

Multi-unit franchising: selecting the right approach for your brand

When handled correctly, this can be a surefire way to propel your franchise development

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It is common thinking that franchise expansion is best achieved by awarding as many multi-unit agreements as possible from day one. However, if multi-unit development agreements are awarded without the proper systems in place to support such lofty development goals, you run the risk of not just one franchise location failing due to ineffective ownership, but possibly many.

With the impacts of the COVID-19 pandemic still fresh, selecting franchisees that are business savvy and are able to pivot to adapt to changing circumstances is more important than ever. In these dynamic and turbulent times, it is more beneficial for franchisees to open one successful franchise at a time instead of opening several at once that are lackluster.

As 9Round has grown to nearly 700 locations in 13 years, our franchise systems have evolved, presenting a need for variations in our approaches to multi-unit franchising. While we began multi-unit franchising gradually, which required full-time owner-operators that started with a single location, we have expanded our approach. We

now include immediate multi-unit development led by experienced franchisees who utilize our semi-absentee owner model at the beginning of their business journey with 9Round.

Based on the evolution of 9Round's franchising practices, here are proven gradual and immediate approaches to multi-unit franchising and what support systems are required. While these methods of franchising have been successful for 9Round, success with each of these approaches is dependent on the complexities of your own franchising model.

Starting with one location and gradual expansion

When you are deciding whether or not to welcome a franchisee who intends to own multiple locations, it is especially important that the person is the right fit for your system. The pandemic taught us that the world can change overnight, but finding franchisees that can weather a bumpy road and are willing to pivot when necessary is vital to ensuring their success with multiple locations in the future.

In our first 10 years of business, it was useful to require franchisees to succeed with just one location as full-time owner-operators before being awarded more units over time. Our calculated method of allowing franchisees into multi-unit ownership built confidence between us, as the franchisor, and the franchisee prior to expansion into multiple franchise locations.

When successful ownership of a single location is achieved, the likelihood of the franchisee finding success with more locations increases. Not only is the franchisee comfortable with the model already through training and hands-on experience, but the franchisor can expect less of a risk as this successful franchisee opens more locations moving forward.

Semi-absentee ownership

A few years ago we began offering a franchise model that could function under semi-absentee ownership. In our system, the availability of this updated model has opened the doors for franchisees interested in taking on more of a 'manage-the-manager' role than a full-time operational role.

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This model not only appeals to a wide variety of potential franchisees – ranging from investors looking to franchise with multiple brands to those looking to maintain their current careers while opening a 9Round franchise on the side – it is especially attractive to those interested in multi-unit franchising.

With multi-unit franchising, an owner cannot be at each franchise location each day, so having the semi-absentee model allows for owners to grow their business while not having to physically be in each location.

Semi-absentee ownership is ideal for individuals with extensive management and/or franchising experience. When someone has the capabilities and resources to take on simultaneous development of multiple locations at a time, rapid growth escalates.

And when the franchise has support systems in place to help that experienced multi-unit developer successfully manage all locations once they are up and running, sustainability occurs. If your goals are both continued growth as well as brand longevity, then you must remember that you as the franchisor need to provide opportunities for achieving such goals.

Provide support and resources from the beginning

Semi-absentee ownership is a viable option for multi-unit franchisees if the proper resources and support are given from the start. So what does “having the right systems in place” really mean for multi-unit franchising?

The resulting labor shortage from the pandemic has underscored the need for efficiencies in the systems they use to allow multi-unit owners to manage their businesses more effectively. Technology, metrics reporting, culture, incentive compensation, ongoing training, and reporting is vital for a multi-unit franchisee to duplicate themselves so the owner’s vision is palpable.

Additionally, the provision of ongoing support resources from the franchisor is also vital. In 9Round’s case, those resources include extensive online employee training modules, regional trainings, constant communication

from franchise business coaches, email communications and newsletters, yearly conventions, and more.

The approaches to multi-unit franchising vary depending on what best fits your franchise model, but multi-unit franchising can be attainable and rewarding if the right systems are put into place.

Properly selecting multi-unit franchisees, focusing on growth opportunities across your entire network of franchisees, and giving owners a turn-key system that they can successfully operate from a “big picture” role with support can lead to overall success for your entire network.

