

Franchise Business Network in Pittsburgh Highlights “Best Use of Technology to Grow Your Franchise System”



Franchisor technology experts Drs. William and Diana Repack

The April 2007 Pittsburgh meeting of the Franchise Business Network of the International Franchise Association featured a wife and husband team, Drs. Diana and William Repack speaking on “Best Use of Technology to Grow Your Franchise System.” It was held at the Rivers Club and was sponsored by the law firm of Fox Rothschild LLP. The remarks were based on William Repack’s decades of experience in franchisor marketing and Diana Repack’s two-year case study, where she examined the attitudes and perceptions by both a large franchisor and its franchisees of 10 technologies identified by the franchisor as “key” to the operation of its system, including the operations software package, Intranet, IP phones, tablet PCs, company web site and online training.

Technology in Franchising - Research shows that franchisors tend to have a more strategic, bigger picture view of the organization, while

franchisees, unless they are area developers, tend to be much more tactical-minded.

Influential Factors – There are three main categories of factors that influence how well technology is accepted:

- *Attitudes and Perceptions of Technology* – How easy is it to learn? How easy is it to use? Is it accurate and reliable? Do the benefits outweigh the costs?
- *People* - How comfortable are franchisees with reliable? Based on experience, do they have a positive or negative attitude about technology in general?
- *Support* - training, and technical help, telephone support, online-based support. If franchisees can’t get help when it’s needed, they will find some other way to get the job done.

Creating Demand – franchisors should include a section in their UFOC and Franchise Agreement to outline the technology intended for use. Include adequate funding in the Franchise Agreement in the form of technology fees.

Promote “Buy-In” - Dramatically increase franchisees’ sense of “buy in” by asking for their input. When implementing new technology, be sure to give plenty of notice, spell out how it will benefit them, and offer adequate training tailored to the level/technical abilities of individual franchisees.

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Technology Strategy/Partners – It's often better to find expert assistance than for franchisors to implement technology themselves. One expensive option is to hire in-house staff. But there are specialty firms that can help by providing IT and software consulting. Firms like this understand the uniqueness of franchises, and build their software accordingly.

Importance of Web Sites – It is extremely important to combine web site design with an Internet marketing strategy to attract customers and franchisee prospects. Creating sites affordably is difficult, because most independent “web designers” can produce a functional site at a relatively low price, but do not have the business knowledge to take it to a strategic level.

Strategy Behind Web Sites - Franchisors need to ask important questions, such as how to draw potential customers to the site. How to get a site listed by search engines? What keywords to use? What to “pay per click,” if at all? How to build “reciprocal links” and whether to pay for that?

Websites That Sell - Franchisors need websites that sell using direct response techniques. This includes generating high rankings on search engines through fresh content and links. Sites need to avoid common mistakes such as large, useless graphics and a lack of a compelling call to action.

About Fox Rothschild - The firm's lawyers have represented some of the most prominent U.S. franchisors and multi-nationals in expansion through the U.S., Asia, Europe, and developing nations, as well as foreign based multi-national entities establishing and expanding their presence in the U.S. markets. The firm has extensive experience in all areas of franchising, distribution and licensing transactions.

Coming in October:

The next meeting of the FBN will be held on Tuesday, October 9, 2007 at the Rivers Club, featuring a guest speaker on a vital topic. Please RSVP by contacting Gerald Cook, Co-Chair of Fox Rothschild's Franchise and Distribution Group, at 412.391.6428 – or via email at gcook@foxrothschild.com.



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