



## COVID-19 Social Franchise Management Checklist

Franchisor Best Practices	Best Practices to Convey to Franchisees
Communication	Communication
<p><input type="checkbox"/> <b>Overcommunicate:</b> The purpose of communication now is to:</p> <ul style="list-style-type: none"> <li>• Understand the situation in the field; learn from franchisees about conditions in their markets.</li> <li>• Provide guidance, encouragement and practical solutions</li> <li>• Provide facts and address rumors or false information.</li> <li>• Convey knowledge about country or local regulations impacting the business or services including opportunities for subsidies</li> <li>• Maintain transparency; communicate frequently even it means sharing bad news.</li> </ul> <p><input type="checkbox"/> Have daily calls with your management team and they with their direct reports. People need to stay connected to their work and be provided assurances that life will go on.</p> <p><input type="checkbox"/> Conduct 2 to 3 calls, video conferences, etc., a week with franchisees, area developers, master franchisees or NGO's. Use all means of communication: email, online, social media.</p>	<p><input type="checkbox"/> <b>Overcommunicate:</b> The purpose of communication now is to:</p> <ul style="list-style-type: none"> <li>• Provide facts and address rumors or false information.</li> <li>• Provide direction to employees about modified services and roles.</li> <li>• Convey knowledge about country or local regulations impacting the business or services including opportunities for employees to obtain financial and food aid.</li> <li>• Learn from employees about issues affecting their security and well-being.</li> </ul> <p><input type="checkbox"/> Convey the importance of having daily calls with their management team and they with their direct reports. People need to stay connected to their work and understand that although jobs may be lost in the short term, the franchisee is committed to rehiring if at all possible at the other end of the crisis.</p>



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<ul style="list-style-type: none"> <li><input type="checkbox"/> Make this a <i>two-way</i> communication to get and integrate wisdom and best practices coming from franchisees</li> <li><input type="checkbox"/> Stay in regular touch with franchisees who have signed franchise agreements but are unable to move forward in launching their businesses. Consider modifying their development schedules on a market by market basis. Though they cannot be active now, you are already in a relationship in which you should be demonstrating your leadership.</li> </ul>	
Funding	Funding
<ul style="list-style-type: none"> <li><input type="checkbox"/> Reach out to current donors and Board of Directors to inform of actions and request increased funding and help.</li> <li><input type="checkbox"/> Don't assume your existing donors will step up; they may be distracted, sick, and/or re-prioritizing resources to more directly impact the course of the pandemic. Communicating frequently gives you a chance to stay on their radar, and articulating your own proposed changes/reductions/pivots may increase your credibility with them.</li> <li><input type="checkbox"/> Seek new funding sources.</li> </ul>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Convey your efforts to obtain increased funding along with results, and how this will be put to use in your network.</li> </ul>



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<b>Financial Management</b>	<b>Financial Management</b>
<ul style="list-style-type: none"> <li><input type="checkbox"/> Take aggressive action now to reduce or eliminate costs to ensure survival:               <ul style="list-style-type: none"> <li>• Seek rent and supplier payment abatement. Do so proactively, before failing to make payments.</li> <li>• Reduce or eliminate all non-essential expenses.</li> <li>• Understand insurance coverage for store closings.</li> <li>• As a last but possibly necessary resort, let go of employees.</li> </ul> </li> <li><input type="checkbox"/> Consider temporary waivers or reductions of royalties, advertising fund contributions as well as other fees. Revisit in the near future.</li> <li><input type="checkbox"/> Evaluate waivers and fee reductions by region and conditions on the ground.</li> <li><input type="checkbox"/> If offering fee waivers discuss with your attorney how to document and communicate these to franchisees.</li> </ul>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Convey how they can most effectively take action now to reduce or eliminate costs to ensure survival:               <ul style="list-style-type: none"> <li>• Seek rent and supplier payment abatement. Do so proactively, before failing to make payments.</li> <li>• Reduce or eliminate all non-essential expenses.</li> <li>• Understand insurance coverage for store closings.</li> <li>• As a last but possibly necessary resort, let go of employees.</li> </ul> </li> <li><input type="checkbox"/> Convey any temporary waivers or reductions of royalties and fees, etc. with precision and in writing.</li> </ul>
<b>Employee Management</b>	<b>Employee Management</b>
<ul style="list-style-type: none"> <li><input type="checkbox"/> Avoid layoffs if at all possible. Evaluate the top priority positions that should ideally be retained. Shift as many as possible to working from home.</li> </ul>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Convey that it is optimal to avoid layoffs if at all possible. Evaluate the top priority positions that should ideally be retained. Shift as many as possible to working from home.</li> </ul>



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<ul style="list-style-type: none"> <li><input type="checkbox"/> Seek emergency funding for both employee retention and food security issues.</li> <li><input type="checkbox"/> Find and distribute nourishing food to your employees and offer information about how to obtain aid/unemployment assistance if available.</li> <li><input type="checkbox"/> Provide work and home health and sanitization guidelines.</li> <li><input type="checkbox"/> Provide local resource information for health support.</li> </ul>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Encourage Franchisees to:               <ul style="list-style-type: none"> <li>• Seek emergency funding for both employee retention and food security issues.</li> <li>• Find and distribute nourishing food to their employees and offer information about how to obtain aid/unemployment assistance if available.</li> <li>• Provide work and home health and sanitization guidelines.</li> <li>• Provide local resource information for health support.</li> </ul> </li> </ul>
Business Model Modification	Business Model Modification
<ul style="list-style-type: none"> <li><input type="checkbox"/> Analyze how your business must change in the context of your mission, country and locale as well as consumers or service recipients whose lives have been upended.</li> <li><input type="checkbox"/> Revisit your business model weekly taking into account changing market dynamics.</li> <li><input type="checkbox"/> Modify your business model to the new situation such as:               <ul style="list-style-type: none"> <li>• Change business hours to accommodate your markets' new regulations.</li> <li>• Food service shifts to delivery and curbside pick-up.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Convey specifications and standards of altered offerings to franchisees in writing and webinars.</li> <li><input type="checkbox"/> Convey updated health and sanitization standards in writing.</li> <li><input type="checkbox"/> Convey importance of staying knowledgeable about changing regulations in their markets.</li> </ul>



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<ul style="list-style-type: none"> <li>• Health care shift to tele-health visits whenever possible.</li> <li>• Shift educational programs to online venues.</li> </ul>	
Supply Chain	Supply Chain
<ul style="list-style-type: none"> <li><input type="checkbox"/> Communicate with current supply providers to understand their ability to keep delivering</li> <li><input type="checkbox"/> Pivot to new, local suppliers by market</li> <li><input type="checkbox"/> Alter ingredients and product components based on supply realities.</li> </ul>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Convey any altered criteria for suppliers, changes in ingredients or product components.</li> </ul>
Security	Security
<ul style="list-style-type: none"> <li><input type="checkbox"/> Gather information about on the ground security of locations at stores, warehouses and offices.</li> <li><input type="checkbox"/> Increase security as needed. Evaluate insurance coverage</li> <li><input type="checkbox"/> Understand local regulation changes such as curfews.</li> <li><input type="checkbox"/> Reduce inventory</li> </ul>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Convey new best practices for:               <ul style="list-style-type: none"> <li>• Security</li> <li>• Business hours; and</li> <li>• Inventory reduction and protection</li> </ul> </li> <li><input type="checkbox"/> Encourage franchisees to look into their insurance coverage</li> </ul>



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<b>Marketing</b>	<b>Marketing</b>
<ul style="list-style-type: none"> <li><input type="checkbox"/> If you have a system-wide database of customers, be in touch with them to let them know what modifications or new offerings are now in place and keep your brand on their radar.</li>   <li><input type="checkbox"/> Include your sanitization and health practices to assure the consumer.</li> </ul>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Inform franchisees of corporate marketing initiatives and ensure they are prepared with modified services if appropriate.</li> </ul>
<b>Development</b>	<b>Development</b>
<ul style="list-style-type: none"> <li><input type="checkbox"/> Monitor markets that return to business openings and prompt signed franchisees to re-start their pre-opening activities.</li> </ul>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Communicate with signed franchisees about re-evaluating timeframes for opening as markets come back.</li> </ul>
<b>Planning and Launching your Re-Opening</b>	<b>Planning and Launching your Restart</b>
<ul style="list-style-type: none"> <li><input type="checkbox"/> Maintain “double vision”: <ul style="list-style-type: none"> <li>• Focus on the here and now</li> <li>• Focus on restarting the business and what that will take.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Communicate market-by-market since markets will likely re-open at separate times.</li>   <li><input type="checkbox"/> Provide franchisees with checklists about what needs to be in place to re-open: <ul style="list-style-type: none"> <li>• Re-training of new or re-hired employees</li> <li>• Re-opening marketing launch including promotions, discounts, etc.</li> </ul> </li> </ul>