

**Intelligent
Insights**
Q2 2018 Edition

Fight for the Franchisee

GETTING BUY-IN FROM YOUR MOST
DEMANDING STAKEHOLDERS

As today's retail landscape evolves into the Experience Economy, foodservice brands are pushed to look to technology innovation for delivering the on-demand experience that the average guest in 2018 demands.

But how do you sell your franchisees on the value on another tech investment?

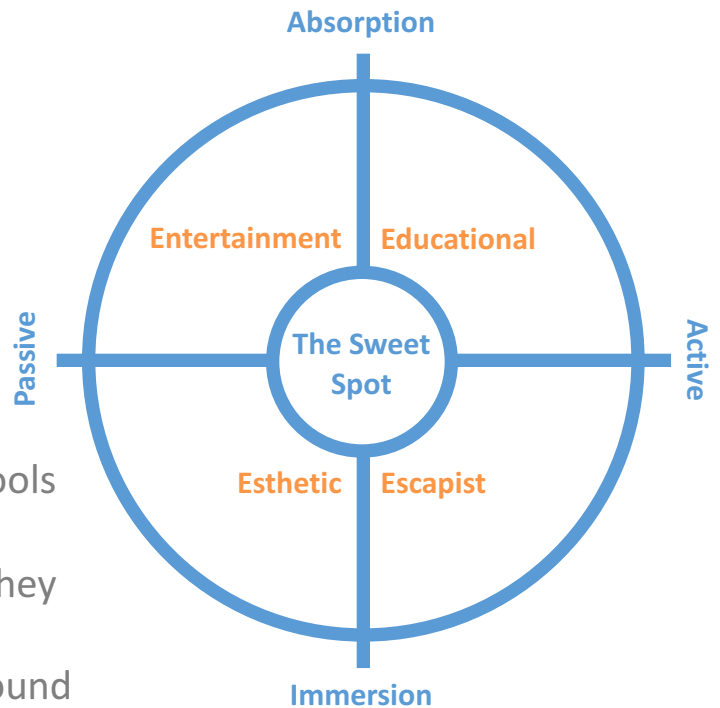
Intelligent
transactions

Contents

What is the Experience Economy?	1
Understanding the Personas	2
Fishing for the Right ideas	2
Reality Checking Innovation	3
Testing the Theory	4
Structuring the Big Ask	5

What is the Experience Economy?

As global consumers increasingly adopt digital tools in their daily lives, their expectations around how they interact with brands is evolving to be centered around convenience and experience.



This rapid market transition is initiating a new era called the Experience Economy, where consumers expect their relationships with companies to include unique and memorable experiences. These experiences should be entertaining, yet educational; esthetic, yet escapist. Brand that can land in the “Sweet Spot” can turn first-time customers into regulars, and regulars into raving fans. This should be the focus of your innovation efforts.

While convenience may be king, experience still has the check mate.

While the “Amazon Experience” of on-demand convenience is dominating retail, in-person experiences are still sought after in the world of foodservice.

Understanding the personas

Before trying to direct innovation from the confines of the ivory tower of corporate, you need to understand the personas that touch your brand technology every day. Personas aren't titles or a shared "rung" in the corporate hierarchy; they are a shared mindset as it relates to a specific area of concern, such as technology.

Change is best undertaken when firmly grasping the perspective of those that live it.

Through observations and interviews, you will find different franchisee, operator, and guest personas, all driven by different goals, activities, and pain points.

Fishing for the right ideas

Many brands do a great job of organizing and facilitating Franchisee Advisory Councils. While these committees can yield interesting perspectives on current issues, they are not always representative of the entire franchisee community.

Utilizing persona findings, try to include representatives from each persona in your FAC, meeting several times per year to discuss and prioritize new ideas.

The key objective for these meetings should be to identify opportunity and create consensus around it.

Reality checking innovation

Once a good solution has been identified, it can be easy to let excitement whisk one down the path to unvetted decision making. Taking the time to carefully weigh a solution against specific requirements can result in a much smoother process on the path to implementation.

As promising as a new technology can appear in a demo or even in a lab, the solution needs to tie directly back to top-line business objectives to result in a successful implementation. If you can't immediately visualize positive impacts to areas such as increased sales or optimized operations, it may be worth reconsidering the idea.

In this line of thinking, you should always work to produce a quantifiable and measurable top-

line ROI for any new investment, even if the solution appears on the surface to only yield supporting benefits, such as adding a 4G backup to your in store router. If you can't point to a clear ROI for the effort in the beginning, it will be hard to keep your franchisees satisfied with the outcome of their investment after the money has been spent.

Additionally, integration is a major consideration in a world where the average number of tools in the belt of the brand can be well into double digits. It doesn't matter how well a new technology works in a vacuum if it won't cooperate with your larger system due to a lack of extensibility or flexibility.

Testing the theory

You've performed the due diligence to verify that the new idea fits within your brand and technology objectives, now it's time to put it to the test

The Guinea Pig

Take a look at your franchisee personas. Do any stand out as adventurous, forgiving, and communicative? These are your "friendly franchisees", and they are the perfect proving grounds for a new solution that needs to shine in production.

Success Metrics

As you prepare for this new test, determine some quantifiable metrics to measure against as apart of the the test. Ideally, these metrics point towards the

ROI that you identified earlier in the process. These metrics could be speed of service, average check, or order accuracy.

A/B Testing

While closely watching the metrics that you identified as relevant for this test, observe a sample of "friendly franchisee" stores without the solution (the control) and another sample with the solution. What is the reaction of the guests and operators to the solution? How do the two groups of stores compare in regards to the metrics that you are measuring?

If these tests validate your theory that the solution may fit your brand's objectives, then you are in an empowered position to move forward.

Structuring the big ask

The facts are in, and you've identified, vetted, and tested the right technology to address a priority within your brand; now you have to go get funding from a group of people who are already incredibly tired of spending.

Getting this group interested and invested can be difficult, but is achievable with a carefully structured ask:

Business Opportunity

Franchisees are traditionally a business-focused group. Engage them first by revealing the business opportunity supporting the new solution that you will be proposing; how will this technology increase their sales, improve their profitability, or grow their local presence? Once

that this has been established, reveal the new solution in response to the opportunity.

Show the Proof

Your test results from the A/B testing should provide quantifiable evidence that the solution can be impactful in your franchisee's stores. Illustrate the difference between a store with the technology and a store without.

Reveal the Logistics

Be upfront about expected deployment timeframes. Share your internal objectives and key results for different phases of the initiative. Finally, when asking for funding, provide options (SaaS vs RTD) and expose specifics.

Don't go it alone, partner with ITL

We are store technology consultants & restaurant industry experts crafting Store of the Future strategies to help build successful brands.

What We Do

We assist brands in achieving their top level business objectives through crafting informed, engaged, and effective technology strategies.

How We Do It

Through leveraging market insight, a team of proven specialists and experts, and comprehensive data to create a purpose-built strategy for brands.

What Sets Us Apart

By engaging with brands holistically. We ask the right questions of the right people to establish a true view into each brand's culture, pain points, activities, and goals.

Learn More: www.IntelligentTransactions.com