guide to:
Helping franchisees recover from
COVID-19 lockdown.

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We can help

As experienced franchise development specialists, manual writers and trainers we can help your franchise recover from the coronavirus (COVID 19) lockdown and crisis and help you and your franchisees succeed in the future.

Our advice, franchise manuals and training programmes account for the changing economy after coronavirus and positively provide for the 'new normal', so drive much needed recovery and better performance in your franchise.

Get in touch for our help.

We offer a free initial consultation in which we'll examine your situation and give you good advice with no cost and no strings. We'd rather start a rewarding relationship with you instead of boring you by just trying to sell our services!

And, when you're ready, we can offer robust no-nonsense advice and create franchise manuals, documents and training for you in simple and affordable ways.

Get in touch anytime at www.manualwriters.co.uk

How to help franchisees climb out of lockdown

(This is a detailed article but worth sticking with because it contains a lot of free objective advice to help your franchise bounce-back.)

Introduction

In this article, discover 30 ways to help franchisees recover from the impact of covid-19 (coronavirus) and to reopen successfully after lockdown.

Everyone wants to see franchisees recover from this crisis. Measured in 2018, the franchise industry contributed over 710,000 jobs and £17 billion to the UK economy. Franchising is important, stronger than most in the face of adversity **and will certainly survive.**

But, as a franchisor, you will be judged by what you do now to help your franchisees back to work and eventual prosperity.

You must implement a coherent and integrated reopening strategy for your network, without delay. Kneejerk responses and piecemeal support simply won't cut it. More than ever before, franchisees are looking to you for clear leadership and a positive plan they can follow to survive.

Here are 30 ways to help franchisees recover from the impact of coronavirus:



1. Set up a coronavirus response team (if you haven't already).

Set up a dedicated taskforce to develop and manage your COVID-19 response strategies and reopening plans.

Your team should include both decision-makers and highly organised operational staff that are able to systematise and disseminate your strategies and then coordinate their implementation with franchisees. It may also be beneficial to include a panel of franchisees in the taskforce.

Responsibilities of a COVID-19 taskforce should include:

- Development of COVID-19 response strategies and post-lockdown reopening plans.
- Implementation of those strategies and plans.
- Development, procurement and management of resources needed (e.g. new equipment, signage, PPE, advertising, promotional items, training, etc.)
- Systematisation of all new procedures.
- Creation and maintenance of a central COVID-19 knowledge base (more on this later).
- Point of contact for franchisees (directly or through support managers) for all issues concerning crisis-response and reopening.
- Contingency planning (e.g. to prepare for the possibility of a second spike/lockdown, loss of key suppliers, loss of key sales channels or customers, etc.).
- To facilitate all other items discussed in this article.

We can help you set up such a taskforce, develop COVID-19 response and reopening plans and systematise new procedures step-by-step.

2. Face facts and be honest.

Franchisors naturally want to help all franchisees to recover. Apart from an obligation to support franchisees and being emotionally invested in their success, franchisors also depend on a healthy network for their own income.

But now is the time to be honest with yourself and your franchisees because, sadly, some of their businesses may not survive – whatever you do.

- Carefully assess the trading history, circumstances and reserves of all franchisees and any government/banking assistance they've taken or that is still open to them. Do the same in consideration of your own position, resources and finances.
- If some of your franchisees' businesses aren't likely to survive, it may then be fairer (and kinder) to help them exit in the least painful way instead of leading them into more debt by attempting recovery. You may even introduce other franchisees who still have the resources to buy them out and minimise their losses.

This suggestion may seem harsh but prolonging the suffering of franchisees in the worst positions and spreading your own resources too thin helps nobody. Restructuring of your network may be an unhappy necessity.

For all other franchisees, be honest about what their business and the network is going to face in the coming months, what funding each will require, how you intend to support them (as a whole and on an individual basis) and some of the challenges you are tackling in the centre.

Franchisees are more likely to work with you in solidarity if they have a clear and honest picture.



3. Listen to franchisees.

You may have assessed and quantified the status and resources of your franchisees (as above) but it's also important to understand what EACH of them wants before you force a recovery plan on them.

Your plans are more likely to succeed if they consider the needs and desires of your franchisees and account for any resistance to some of your strategies.

You need feedback in FIVE key areas:

1. How willing is each individual franchisee to put the work and the additional finance into recovery? (Your plans won't benefit those who've given up – even if they have a fair chance of survival – unless you can get them back 'on board').
2. What is the consensus amongst franchisees on who (franchisee or franchisor) should pay for and implement different elements of recovery strategies and reopening plans?
3. What are franchisees most worried about or feel they need most help with, when they reopen?
4. What do franchisees feel would make their jobs easier and their businesses more productive? How do they think you could improve procedures, supplies, resources, training and tools etc.?
5. What is the mental and physical state of your franchisees? Are there any barriers or welfare needs in the way of getting their teams back to work? Can you help?

Some franchisees will have 'buried their heads in sand' during the crisis, so it's important to reengage with them by getting this feedback and involving them (to some extent) in developing COVID-19 response strategies and reopening plans.



4. Create and implement a coherent re-opening plan for all franchisees.

With an active taskforce, review of the status of each franchisee in your network and franchisee feedback in place (see above), you should be ready to create a re-opening plan.

Your plan must be **clear** (understandable and systematised in ways franchisees can follow step by step), **properly resourced** (with new supplies, PPE, signage, promotions, products or services and sales channels etc.) and **backed up by a dedicated team** of franchisee support staff that have been **fully trained** in new procedures.

It's not good enough just to provide franchisees with government advice, some PPE and a roll of tape to mark out social-distancing in their premises – **your plan must be comprehensive and include:**

- **Steps to rollout each phase of reopening in line with government advice.** I.e. how you will reopen and trade after the first relaxation of lockdown in your sector AND how you plan to support franchisees in every subsequent lifting of restrictions until 'normal' trading resumes.
- **Fully systematised and resourced trading procedures to maintain COVID-19 safety** and social distancing whilst building sales through existing and new channels.
- **Provision of a knowledge-base and support** to help franchisees access any advice or support offered by government, banks, HMRC etc.
- **Access to qualified support.** I.e. from your usual support team AND your COVID-19 taskforce AND third-party professionals supporting COVID-19 safety, health & safety, employment law, finance, revised insurance etc.
- **Plans to get better deals from suppliers and landlords etc.** and to preserve the availability of supply.
- **Plans to help franchisees get staff back from furlough and to recruit new employees.**
- **Training programmes** to support new COVID-19 safety procedures, to refresh skills lost during lockdown and to increase skills, efficiency and productivity.
- **Plans for new products and services, sales channels, operating procedures and support to mitigate further losses** and to protect against the contingency of a second lockdown or future reoccurrence.
- **Marketing and promotion plans and resources** to bring customers back, introduce the new ways you're trading, sustain the loyalty of existing customers, approach new markets and promote new sales channels.
- **Plans to improve operating procedures, productivity, efficiencies and profitability.**
- **Details in writing of any changes (permanent or temporary) affecting contracts** - including franchise agreements, fees and payments, terms & conditions of trade, service level agreements, arrangements with suppliers, the definition of force majeure, etc.
- **Initiatives to support franchisee and franchisee-staff welfare and wellbeing.**

Some of these considerations are expanded further throughout this article. We can help you with everything on this list.



5. Provide & *systematise* COVID-19 safer-trading procedures.

Safer-trading procedures should not be your only response to COVID-19. Your franchisees need support in a whole range of other areas to bounce back.

But, of course, you do need to get safer-trading procedures right to help protect franchisees, their teams and the general public from the virus.

You must ensure:

- Your safer-trading procedures follow the latest government advice.
- All elements and types of franchisee operation are carefully risk-assessed to identify areas of contact, transmission and hygiene (etc.) that may present a COVID-19 risk.
- **Your safer-trading procedures are fully systematised** (written down step-by-step in new franchisee operations manuals, policies and procedures).
- Safer-trading procedures are effectively communicated to franchisees and are properly implemented by them.
- Safer-trading is fully resourced (e.g. with PPE, signage, supplies, layouts, equipment etc.)
- Franchisees and their staff are adequately trained to follow new procedures.
- Safer-trading is further supported by other policies – such as facilitating homeworking; support and integration of contact-tracing software and procedures; staggered shifts to allow distancing on public transport; non-contact service or delivery; customer face-mask or health-testing policies; new deep-cleaning schedules or suppliers; etc.

You should also let customers know what franchisees are doing to keep them safer - i.e. don't assume that customers will feel safe enough to return just because you've reopened your doors.



6. Maintain an excellent customer experience whilst trading safely.

Your priority must be safety – but that doesn't mean safer-trading procedures (above) need to be implemented in draconian ways that spoil customer service and the character of your business.

Customers aren't stupid. They know there's a crisis on and are all too aware of social distancing rules. You don't need to make safety signs ten feet high and turn franchisees and their staff into a tyrannical police force.

A good customer experience, sensibly adapted and managed to fit government safety rules whilst maintaining friendly customer service, will win back more customers to your franchised outlets.

Consider:

- **Keeping safety signage and markings clear and informative – but positive** and engaging, in line with your corporate image and not unnecessarily oppressive or patronising.
 - E.g. instead of making premises look like a crime scene with yellow tape everywhere, design floor markers that use your brand and corporate colours with clear friendly messages, such as 'This far apart, thanks'.
- **Training franchisees and their staff to keep customers safe in a sensible and friendly way.** It really isn't necessary to bark at customers just because they have a foot inches over a line. And if a customer is blatantly flouting the rules, they should still be approached calmly and politely with a smile. A helpful approach wins more customers than a militant one!
- **Adapting and reinforcing your customer-service culture.** Safety and good customer-service are not mutually exclusive and, more than ever, you need franchisees to stand out because they offer great service. Adapt new (safe) ways for staff to help customers from two metres away and reinforce a service culture that continues to positively engage with customers. Do not allow a culture of customer-avoidance to develop in your franchise network with COVID-19 as an excuse – there are still safe ways to connect with customers.
- **Trying to make the customer experience seem as 'normal' as possible.** Your business may need to operate in new ways for quite some time. Organise procedures, signage, marketing materials and layouts (etc.) so that customers feel they're still receiving the same quality and brand security they always did from franchisees. Even if new measures are temporary, a makeshift approach won't inspire confidence and may weaken your image.
 - E.g. A coffee shop that isolates indoor areas with neon tape will look scruffy (and endangered) against a competitor that uses cheerful branded signage and messages like: *'We all miss you too! We'll open this area again just as soon as we can. In the meantime, please enjoy our delicious takeaway range.'*

It is possible to keep everyone safe at the same time as offering a good customer-experience that helps customers feel more comfortable with the 'new normal'.



7. Create a knowledgebase of advice and support available to franchisees.

Advice and support that's relevant to franchisees can be confusing and is likely to remain in flux for many months.

Your franchisees may be entitled to some government or bank support but unsure how to access it. They may also be unsure what advice is current, qualified or mandatory amongst the many announcements in the media.

You can help franchisees by:

- **Creating a knowledgebase** (e.g. on your franchising intranet) that pools and deciphers all CURRENT and QUALIFIED government and banking advice, support initiatives, financial schemes etc. that franchisees qualify for – in ways that are easy to access and understand.
- **Working out the application criteria**, future obligations and processes involved for franchisees to access support **and helping them to apply**.
- **Passing on the latest (qualified) advice** and details of any new support initiatives or funding that become available.
- **Keeping the knowledgebase up to date** – removing defunct entries to prevent confusion.
- **Providing a channel for franchisees to report any additional advice or support they've found**, which may benefit others.

It's important to do this 'legwork' for franchisees because:

1. You don't want your network to miss out on any available support.
2. It's thus in your interest to make it easy for franchisees to access that support.
3. You need franchisees to concentrate on recovery (instead of wasting time duplicating efforts to research advice and support).

At the time of writing, some information can be found here: www.gov.uk/coronavirus/business-support and www.gov.uk/coronavirus.



8. Check and revise cover by insurers.

By now, it's likely that you and most of your franchisees have approached insurers to see if current policies cover the impact of the virus, business interruption and spoiled stock/equipment during lockdown (although, unfortunately, most don't). **Double-check to ensure no one is missing out if there is any hope of pay-outs.**

Most business interruption insurance relies on damage to premises and so excludes pandemics. Some may have bought policies with cover for 'notifiable' diseases that do not rely on damage (but even these may rely on proving the presence of the disease in or around the premises), others may have specific cover for denial of access, closure by a competent authority or supply chain failure, which might help. Nevertheless, it does seem that many insurers may not respond to claims based on COVID-19, despite government assurances.

Check with your broker or insurer.

You should also shop around for new policies that offer protection should another pandemic arise in the future. But this may also be difficult, as it's likely that most insurers will specifically exclude COVID-19, newly emergent diseases and pandemics in new policies, renewals and adjustments.

9. Help renegotiate with landlords.

Many commercial landlords are already suffering arrears and tenants that have gone out of business. Demand for commercial premises may be weak for some time now, so landlords are more likely to consider better terms for tenants with a hope of surviving the crisis (including well supported franchisees under established brands) rather than allow premises to become vacant.

Franchisors should assist premises-based franchisees to approach landlords for a better deal (reduced rents, reduced commissions due on concessions, better renewal terms, adjusted lease terms, premises improvements, better locations etc.) and temporary arrangements (such as deferred payments, payment holidays, reduced service fees etc.) to help those franchisees back onto their feet.

Franchisors should also try to assist franchisees in dispute with their landlords (part from arrears, other disagreements may have arisen).

Franchisees may have defaulted on specific lease terms (e.g. minimum opening hours, upkeep, cleaning, access etc.) and landlords may have defaulted by withdrawing services (e.g. common services, cleaning, reparations, access, utilities etc.) because of lockdown – without either side accepting COVID-19 as an excuse (or 'force majeure' event).

Typically, these arguments are more about seeking leverage for ulterior purposes – such as one side wanting to terminate without consequences, a tenant trying to justify arrears/ pay less, or a landlord trying to dodge their own responsibilities/ cut costs.

Try to get to the bottom of the real cause of conflict and smooth the waters (if that's in franchisees' interest), but also try to maintain good relationships with larger landlords for the benefit of future franchisees.



10. Review approved suppliers, deals and terms.

It's likely that you will need to make some changes in your supply chain due to the virus.

There are several things to consider:

1. **The status of approved suppliers.** Some of your suppliers may have gone out of business and others may be operating with significantly depleted resources. It's important to get a clear picture of the strength, liquidity and reserves of your suppliers – so you can plan for alternative supply if any are threatened.
2. **The availability of supply.** Investigate the current pricing, availability, order limits, lead times, delays and specification changes of key items you purchase. You may need to find alternatives or adjust the ways franchisees order and use items if any have changed. Should availability be limited, ensure you are first-in-line for new stock.
3. **New deals with suppliers.** Better deals are likely to be had from many suppliers now on price, terms and service. Approach all your suppliers and pass on any savings, improved credit and enhanced services (etc.) to franchisees.
4. **Review contracts and SLAs.** You may need to renegotiate contracts and service level agreements (SLAs) with suppliers to suit new ways of working and changes in demand following lockdown. Also, check contracts for clauses that allow you/franchisees to cancel orders or seek alternative supply (etc.) if needs be.
5. **Sourcing items franchisees can't find.** You may be happy for franchisees to buy some items locally because there's no price or quality advantage using national suppliers. But franchisees might find it difficult to get some of those items now (E.g. Facemasks and other PPE), so source suppliers for them.
6. **Seeking alternative suppliers.** Whatever the status of your current suppliers, it's worth seeking out standby alternatives in these uncertain times. Bear in mind that the relative position of suppliers may have changed, so alternatives might now be stronger and offer better deals, availability, quality and service.
7. **Clarifying approved supplier rules.** Some rules (in your franchise manual and agreement) concerning suppliers may have slipped recently, out of necessity. Franchisees may also believe that some clauses allow them to use alternatives (e.g. because you failed to deliver during lockdown). It's important that you clarify all current supply rules to avoid confusion, maintain quality and preserve collective buying power in your network,
 - a. E.g. if you temporarily allowed local supply because a national supplier was closed, clarify that this will end once normal supply is resumed.

Franchisors should aim to develop more collaborative and innovative relationships with a broader range of current and alternative suppliers going forward. This will make them more agile to get uninterrupted supply and the best deals to franchisees.



11. Review franchise fees and funds.

Most franchisees will have suffered financial loss during lockdown (unless their business is in delivery, essential retail or another 'key-worker' sector).

Franchisors should thus expect franchisees to look to them for financial relief – such as the reduction or waiver of management service fees (MSF), royalties, contributions to marketing and payments for other services provided centrally, etc.

On the one hand, you might want to show franchisees understanding and make some concessions – but on the other, you need funds to help them out of the crisis.

If your fees are proportionate to turnover (as most are), the question might be academic anyway. With no current sales, franchisees won't owe anything on the period they were closed and if brilliant support and marketing gets sales back up quickly, they won't begrudge paying for it in the normal way.

It may thus be better to keep fees the same, replenish your 'war chest' as franchisees recover and so be able to afford a more powerful campaign to help them bounce back – instead of reducing fees and depleting the resources you can fight with. (And to explain this to franchisees).

But, if you can afford a strong central response without additional funds and the extra pennies will really make a difference to the cash flow of franchisees, you might consider **reducing** (rather than waiving) fees for a FIXED temporary period to help franchisees back on their feet.

In our opinion, it's never a good idea to allow franchisees into the habit of not paying fees. So, a period of reduction (equivalent in anticipated value to a temporary waiver) is always better than suspending fees completely for a time.

Apart from fees, there may be other ways you can fill your 'war chest' for a stronger response to COVID19. If it is ethical, clearly explained, fairly arranged, mutually beneficial and in the future interest of your franchise network; you might offer extended terms, territories, reductions, stock or other benefits to franchisees that have the reserves to buy these now for an attractive one-off payment.



12. Review franchise agreements and obligations.

Closure during lockdown, responses to COVID-19 and adaptation of procedures may all conflict with your existing franchise agreement or cause you to change terms.

You may need to prepare for disputes with franchisees, to review agreements and to update your franchisee operations manual (it being tied to your franchise agreement).

You should consider the following:

1. **Force Majeure.** Force majeure and material adverse change/effect (MAC or MAE) clauses might excuse the performance obligations (of franchisor or franchisee) in a franchise agreement – should a notifiable disease or forced closure be accepted as relevant factors. You need to understand how such clauses and other agreement specifics affect you both in terms of excusing your failure to perform any obligations during the crisis (i.e. to prevent franchisees using what would otherwise be your breach of contract to get out of their own obligations or as an excuse not to pay fees) and in terms of how franchisees might (rightly or wrongly) reach for these clauses to excuse their own failings.
2. **What's laid down in your franchise manual.** Most franchise agreements stipulate that franchisees must follow 'The Manual' and specify the particulars of some clauses to be 'as detailed in The Manual'. As most agreements also allow the franchisor to change the manual, it's important that you update yours (as a whole or by issuing update bulletins) to ensure that current obligations and new ways of working are covered and so remain legally enforceable. *We can update franchisee operations manuals for you.*
3. **Sales targets and expectations.** Specific performance targets and expectations (e.g. number of sales visits, units of sales, value etc.) in your agreement and franchisee operations manual may be unfair in the changed economy. If they are, you should adjust them – both to reassure franchisees and to set new targets for them to aim for. (If performance clauses are proportionate to the averages of other franchisees, you may not need to change anything).
4. **Franchise fees.** You may decide to reduce or waive certain fees (including MSF) to help franchisees back onto their feet. If you do, ensure you stipulate new fee structures, how long they will last, when they will be reviewed, what triggers a return to standard fees and that you retain discretion – in writing – to all franchisees.
5. **Marketing funds and activities.** If you have a significant balance in a collective marketing fund, it may make sense to add this to the 'war chest' you use to help franchisees fight their way out of the crisis. As this might involve using funds in ways that are not currently permitted by your agreement and franchisee operations manual, you must agree your plans with franchisees and set them out in writing.
6. **Debt management.** It's likely more of your franchisees have fallen into debt with you and approved suppliers than is normal. In the light of the crisis, debt collection and penalty clauses may (or may not) be unfair. If you are making concessions, set them out in writing with a fixed date for review (retaining your discretion).



7. **Clarifying temporary allowances.** Allowing franchisees to bend some rules might give them the false impression that other standards and obligations can be ignored for the 'duration'. Clarify (in writing) the rules you have adapted or suspended (e.g. opening hours, minimum staffing, fees, targets etc.) and how they temporarily modify agreement clauses or the franchisee operations manual. Set out specifics, give fixed dates for review and reinforce that ALL other clauses, standards, manuals and expectations remain fully in force.
8. **How to deal with disputes.** Your franchise agreement and manual should detail procedures for the handling of disputes with and between franchisees. It might be better to create temporary dispute-handling procedures that are easier, allow for some compromise and set out a path to deal with the most common challenges – both to retain as many franchisees in amicable relationships as possible and in anticipation of a higher number of disagreements whilst franchisees try to feel their way out of the dark.
9. **Disclaimers on COVID-19 response actions.** Remember that your role is to guide and support franchisees and NOT to 'direct' them. It's in everyone's best interest that you continue to protect the extent of your legal responsibility. Consider adding disclaimers to new procedures in response to COVID-19 clarifying that, although you will make brand-related decisions regarding certain system requirements, franchisees remain solely responsible for compliance with laws, regulations and government advice concerning COVID-19, all procedures, any changes made in their business and as an employer at all times – and should therefore review all advice offered by the franchisor with their solicitor, other advisors and the respective competent bodies.
10. **Updating Franchise Disclosure Documents (FDDs) and your prospectus.** Although it's best practice, there isn't yet a legal requirement to supply prospective franchisees with a disclosure document. But if you do, it must be accurate or you could face misrepresentation claims. Update your FDD and prospectus, so they remain true after any changes due to the crisis. And, if you're a pragmatic franchisor with a strong response to COVID-19, it's good to update marketing materials to tell future prospects how you helped franchisees.

Franchisees may be more willing to collaborate than ever before. So, the most pragmatic approach to pre-empt disagreements concerning all these issues is to agree with franchisees (and write down) how contracted obligations and performance will be altered and managed in the short term.

You must then review your franchise agreement and franchise manuals to include clearly defined arrangements in the case of future pandemics and so avoid the same sort of disputes, delayed responses and uncertainty caused by this one.

You must check all these issues with your solicitor.



13. Improve existing procedures in better manuals and training.

Franchisees need the best procedures and guidance and to operate with the highest efficiency to successfully bounce back. Any aspect of your system needing improvement will cause unnecessary distraction and eat into both franchisor and franchisee profits.

So:

- Analyse your business.
- Find threats, gaps, inefficiencies and waste (new and old) and **address them**.
- Seek out strengths, weaknesses and opportunities and **build on them**.
- Then SYSTEMATISE your enhanced procedures in easy to understand steps, **write them into your manual NOW** and effectively communicate them to franchisees (directly and through training).

Do not hinder your franchisees' recovery with substandard processes, systems or standards. It would be wrong to think you can leave improvements until after the crisis – franchisees need the best methods, tools and support you can provide NOW, so they can squeeze every drop of productivity, efficiency and profit from their businesses and recover.

We can help develop better procedures for you and write them up into clear manuals and effective training, leaving you free to concentrate on the recovery of your business. Get in touch today.

14. Pick up things that have slipped during lockdown.

To reopen successfully (in any format), your operation needs to perform at its best.

Some standards, franchisee and franchisee-staff skills, stocks, equipment and other resources may all have deteriorated if your franchisees were forced to 'shut-up-shop' on 23rd March, when lockdown started.

Apart from implementing new standards, procedures and resources to battle COVID-19, you may also need to support franchisees **to bring all of the following back up to standard before they reopen:**

- Maintenance, repair, decoration and presentation of premises.
- Maintenance, repair and testing of equipment that's been unused for months.
- Premises deep-cleaning (for which you may need to make new procedures, materials and PPE available to franchisees).
- Management of out of date, spoiled and short-dated stocks held since the start of lockdown.
- Staff training or retraining, refreshment of skills, refamiliarisation with standards and procedures and upkeep of the anniversaries of any legally required training.
- Upkeep of the anniversaries of statutory testing and maintenance.
- Upkeep of the anniversaries of risk-assessments and other health & safety requirements.
- Out of date signage, promotions, marketing materials etc.
- Return to use of approved suppliers (should alternatives have been sanctioned during lockdown).

You may also need to consider how to support franchisees that weren't even maintaining minimum standards before lockdown.



15. Revitalise franchisee and franchisee-staff training and skills.

To recover, franchisees and their teams need to operate at the peak of their performance.

The crisis is not an excuse to abandon training – your franchisees and their teams need good training now more than ever before to enhance skills and efficiencies, so they can maximise profitability and bounce back successfully.

You might think it better not to interrupt franchisees now with training (or that you don't want to stretch your own resources by providing training in these difficult times) – **but good training doesn't need to be intrusive or expensive.**

You can effectively bolster productivity and standards in your franchise network with short bursts of online training, a simple regime of franchisee and staff briefings, buddy systems, rewards for performance and mentoring, field visits and more at little cost.

We can develop innovative training for you **in simple and affordable ways.** Get in touch.

16. Make it easier for franchisee-staff to return to work.

Some franchisees might find it difficult to get staff back to work.

Care for the family members of staff may not yet be fully provisioned by services that closed during lockdown (e.g. childcare, schooling, after-school clubs, domiciliary care etc.), public transport may be limited on their route, and they may have less money available to make alternative arrangements.

Consider innovative ways that you might help, by:

- Adapting processes so more staff can do some work from home.
- Working with franchisees and local suppliers to seek safe alternative childcare places and deals, (which may include joint franchisee/franchisor subsidies).
- Working with franchisees to develop flexible working hours and patterns.
- Staggering shift-start times or adapting opening hours, so staff can find a safe place on public transport.
- Training staff into multiple roles, so franchisees can more flexibly manage rotas.
- Working with franchisees to arrange safe and affordable collective or private transport.
- Working with franchisees to set up a national hardship fund or wage-advance scheme.
- Working with franchisees and local suppliers to create childcare/transport voucher schemes.
- Engaging with local government, institutions, charities and others to ensure franchisee-staff have access to all the support and benefits they're entitled to.

You and your franchisees must obviously balance the cost of such provisions with their value to your network. **But providing some assistance may help franchisees to remain adequately staffed with teams that perform better (because some of their anxieties have been removed).**

These actions also demonstrate that you are a more caring pragmatic franchisor – making your franchise more attractive to future staff, prospective franchisees and customers alike.



17. Provide for franchisee/franchisee-staff wellbeing.

Franchisees and their teams will perform better in good mental and physical health.

The crisis and its impact on loved ones, solitude or a lack of regime during lockdown and uncertainty about the future may all have affected the mental and physical wellbeing of people in your network.

Demonstrate you are a positive and compassionate business by taking an interest in the welfare of franchisees and their staff, in ways that might include:

- Making franchisees and their teams aware of your interest in their welfare and your initiatives to help.
- Reinforcing the frequency and quality of your contact with franchisees and their teams.
- Linking with local health, fitness and diet businesses (that may also be franchises) to offer use/membership deals to your network.
- Training franchisees to better support mental and physical wellbeing in the workplace.
- Ensuring franchisees adopt a positive and flexible approach to the welfare needs of their staff, (e.g. by adapting rotas, reviewing roles and responsibilities, allowing compassionate leave where necessary, etc.).
- Rewarding franchisees/team members that create local initiatives to promote wellbeing.
- Recruiting a workplace-health professional to serve your network from head office.
- Providing health and wellbeing events and activities to your network.
- Providing qualified wellbeing advice and resources on your website.

Again, you must balance the cost (and contribution from franchisees) of these activities with the benefit to your network.

Some initiatives may take a while to pay-off in terms of increased performance and reduced staff-churn **but might immediately improve staff morale and bolster the image of your business.**



18. Innovate and build other sales channels.

In response to this crisis and to protect your business in the future, it's important to explore cost-effective ways to offer your products and services to **more markets** through **more sales channels**.

Consider:

- Adding online ordering and delivery (of products) if you don't already.
- Adapting products so they can be sold online. (E.g. new packaging, new delivery partners, new product formats, make-at-home variants, etc.)
- Adapting services so they can be delivered online (e.g. online advice, webinars, remote consultations, electronic formats etc.) if you haven't already.
- Considering ways that franchisees can participate in your online offering and revenue if they don't already. (E.g. commission/revenue share, click and collect from franchisees, enhanced local services and fulfilment by franchisees, offering an extended range from franchisee stock/preparation facilities, etc.)
- Enhancing your 'takeaway offering'. **And by this, we don't just mean of food** – retailers may also attract more business by offering click and collect packages, pre-selected ranges, assortment boxes (etc.) that can be collected 'kerbside'.
- Adding additional sales channels, as appropriate – such as apps, agency, licensing, referral networks, specifiers, tie-ins with other businesses, retail/resale through other businesses, outside catering (food), events, mobile units, kiosks, concessions, etc.
- Adapting products and services, marketing or sales channels to approach new markets.
- Redoubling sales efforts to fringe markets that franchisees have previously neglected (because they didn't need them until now).
- Doing even more to reinvent your business for the 'new normal'.

Take this opportunity to innovate but be careful only to make changes that are likely to improve the prospects of your franchisees significantly and universally – or you might distract them from efforts to rebuild on proven and existing foundations.



19. Work with other franchisors.

Although the franchise industry is of immense value to the UK, it is made up of just 900 (or so) individual franchise concepts/franchisors. This makes it easy to connect with influencers and decision makers in other franchises who might be willing to work with or help yours.

Get in touch with other franchisors to find innovative and mutually beneficial ways you can work together to help franchisees recover successfully from the crisis. The industry has an excellent reputation for internal cooperation, so you're likely to get a good reception – after all, other franchisors are in the same boat.

You can network with other franchisors directly and through the British Franchise Association (BFA), at franchise exhibitions (whenever they restart), via their franchisees and by approaching the banks, advisors and franchise consultants they work with.

Ways franchisors might support each other in innovative ways could include:

- **Helping each other to supply customers without interruption.** I.e. sharing the capacity and availability of staff, stocks, delivery and service infrastructures, logistics and other resources to cost-effectively serve customers that the other can't currently reach because of COVID-19 access or travel restrictions, availability or interruption of supplies, stock-shortages, franchisees closing and staff shortages etc.
- **Sharing sales channels to approach markets you don't have the range or budget to set up alone.** (E.g. sharing an online sales and delivery platform; augmenting each other's ranges; reselling each other's products through franchisee units; hosting an agency or concession for the other; sharing sales forces and approaches, etc.)
- **Pooling collective resources in joint marketing, advertising and promotions.**
- **Setting up preferential deals to supply each other's franchisees.**
- **Offering deals that benefit the customers or staff of each other's franchisees.** (E.g. A fitness franchise could offer membership deals to the franchisees and staff of another; a tyre franchise could offer better rates for the vehicles used by another; promotional vouchers for each other's products or services could be used in tied-in customer promotions, etc.)
- **Offer alternative employment in each other's networks for franchisee-staff that have lost their jobs in the crisis.**
- **Advice.**

Seek out other franchisors and see how you can help each other.



20. Be more flexible and adaptive.

For good reason, it's usually a cardinal sin to offer different terms and arrangements to different franchisees. But, for the moment, 'one size' may not fit all.

It may be worth allowing some (temporary) variations depending on individual needs and circumstances until franchisees' businesses have recovered from the COVID-19 lockdown.

You will obviously need to be careful, equitable and to apply differences with fair reason – to avoid arguments and to maintain collective franchise-network support, cost-effectiveness, bargaining and uniform standards – **but it's not pragmatic to lose franchisees who could be saved just for the sake of imposing a singular doctrine.**

We strongly suggest that you **ringfence** franchise fees, some key standards, statutory requirements and key agreement clauses to keep them COMPLETELY non-negotiable and standard across your network. **But other variations that might help franchisees include:**

- Arrangements to collect debt owed to you or other suppliers.
- Credit terms.
- Opening hours.
- Minimum staffing.
- Training requirements or payments.
- Minimum stockholding.
- Product range.
- Service range.
- Pricing policies (within reason).
- Approved supplier policies (within reason).
- Other standards that are less vital.

Just be sure you are fair and can justify any variations to other franchisees (who don't need them).

21. Help franchisees stay connected with your customers.

Everyone wants to feel loved, connected, reassured and a member of a more caring, kind and understanding society during the coronavirus crisis.

Franchisors need to stay connected with their customers during this outbreak – both to show they care and to keep loyal trade for their franchisees.

And this is not just about marketing and promotion – tell customers what you are doing to protect them, serve them, keep your business strong and to look after franchisees and their staff. People are looking for companies that are going the extra mile to care.

Customers ARE on your side. More than any time in the past we are all in this together. Your customers want and need you to succeed, so that the economy recovers and they can enjoy your products and services again – just as much as you want them to stay safe and return to jobs, security and prosperity.

Seeking new customers and clients could cost you up to 10 times more than just keeping your existing ones throughout the crisis. **Existing customers are valuable and deserve to feel valued.**

See our article '*30 ways to connect with and keep customers during lockdown*' [here](#), for more on this.



22. Reward returning customers and loyalty.

Make a concerted effort to let returning and loyal customers know you appreciate their business now more than ever.

Draw in and thank returning customers through marketing, signage and additional loyalty promotions that you set up with franchisees, which might include:

- Signage that shows your appreciation and solidarity, details how franchisees are working for customers through the crisis and that advertises new promotions.
- A small 'thank you' card with each order, expressing the same. (Twee but effective).
- Rewards for repeat business, referrals, introductions and recommendation (as appropriate to your sector).
- A new or extended loyalty card scheme.
- Extended ranges on which loyalty points can be earned.
- Extended loyalty benefits, such as preferential service or delivery; earlier access to new products and stock availability; a larger range of things that can be exchanged for loyalty points; higher points or redemption values; reciprocal deals with other companies to exchange points there; etc.
- Special promotional 'days' – e.g. *'Triple Points Tuesdays'*.
- Better contact with loyalty card members through newsletters and notifications of new and ad-hoc promotions.

Show loyal customers your franchisees need and appreciate them.

23. Find out what your competition are doing.

If the economy remains contracted for some time, franchisees will find themselves in even closer combat with competitors for the same business.

More than ever before, you need to learn what competitors are doing to bounce-back and develop strategies that help franchisees beat them to the business. So:

- Get reports from franchisees on the activities of local competition (big and small) – most particularly on their product and service offering, pricing, marketing and promotions.
- Research national competitors directly and online.
- Use mystery shoppers to survey the competition (as well as your own franchisees).
- Develop a robust nationwide response.

On the flip-side, there may also be new opportunities to enter new markets, operate in new niches, launch new products and take on new contracts because some of your competition (particularly the highest leveraged) have sadly gone into liquidation during lockdown.



24. Review plans for major new product or service testing and rollout.

New products and services that allow you to approach the market better under current restrictions and to fill gaps left by departing competitors still make sense in a recovery plan, if:

- The anticipated return is big (and quick) enough.
- Rollout doesn't rob resources from other initiatives with higher anticipated returns.
- Investment in development (cost, testing and time) is low or has already been spent.
- Availability of supplies is stable.
- Rollout doesn't require significant new investment by franchisees (e.g. in training, equipment, marketing, or stock etc.)

Otherwise, it may make sense to review and either adapt or suspend other product or service testing and rollout until your network is more stable and reserves are greater.

A marked contraction of the economy might also make it difficult to compare the performance of new products and services with previous periods. This means you run the risk of ditching a good new item or backing a bad one because of skewed data.

25. Review franchise expansion plans.

Robust continuing activities to recruit new franchisees, promote resales, open new units and restructure franchise-networks are important, **in normal conditions**. They keep things fresh and dynamic (by mitigating the effect of stagnant franchisees), backfill franchisee-churn and help recharge central funds.

So, don't jump to suspend all recruitment activities and expansion plans because of the virus – some opportunities remain and others have developed because of the crisis. For example:

- Not everybody has been made poorer by lockdown, prospects still exist.
- Some franchisees may need to exit at lower resale values that attract more buyers.
- Wealthier people made redundant might look to franchising for a new career.
- Departing competitors may leave vacuums ripe for filling with new units.

Nevertheless, it obviously makes sense to review and amend recruitment targets and activities, new unit openings and contractual commitments for franchisees to expand against the current economy and other priorities.

To whatever degree you do continue with franchise-recruitment and expansion, bear in mind:

1. Your target audience may have changed.
2. Access to franchisee funding may have changed.
3. Franchise exhibitions (if they've previously worked for you) **and discovery-days** involving large groups might be restricted for some time. So, consider reinforcing other routes to market (online, portals, BFA membership, in-unit promotion, etc.) and develop remote and virtual expositions of your offering.

Future growth and well-managed flux in your network are both necessary to sustain the health of your franchise. **Although expansion certainly isn't a priority (for most) at the moment, it shouldn't be completely abandoned either.**



26. Lead by example.

This is a simple one.

You can't expect franchisees to respect instructions to operate in demanding and austere new ways if you're not following the same regime in company-owned units and at head-office.

That's why we suggest franchisors should maintain at least one company-owned operation in which they can test, prove and demonstrate what they ask of their franchisees by 'walking-the walk'. Otherwise, franchisees can (perhaps justifiably) shout 'how would you know?!'.

Ensure you lead by example in your own units (if you have any) and in the behaviour and attitude of your head-office staff.

27. Protect relationships.

You may need to develop new and delicately balanced relationships with suppliers, third parties, franchisees, franchisee-staff and customers in order to help your network recover.

Some of these relationships may be so fragile, they can be broken by a handful of franchisees with the wrong attitude (particularly now everyone is under more pressure).

Ensure franchisees maintain and build relationships by:

- **Establishing clear Service Level Agreements (SLAs) with suppliers.** These ensure everyone knows what to expect (and not to expect) from relationships with third parties. Hold suppliers to their SLAs.
- **Impressing on them the need for patience in current circumstances.** Keeping calm can be difficult in these challenging times – e.g. when a supplier is slow to deliver – but a positive approach to dealing with issues (through the proper channels) is better for all.
- **Creating 'proper channels' and central procedures to report/resolve disputes.** You may be better at handling serious disputes centrally. One central point of contact and resolution may also be more efficient (particularly if suppliers currently face challenges that impact all franchisees).
- **Manage staff disputes through an approved HR advisory.** Require franchisees (with enough staff) to sign up to a nominated employment law specialist/insurer. They help ensure franchisees are compliant and may reduce the risk of actions by disgruntled employees.
- **Manage significant customer complaints centrally.**
- **Create order regimes to support suppliers.** Make your network more efficient and relieve pressure on suppliers by asking franchisees to consolidate their needs into (e.g.) weekly consolidated orders instead of ad-hoc ones. Procurement systems help in this regard.

Protect relationships for the benefit of all franchisees.



28. Manage non-compliance.

Most franchise networks suffer a handful of franchisees that won't properly implement new initiatives – however serious the situation and however much the implementation of those initiatives might help them.

These tend to fall into five camps:

1. **Franchisees who don't have the resources to comply.** Franchisees without reserves or the opportunity to refinance may simply not have enough money to change. Explore what they can afford and whether that's enough to meet minimum standards and ensure their survival. If it's unlikely they'll get through, face facts and consider helping them to exit.
2. **Franchisees who seem lazy.** It's difficult to understand idleness in anyone that's invested in a franchise, but it happens. Some may have given up because their business is failing or face depression, family problems, communication difficulties and staff issues (etc.) and you may be able to help through additional support, empathy and flexibility. Others may just be lazy, so you'll need to insist on improvement or alternative management.
3. **Franchisees who don't have the skills or are disorganised.** An error in selection or failures in training might mean a franchisee simply isn't competent or organised enough to run things properly. They may be willing to implement your changes but not know how to. Offer mentoring, individual support and specific training in the skills they lack.
4. **Franchisees who think they know better.** Some characters will always think they know better (irrespective of how well they're doing) and need more persuasion to do things your way. Be as patient as is appropriate and explain the reasons, benefits and proofs of new initiatives. But remain strict at the end of the day, even if that means imposing rules on your most established and highest-performing franchisees.
5. **Franchisees who are not invested.** Some franchisees may not have invested enough in their business to care (*which is why you should never fund start-up or offer artificially low joining fees*). Others may have other business interests or wealth that makes their investment in your franchise insignificant and less of a priority. Reinforce and impose the minimum standards and contract commitments these franchisees have signed-up to.

Any franchisee that doesn't fully implement changes to protect staff and the public from COVID-19 should NOT be allowed to trade until they do.

All other initiatives might be less significant, but their uniform implementation across your franchise network may still be vital for the recovery, reputation and image of your brand and to maximise the benefits enjoyed by all franchisees. So:

- Impose initiatives and new procedures fairly but firmly.
- Work to quickly understand and resolve nonconformity.
- Inspect your network regularly to spot non-compliance and resolve issues quickly.

Remember to protect yourself (and thus other franchisees) from the errant behaviour of one franchisee by firmly placing the responsibility to comply with the law onto franchisees. You can do this through your franchise agreement, an up to date manual, various disclaimers, disclosures and notices and by insisting that franchisees use external HR and employment law, health and safety and other legal and financial advisors.



29. Provide for a future emergency.

Learn whatever lessons you can from this crisis.

Improve your procedures and put contingency plans in place, so you can ride out and react to future emergencies better and faster.

Policies you might put in place to deal with FUTURE emergencies might include:

- Appointing key staff to a multi-skilled standby 'emergency taskforce'. This should meet monthly or quarterly (in perpetuity) to assess current risk levels and the impact of emergent situations to your business – and be quickly assembled when needed, to lead a proactive response to future emergencies.
- Developing better connections with people that are closer to emerging situations, such as MPs, councillors, government and health advisors, policy committees, industry associations etc., so you might learn of emergencies sooner and get help to respond quickly.
- Adding criteria to your regular assessment of franchisees to measure their current resilience to future emergencies. (E.g. Relevant criteria might include trading history; customer base; financial reserves; ability to refinance; fixed costs; cashflow, credit-management, staff composition and loyalty; stock positions; insurance cover etc.). This will help you develop better contingency plans and to improve the resilience of individual franchisees.
- Broadening your regular risk-assessment regime to consider external threats as well as the usual health and safety and regulatory checks.
- Developing Emergency Action Plans (EAPs) to set out your first-response and ongoing procedures for more contingencies, (not just viral but also including terrorism, riots, siege, war, burglary, litigation, bad publicity, recall of finance, flooding, freak weather, etc. and other business interruption). However unlikely these eventualities may now seem.
- Training your head-office (or 'support office') team to improve emergency-response skills.
- Setting up a ringfenced 'emergency fund'.

We can develop such emergency teams, EAPs, policies and procedures and training for you. Get in touch to see how we can help in simple and affordable ways.



30. Improve your own financial resilience/ business-continuity planning.

By doing everything mentioned in this article, your franchise-network (and thus your own business) should eventually become stronger and more resilient anyway.

But make a concerted effort to further protect your business by:

- Reviewing your reserves, financing and proportions of leverage.
- Starting to build contingency funds and diversified portfolios.
- Adding alternative revenue streams (should they not overly conflict with the interests of your franchisees). E.g. Costa Coffee's retail of coffee pods in supermarkets probably doesn't materially interfere with the income of its franchisees.
- Tightening up invoicing and credit control.
- Reviewing 'key-person' insurance and policies (sadly, some key players were lost to the virus, with serious detrimental consequences to the businesses they led).
- Similarly, **URGENTLY ensure that the knowledge and experience of your key-personnel is protected and cannot be lost to your business** (should you lose key members of staff for any number of reasons) by writing what they know into policies, procedures, manuals, reference works and training that is recorded for posterity. (**We can help you with this**).
- Taking this opportunity to review and improve the productivity and efficiencies of your operation.

After all, a strong centre also benefits your franchisees.

Many of these suggestions involve additional investment by franchisors.

You will need to strike a balance between the anticipated benefits of some and ensuring that you don't spread your resources too thin or risk the sustainability of your business.

Nevertheless, you do have a duty to assist franchisees as best you can, to the degree that is sensible and achievable in the current situation.

Doing more will allow a greater number of your franchisees' businesses to successfully climb out of lockdown and survive.

The stronger your response to help franchisees, the stronger you will become. Revenues will return and you will enjoy greater future loyalty and collaboration from franchisees as a reward for the support and solidarity you show them now.

We can help you deliver everything we've suggested above. [Get in touch today](#) for a FREE consultation to discover the simple and affordable ways Manual Writers can support your franchise to successfully bounce-back.



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