

# Franchise Business - What Could Happen in 2016?

All business owners, franchisor and franchisee alike - has a 'worst thing that could happen' that they carry with them. I'm not talking about the thing that keeps you up at night. I'm talking about the nightmare thing. *That* thing.

We all know what our 'thing' is. We just don't like or even refuse to think about it. I resolve to be the first person, maybe even the only person – to tell you that this can be the year to address 'your thing.'

Why? *Because bad things can and do happen.* It is simply bad **business** to ignore a potential scenario that could shake your business to its core, however remote likelihood. Look what happened to the industry darling of corporate fast casual, Chipotle' over the holidays. Blue Bell Ice Cream is still trying to recover from its product pull that occurred months ago. Those are corporate examples. It serves no purpose to name franchise examples but of course they do exist.

Know this - with the advent of more and different types of services being franchised (cryo-genics, was highlighted in the January Franchise Times) and growing fast – the franchise industry is just as vulnerable to the 24-hour mass media platforms as the large corporations. Maybe even more so because of the nature of the franchise business model.

Bottom line - **The Franchise Industry has many treasured iconic brands and some amazing start-ups covering almost all industries.** Thinking, planning and possibly preventing bad things from happening is what a rock solid business owner of any kind can and should do. Making sure the **franchise** industry doesn't incur more regulatory oversight – of any kind - is another incentive for making this a A list topic for 2016. Let's get to work. First things first.

Franchisees - It's not (just) your franchisors responsibility to keep you out of danger. It's yours too. Franchisors – What additional support and training (and sharing) could you offer and promote to help your owners stay out of harms way?

Step 1. **Make a list of all the scenarios.** Don't forget Acts of Nature. I had three hurricanes the first year I opened. It was extremely tough on my start-up working capital and cash flow. Definitely never saw that one coming.

Step 2. **Prioritize the list and break it into two categories:** Quality Control (including hiring and background checks) and Other. On my Other list I developed a plan for an armed and dangerous client or stranger on the premises. In other words, *go deep* here. You may have a third category but most should fall under those two.

Step 3. **Choose the top 6 and assign two months to develop and roll out a plan for each one.** Put the rest on next years list. (Bad things have no calendar). You may find that a duplicable process will be developed that you can use for other scenarios.

Step 4. **Communicate** to your staff (and franchisees) that you are addressing these specific scenarios over the coming year. Solicit or assign leaders for the first two. This will put your team on notice, allow time for processing and create some great entrepreneurial synergies in your work place.

Step 5. **Consider all resources** including professionals and other businesses that have been through something similar. Don't forget Public Relations or Crisis Management. Then listen and dig in. The rest will flow naturally. Be sure to include a 'review' and 're-visit' aspect to your plan.

Okay, my turn. For me, as the owner of a large, franchised Early Childcare Center my nightmare thing was this - What if somebody drops a baby? (No one did)

Second was leaving a child in a locked vehicle (happened), someone stealing a large sum of money (happened) and having a fire at the school when I'm out of the country. Yes, that happened too.

*Christy Wilson Delk was Kids R Kids Learning Academy franchise owner from 1998-2012. She now teaches Business Entrepreneurism at Rollins College in Winter Park, Florida and speaks, writes and designs workshops for the franchise industry. Christy@ChristyWilsonDelk.com or at 407-339-5554.*

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