

ABOUT INGAGE CONSULTING

THE MORE INGAGED THE STRONGER THE GROUPSM

Ingage Consulting is a management consulting firm focused on the unique needs of franchisees.

As our name suggests, we engage franchisors and franchisees alike, by helping you develop partnership cultures that result in more profits by improving your 'engagement quotient.'

WE HAVE MORE THAN THIRTY YEARS OF EXPERIENCE

Evan Hackel, Founder and President of Ingage Consulting understands that franchise leaders truly begin making a positive change in their business once they understand that engagement is key. Focusing on engagement helps them improve growth and retention, increase sales and satisfaction, and boost profits.

THE INGAGE BAROMETER - A PROVEN TOOL

When we work with a franchise, we normally start with the Ingage Barometer, a powerful tool for understanding engagement within your franchise. The Ingage Barometer, created in partnership with Liminality, is a proven evaluation that outlines your franchisees' lev-



Principal/Founder of Ingage Consulting, Evan Hackel, has 25 years of front-line experience establishing, leading, and turning around co-ops, franchises, and other organizations. He enjoys an industry-spanning reputation built on his many real world accomplishments, most notably those while leading one the largest co-ops in North America, with \$3 billion in annual sales.

THREE SERVICES TO IMPROVE ENGAGEMENT

INGAGE SCOPE

An 'engagement inventory' that results in new ideas to increase engagement transforming franchisees from customers to partners

INGAGE BAROMETER

A proven evaluation that outlines your franchisees' levels of commitment while benchmarking your franchise to similar franchises

WEBSITE ENGAGEMENT

Proven methodologies for driving active use of the franchisee websites

els of commitment while benchmarking your franchise to similar franchises. To take advantage of this tool, contact Brian Metcalf at (781) 569-5900 or via email at brian@ingageconsulting.com.

IMAGINE IF EACH AND EVERY FRANCHISEE HAD AS MUCH PASSION FOR YOUR MISSION AND VISION AS YOU.

As a franchise leader, you know that getting franchisee consensus can secure the advantages of cooperation to outperform competition. Adversely, lacking in consensus means facing recurring conflicts, disappointing performance, and even erosion of the brand.

ENGAGEMENT MAKES ALL THE DIFFERENCE

We know that franchisee engagement isn't about making people 'feel good.' It's about bonded cohesiveness so your franchise can achieve all of its higher goals. It's serious business. Do it well, and your franchise thrives. Do it poorly, and it withers.

For more information or to set up an initial consultation contact Brian Metcalf at (781) 569-5900 or via email at brian@ingageconsulting.com.



OUR KNOWLEDGE BASE HELPS US GUIDE YOU THROUGH THE CHALLENGES OF A FRANCHISE STRUCTURED BUSINESS.

STRATEGIC PLANNING

TEAM BUILDING ACTIVITIES

MOTIVATIONAL SPEECHES

ADVISORY COUNCILS

MEETINGS AND CONVENTIONS

OPERATOR SURVEYS

COMPANY DEVELOPMENT

Engagement: A Key Driver of Franchise Success

Making beautiful music with your franchisees.

BY EVAN HACKEL



Imagine a well-run franchise as an orchestra. All of the musicians are attentive, working together and following the conductor's lead to make a beautiful piece of music. Then, imagine what it would be like to be part of such a franchise, or to be a franchisor conducting the orchestra—the passion, energy, focus, cooperation and profitability. Now think about your franchise.

How similar is it to an orchestra?

One of the key elements that will help a franchise operate as smoothly as an orchestra is the level of engagement of its franchisees. Creating a culture of engagement within a franchise is not easy and it does not happen over night. But with engagement comes the ability to execute and achieve your organization's vision.

Satisfaction is subjective.

The Engagement Misconception

If franchisees are satisfied, the normal conclusion is that they are engaged. That isn't necessarily true. Our research shows most franchises that have high levels of satisfied franchisees, don't have high levels of engagement. The challenge with measuring satisfaction is that satisfaction is subjective. One franchisee can be satisfied because he is making a good return on his investment and another because she likes the company's new marketing campaign, yet neither is engaged in the company's overall plan or vision.

The more appropriate definition of engagement is one of a franchisee or employee who feels a sense of responsibility to the success of the organization; they support the vision, are paying attention, and are fully participating in the organization's programs and activities. And finally, engaged franchisees will feel like they are partners in the organization, not customers.

When we look at franchise engagement, Ingage Consulting divides the franchisees into three categories using a method that is commonly used to divide employees in an organization: engaged, unengaged and actively disengaged.

THE THREE LEVELS OF FRANCHISE ENGAGEMENT

1 ENGAGED	2 UNENGAGED	3 ACTIVELY DISENGAGED
Engaged franchisees participate with a passion and feel a deep connection to the franchise. They see themselves as partners and actively take ownership for the success of the franchise. They also support and inspire other franchisees, expertly execute franchise branding, and are pro-active with ideas.	Unengaged franchisees see themselves as more of a customer than a partner of the franchise. They are not disconnected or disenchanted with the group, but they're not inspired either. These franchisees put the responsibility of their success solely with franchise management.	Actively disengaged franchisees exploit or compromise franchise objectives for personal gain. They are critics of management and undermine the franchise's potential. Even so, some of them consider themselves satisfied.

(Source: Ingage Consulting, 2009)

The natural tendency for the organization is to focus energy on trying to convert the actively disengaged. There is a cost to having this group actively disengaged (and franchises should work to convert this group), but the bigger opportunity that is normally missed is the group of unengaged franchisees.

Unengaged franchisees are normally a much larger group than the actively disengaged and represent a much greater opportunity for the organization if they can be converted to engaged franchisees.

Normally, the unengaged franchisees are ignored—because they are neither unhappy nor complaining—while management focuses on the actively disengaged. This isn't to say the actively disengaged should be ignored, but it's the unengaged franchisees where a franchise can make major strides in engagement.

The Cost of the Unengaged Franchisees

When you ignore engagement issues in your organization you risk spending more money and time on communication and field support, all in an effort to reach the unengaged and actively disengaged. In addition, you'll encounter issues recruiting new franchisees (because the actively disengaged have muddied the waters), and there will be less organic

growth, lower income for franchisees and lower royalties for the franchisor.

One of the biggest impacts on a franchise with unengaged or actively disengaged franchisees is its ability to execute the company's vision. Without a high level of engagement in your organization you may need to re-evaluate your plan and put some initiatives on hold because there's a risk they won't be successful in the current environment.

Another cost is the impact on the engaged franchisees. An organization usually over-compensates for a lack of engagement by shifting its focus to the actively disengaged franchisees. The risk in doing this is the engaged franchisees will start to question the franchise's leadership team and the decisions it's making.

There's another way to think about the cost associated with the lack of engagement: how effective would your football team be if half of the team didn't attend practices, understand the plays or huddle up? Most franchises operate like this and compensate by spending too much money on communication and field representatives. Whereas, increasing the level of engagement in your organization will create a passion that is contagious—franchisees will feed off the passion. The word will spread and people will want to be on your football team and even want to participate in extra practices.

SIGNS OF THE LACK OF ENGAGEMENT

- Low convention/meeting attendance
- Low readership of communication materials (e-mails, newsletters, intranet updates, etc.)
- Lack of responsiveness to requests for information (surveys, etc.)
- Lack of compliance with franchise agreement
- Lack of initiative (don't share ideas, provide suggestions, etc.)

Exhibit at the



Midwest Franchise Seminar

Friday, Nov. 12
Omaha, Neb.

Find your next franchisees.

Take advantage of franchise education and networking.

OmahaChamber.org/Franchise

In partnership with





Create a Culture of Engagement

You need a plan to create a culture of engagement that will become entrenched in the organization. It doesn't happen by accident. It comes about through deliberate, well-thought-out planning and execution. Creating an engaged franchise is a journey that is going to take time and even when you achieve a culture of engagement the work has only just started. It isn't something you can touch, but it will result in improved performance for the franchisees and the franchisor.

Improving Engagement in Your Franchise

Engagement isn't something that happens overnight. It takes time. It means taking a hard look at the culture of your organization and making some long-term changes to how you do things. The following is a list of areas that are key to improving engagement in your franchise:

- **Understanding your engagement issues:** The process to engage your franchisees needs to start with a comprehensive evaluation of the franchise's level of engagement. This can be done with a survey of the franchi-

sees, and the employees of the franchisees and franchisor. But it must ask the right questions. A good survey will tell you not only how a respondent sees themselves, it will tell you whether they're leaders, supporters or someone who is disgruntled. In addition, it will tell you if they believe they're making a positive, valuable and important contribution to the overall franchise. We know if they don't view what they're doing as important, they're more likely to believe that supporting the organization isn't important. To be able to pull these types of results from the survey you should look at the groups or segments of franchisees and their attributes, not at averages of results.

- **Respect:** The franchisor must respect the franchisees and value each as a partner (and vice versa). This should start with the franchisor and be genuine. Unfortunately, many franchisors are under the false impression that the relationship is similar to one between a parent and child, and thus they treat franchisees like children. This can put the franchisor in a

dangerous and awkward position, and can make the franchisees feel uncomfortable and resentful. By treating franchisees like partners, you will build mutual respect, and the franchisees will want to support the organization and follow the franchise agreement. In a company that has major challenges with its culture, team-building exercises that focus on the desired culture—in this situation, mutual respect—can help you achieve your goal.

- **Shared vision:** The organization's vision can't be pushed down from the management team. A culture around the vision must be developed through a process that involves all stakeholders—including franchisees, and employees of the franchisees and franchisor. By involving the entire organization they will understand the vision, believe in it and embrace it. Keep the vision, and the strategic plan to execute the vision, centered on a simple, passionate theme—it will go a long way when trying to improve engagement. A good measure of success for the shared vision is to get employees of the franchisees and franchisor to put it into their own words.

TRY THIS EXERCISE:

Ask all employees of the franchisees and the franchisor the following questions:

- What is the vision of the company?
- What is your role in making it happen?

The results can be eye opening.

- **Less, targeted communication:** When there's something important to say, many organizations believe the right approach is to repeat the

message until it's heard. In this situation, you're actually training your audiences to stop listening. They know the message will be repeated so they don't have to listen the first or even the second time. Creating targeted messages for each of your audiences means they'll only receive messages that are important to them, and therefore, will pay attention, understand and take appropriate action.

Growing involvement is linked to improving engagement.

- **Check the tone:** Communications and live meetings should be reviewed for tone. It's not just what you're saying but how you're saying it that's important. Are you talking and acting like the partner you want to be? The same message said two ways can have a major difference on how it's received.
- **Listen better, ask more:** People have a natural tendency to listen to the extremes—in this situation it's the engaged and actively disengaged. To listen most effectively, you have to invite franchisees to help you. Ask questions that allow them to apply their best thinking to the things that matter to them. For example, what are the most important changes you expect to happen in your business over the next five years? What are you doing to prepare for these changes? In what practical ways can the franchise help?
- If you create a meaningful dialogue with all of your franchisees while targeting their needs; they will feel better about the franchise. Beyond that, people like to be asked for input, whether it be to help solve a problem or lend a hand. When you ask franchisees for help and they respond, they become more involved. And, growing involvement is strongly linked to improving engagement.

- **Clearly define responsibility:** People must know what their role is and how they contribute to the company's plan. Ensuring they know this and how everyone else fits into the big picture, will give them the chance to make a positive contribution to the franchise.

- **Better on-boarding:** The culture of engagement needs to start at the beginning of the franchisor-franchisee relationship. How much time is really spent with new franchisees defining expectations? Yes, the rules and the franchise agreement are reviewed. But what about clearly defining the expectations around communication, networking and sharing ideas? The best time to lay the groundwork for an engaged franchisee is when they first join your organization.

It might be hard to imagine your organization operating like an orchestra. Remember that wherever you are on your journey, every step you take to engage your franchisees takes you closer to making a beautiful piece of music. ■

Evan Hackel is principal at Ingage Consulting. He can be reached at 781-569-5900 or ehackel@ingageconsulting.com.

FRANCHISING WORLD.

Franchise.Org & A
What is the focus of IFA's Diversity Institute?

The Diversity Institute's activities encompass the International Franchise Association and IFA Educational Foundation's diversity and minority outreach programs—education, research, scholarships, and liaisons with other national organizations.

Look for the June issue of *Franchising World* magazine which centers on minorities in franchising. The Minorities in Franchising issue focuses on important topics that speak to both the prospective minority franchisee considering franchise business ownership, and the franchisor who is developing a strategy to target this audience.

Franchise.Org Keywords:

Diversity, Minorities in Franchising