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Maintaining a Family-Owned Franchise Legacy with Outside Leadership

BY LEANN REYNOLDS

Fresh vision makes an outside executive invaluable, and can help a family franchise push forward into a new era of growth.

As a family-owned franchisor evolves over time, the company is often in a unique position as it shifts from a family-focused organization to a corporately structured brand. For a company founded and run by a single family for decades, perhaps generations, pushing to a new tier of franchise growth can seem daunting, and therefore may be best accomplished by bringing an executive from outside the family to join the leadership team and provide fresh perspective.

In my case, my father opened his home care business in 1980 and didn't begin franchising until 1996. After I became president in 2006 and then CEO in 2016, I knew I wanted to help my family's company transform into a truly international franchise organization, while maintaining the values and close relationships we enjoyed with our franchisees at the same time.

Our journey to find the right C-suite professional started with finding someone who brought a new point of view and skillset that could push us forward, without jeopardizing the relationships and values my family

had worked hard to establish as a franchisor.

We ultimately brought Julie Smith on as COO and president in 2016, but planning for, then hiring and eventually integrating a non-family member into an executive leadership role within a family-owned franchisor is an intricate, long-term process. In our case, after nearly two years we are still learning, guided by a few lessons that have emerged along the way that other family-run franchises will most likely encounter if they are on a similar journey.

EMBRACING CHANGE CAN OPEN YOUR FRANCHISE TO GROWTH

Embracing change is a challenge in any business, and in a franchise owned and run by family members, there is an added nuance to every business decision as it reverberates within the family itself. As a result, there may be a tendency to cling to old, familiar processes and systems simply because it's the way something has always been done.

When we found Julie, it was quickly clear to me that her strength lay in her ability to look beyond incremental details in order to focus on bold sales growth, which freed me up to focus on operational strategy. Julie had the capability to help our franchisees advance by critically evaluating our processes and procedures. She was able to do this without the weight of years of history and emotions that a member of my family, who had been involved in the business their entire lives, perhaps could not. This fresh vision makes an outside executive invaluable, and can help a family franchise push forward into a new era of growth.

LEARNING TO DELEGATE AND COMMUNICATE EFFECTIVELY IS INVALUABLE

You really cannot overcommunicate when it comes to interfacing between franchise owners and a new, outside president or executive leader. Many franchisees may see an unfamiliar face as a sign that something is wrong, rather than as evidence that the company wants to take things to the next level.

Sending a new executive on a listening and learning tour to see what is working, what isn't and what could be improved upon in the franchise system can be a priceless onboarding experience. Even still, long-standing franchisees may take more time to

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acclimate to new leadership when they've only ever worked with the family in the past.

In our case, 18 months into our leadership transition we're just beginning to experience the benefits of a COO with the skills to understand how to reinvest in talent, through training programs, new systems and new perspectives, leaving me able to focus on industry trends and strategic vision. Ideally, open communication with a new executive and the family leadership team can allow the franchise system to begin to truly achieve rapid, sustainable sales and growth.

ENCOURAGE THE OUTSIDE LEADER TO SYSTEMATIZE WHILE ALSO MAINTAINING VALUES

It is incredibly important to empower employees and franchisees to make the changes and adjustments needed to help an organization advance. At the same time, you never want to lose the qualities that made your organization strong in the first place. The key to this lies in taking a clear look at your company's culture, and identifying which aspects you and your family believe are imperative to carry forward with a change in leadership.

It was important to me to ensure that as a family-run business, our franchisees and employees feel like family as well. We value honesty and being forthright, and in honoring different opinions and the diversity of those perspectives. Whoever we hired to take on the role of president and COO, it was non-negotiable that that person be able to further these cultural values. At the same time, I knew we needed someone who could fill the gaps within our franchise, to look at our structure and position us for greater sales and growth. ■



Leanne Reynolds is CEO of Homewatch CareGivers.

Adding Value Without Diluting a Mission: Becoming a Member of a Family-Run Business

In most family-owned franchises there is a similar human component that adds gravity and meaning to the business. Added together, it gives an outside executive an opportunity to have an incredible impact on an organization with a rich history and standing as a brand.

BY JULIE SMITH

I've worked for private and public companies, as well as family-owned organizations, and in my experience the heart and the pocketbook tend to be more closely aligned in family-owned businesses. This means that usually a family-owned franchise has the freedom and ability to invest a lot more time and resources back into the franchisees, reinforcing the core mission.

Depending on experience level and background, an outside executive may be moving into a role where he or she already possesses significant corporate experience but lacks extensive vertical industry experience. In my case, it was essential that I undertook a comprehensive "listening and learning tour" to grasp the extent of our franchise owners' work and to promote trust and transparency in the organization's path forward.

In doing so, I was able to gain context as I analyzed the existing franchise framework and began devising my strategy for growth. Working with the family leadership provided insight into the meaningful and often long-term relationships the company shares with its franchisees. Internally, the corporate team even prefers to refer to franchisees as "franchise partners" in acknowledgment of this special relationship. It gave me the chance to have conversations that ensure I fully grasped the mission, and was able to eventually implement plans for expansion that aligned with the company's goals, visions and plans for future growth.

Of course, an executive should focus on systematizing processes for growth. I worked to leverage my background and experience to reinvigorate the company's franchise system to meet its growth and sales goals. As I continue to further our mission as a franchisor, I also recognize that I was brought on to re-engineer our franchise support center by formalizing processes and scaling the entire operation for size, so tightening things up, so to speak, is a natural component of my role.

As a home care company, our franchise is dealing with people's lives and wellbeing. In most family-owned franchises there is a similar human component that adds gravity and meaning to the business. Added together, it gives an outside executive an opportunity to have an incredible impact on an organization with a rich history and standing as a brand. It also makes the process of integrating yourself into that brand with care incredibly important. ■



Julie Smith is Chief Operating Officer and President of Homewatch CareGivers. Find out more about franchise opportunities at the company by visiting www.franchise.org/homewatch-caregivers-franchise.