



IFA ANNUAL CONVENTION



20
22



Culture Schmulture
Why it matters...and
YES, it does!



Paul Pickett

Wild Birds Unlimited
CDO-EVP of Franchising



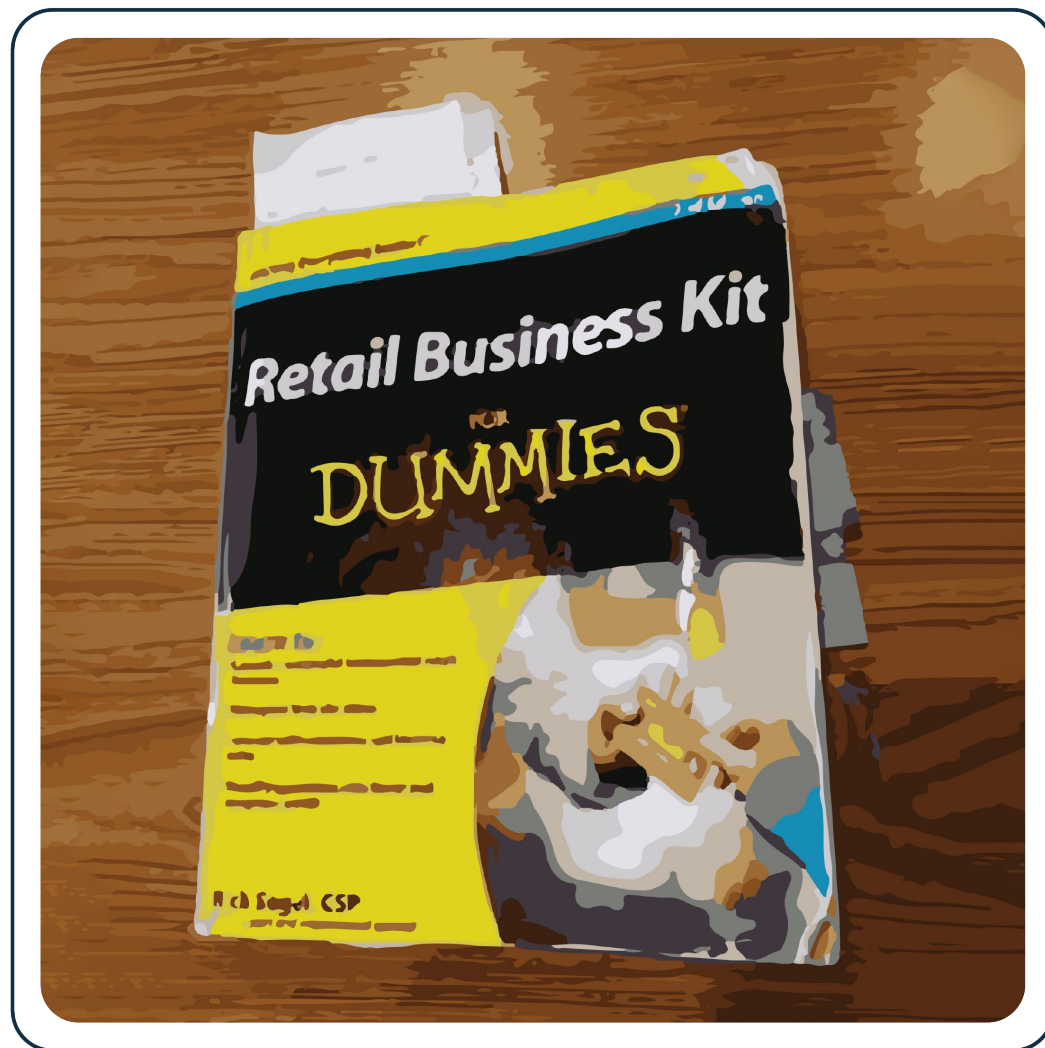
SILVIA SLEMMER

The WBU Brand Culture

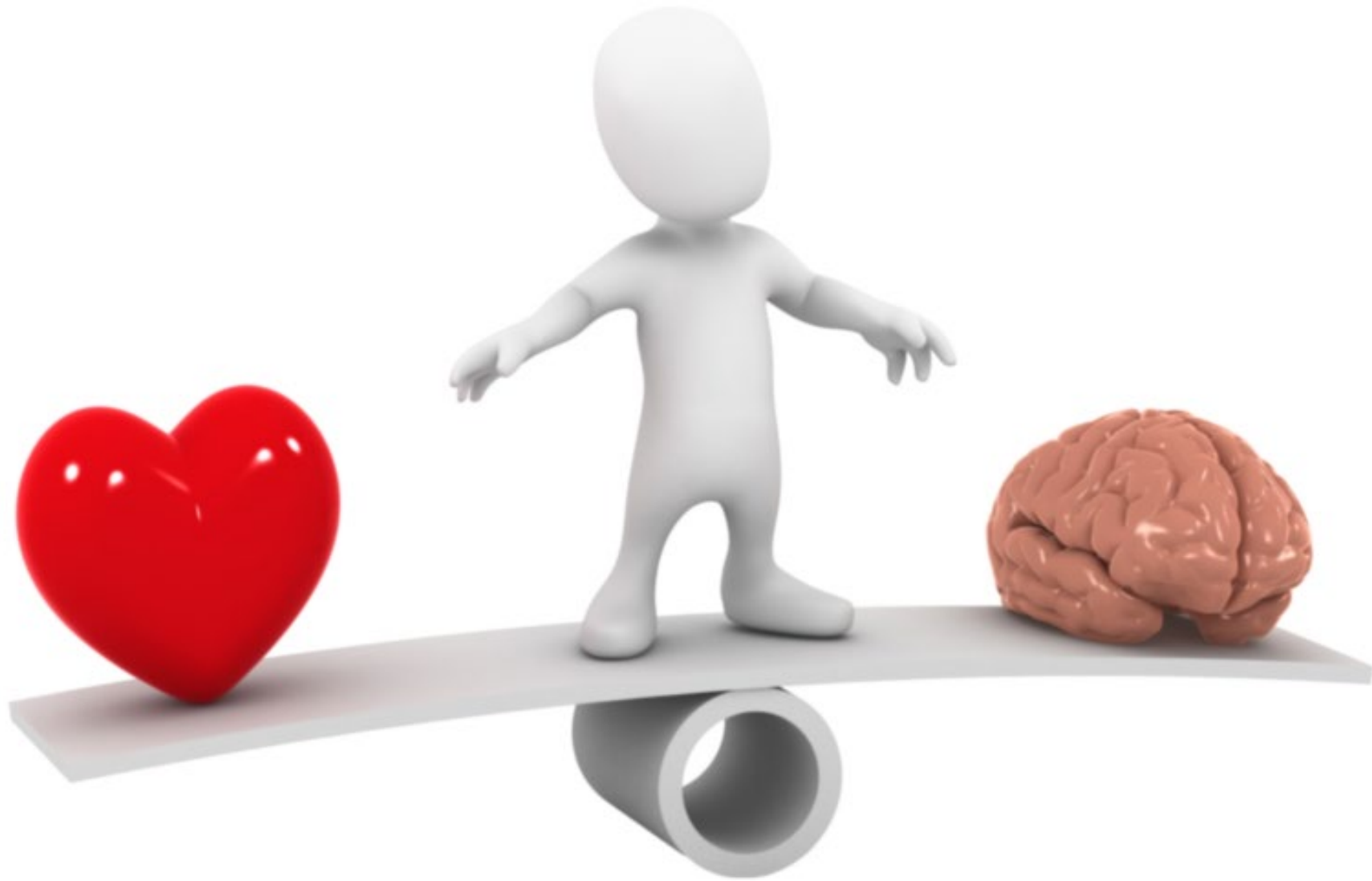
Wild Birds Unlimited of Carlsbad, CA

wildbirdscarlsbad@gmail.com

**WHY IS IT
IMPORTANT TO
UNDERSTAND THE
BRAND CULTURE?**



I HAD NO RETAIL EXPERIENCE

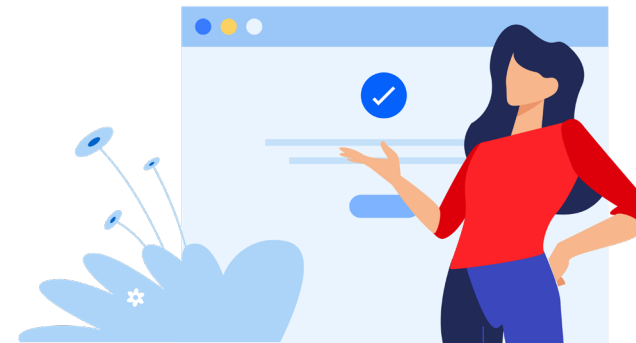




TEACH. GUIDE. PATIENCE.



EVALUATING THE WBU CULTURE WAS EASY



EVALUATING THE WBU CULTURE WAS EASY



It was a MATCH!



Not a One-Way Street



Brand Culture Matters!



CONSIDERING JOINING A FRANCHISE?



BEING ON BOARD WITH THE CULTURE



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Danessa Itaya

President

Property Management Inc.

Danessa@propertymanagementinc.com

PMI Culture – 2018 OUCH!

- 39% Engaged Franchisees
- 17% Actively Disengaged
- 45% Unengaged
- Low Summit Attendance
- Training and Support Rated Low
- Poor Communication with Corporate Office
- Slow Growth - Unit Economics



Company culture is the
backbone of any
successful organization.

Gary Vaynerchuk

**How do you make
“culture” more than
just words on a page?**

Core Values

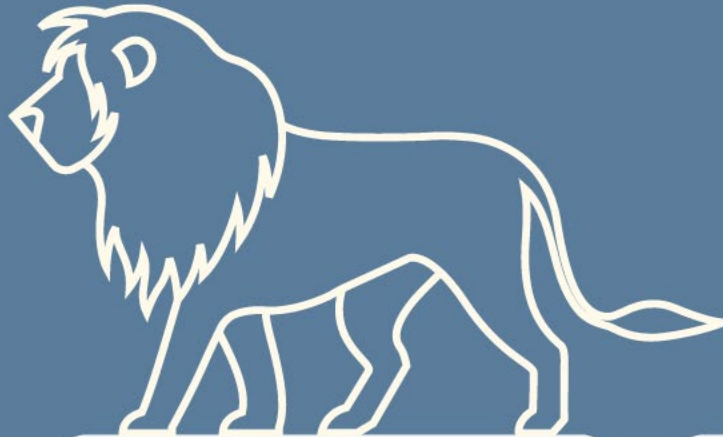
- Own It
- Growth Mindset
- Innovative
- Have Fun
- Energetic
- Integrity



Honey Badger



Unicorn



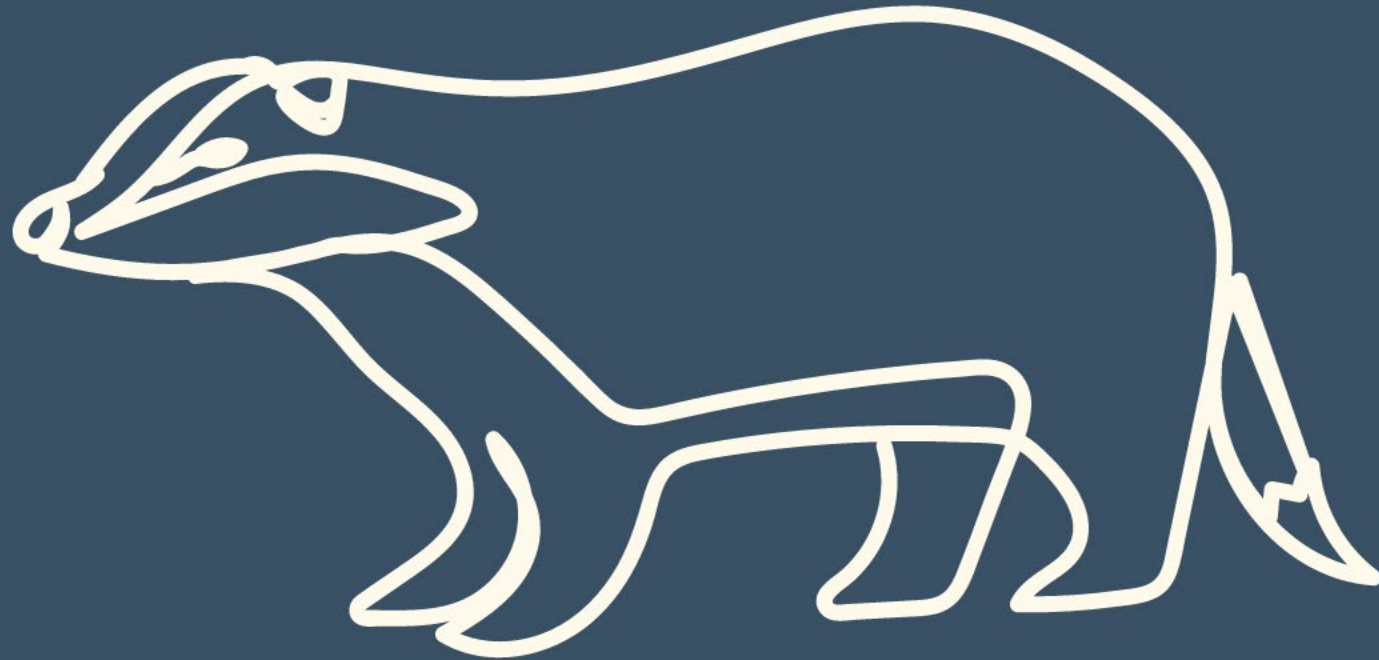
Lion



Goat



Honey Badger It



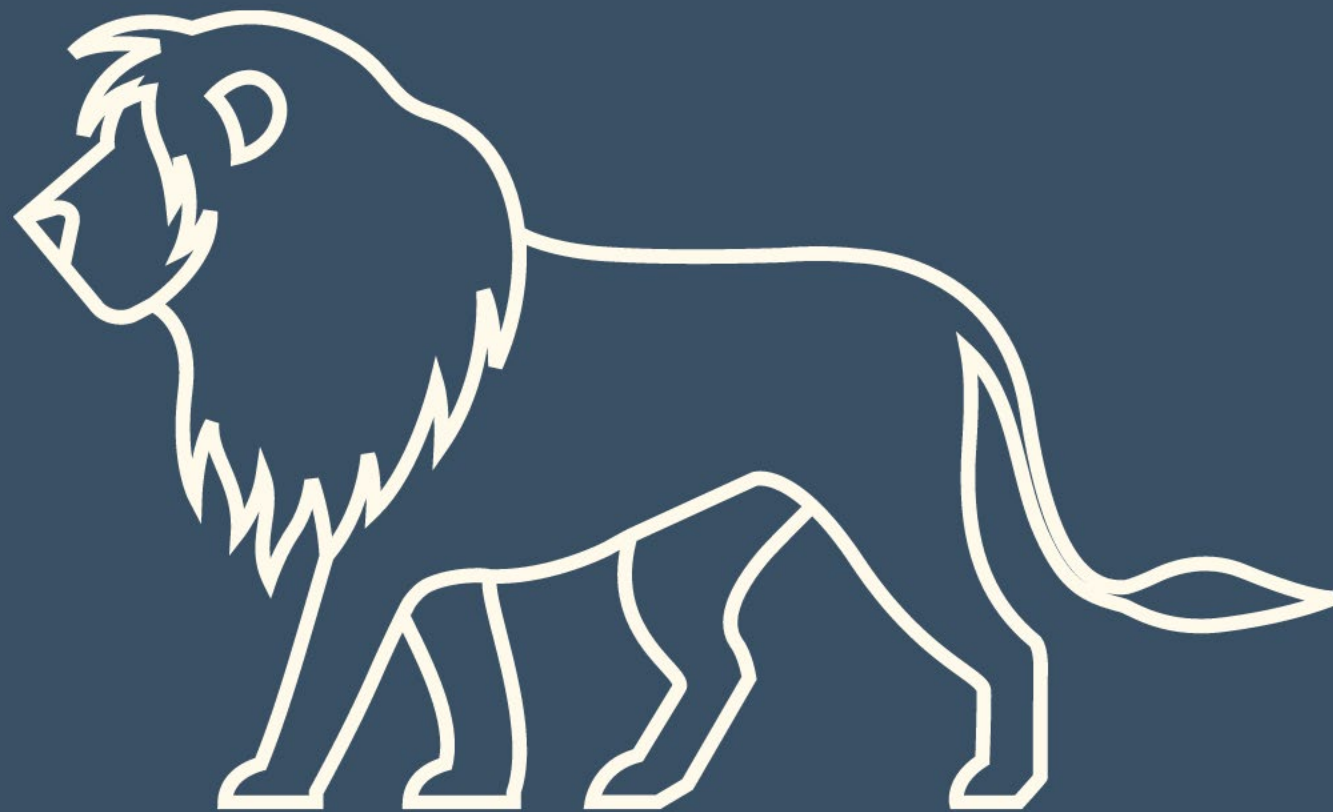


We are the Unicorn





We ain't Lion'





**GOATs just wanna
have fun**



Roll Out

- Divided into “Houses”
- Monthly competitions
- Merch
- Highlight team members living the core values
- Deeply ingrained principles that are the cornerstone of our culture

Harry Potter

Why is This Important?

- 25% of Team is in Their 20's
- Lead by Example
- Vision Leaks down to the Franchisees

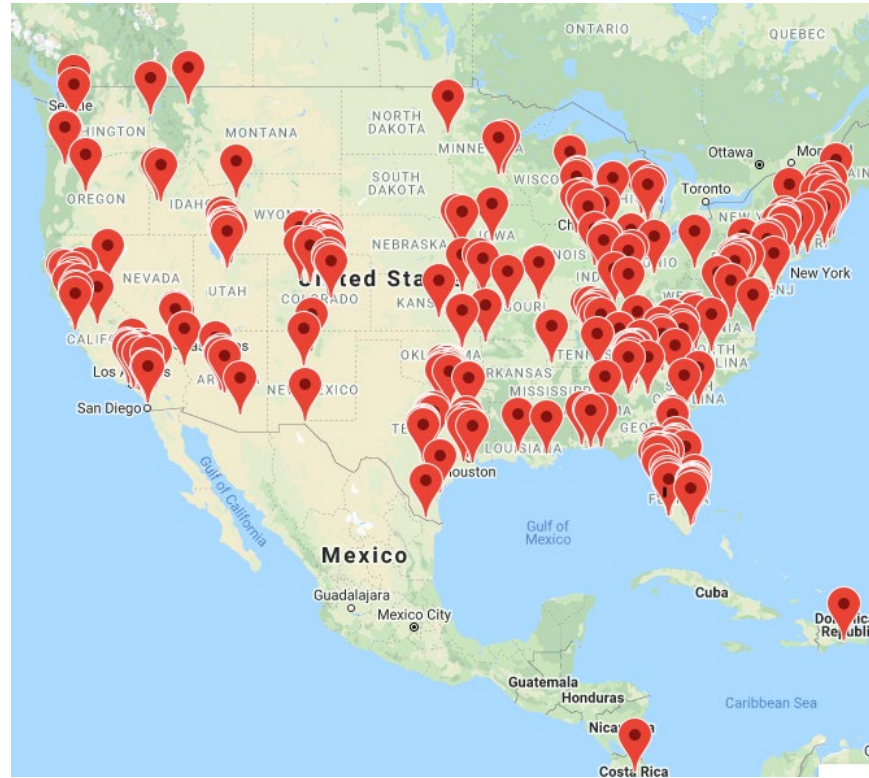




Communicating Culture to Franchisees and Fran Dev

- EOS Lite - Franchisees
- Continuous Communication
 - Quarterly Kick Off Call
 - Quarterly Coffee Chat with Sr. Mgmt.
 - FAC Meetings
 - Field Visits
- Annual Summit

Brand Culture Change





Property Management ^{INC.}

ASSOCIATION • RESIDENTIAL • COMMERCIAL • SHORT TERM

Culture Change – Honey Badger It

- Recognize that it's a CHANGE
- Recognize that it takes TIME
- Consistent Communication
- Consistent Action



Early Results

- Increased Communication
- Created Franchise Advisory Council
- Increased Attendance at Summit
- New Franchisee Unit Economics Growing Faster than Ever
- Seven Franchise Business Coaches
- Stronger Franchisee Validation

Key Takeaways:

- Culture MUST be More Than Words on Paper
- Culture Starts at the Top!
- Communicate, Take Action, Communicate
- Culture Changes



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Nancy Bigley
CEO/President
The Little Gym, International

B&B FIT PROCESS



- What are values of each brand
- Where are they similar
- Where are they different
- Are there dealbreakers

Managing the Misses



- Try to find ways to blend the best
- Involve staff and franchisees
- Be honest

UNLEASHED FIT PROCESS



- Voice of the brand
- How franchisees & staff are involved
- How brand standards are enforced
- How has brand moved through change

UNLEASHED BRANDS to INDIVIDUAL BRANDS



Learn

- Brands that enrich the lives of kids by teaching or enhancing their STREAM skills (Science, Technology, Reading, Arts, and Mathematics)
- Example segments: daycare, early childhood education, tutoring, interactive museums, etc.



Play

- Brands that provide fun, energetic experiences that give kids the opportunity to be kids
- Example segments – family entertainment, birthday party venues, bowling, escape rooms, etc.



Grow

- Brands that provide opportunities for kids to build or improve their skills or hobbies
- Example segments – Swim schools, music schools, gymnastics, karate, etc.

- Aligned around common purposes
- Brand level
- Staff level
- Execution is done with brand voice

MANAGING BRAND DIFFERENCES



- Maintain brand voice
- Change is ok

Golden Nuggets:

- Make culture building a priority
- Involve the headquarters team
- Have a team to hold the company accountable
- Find ways to cascade to the franchisees
- Create an integration team if acquiring new companies



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Measuring Culture

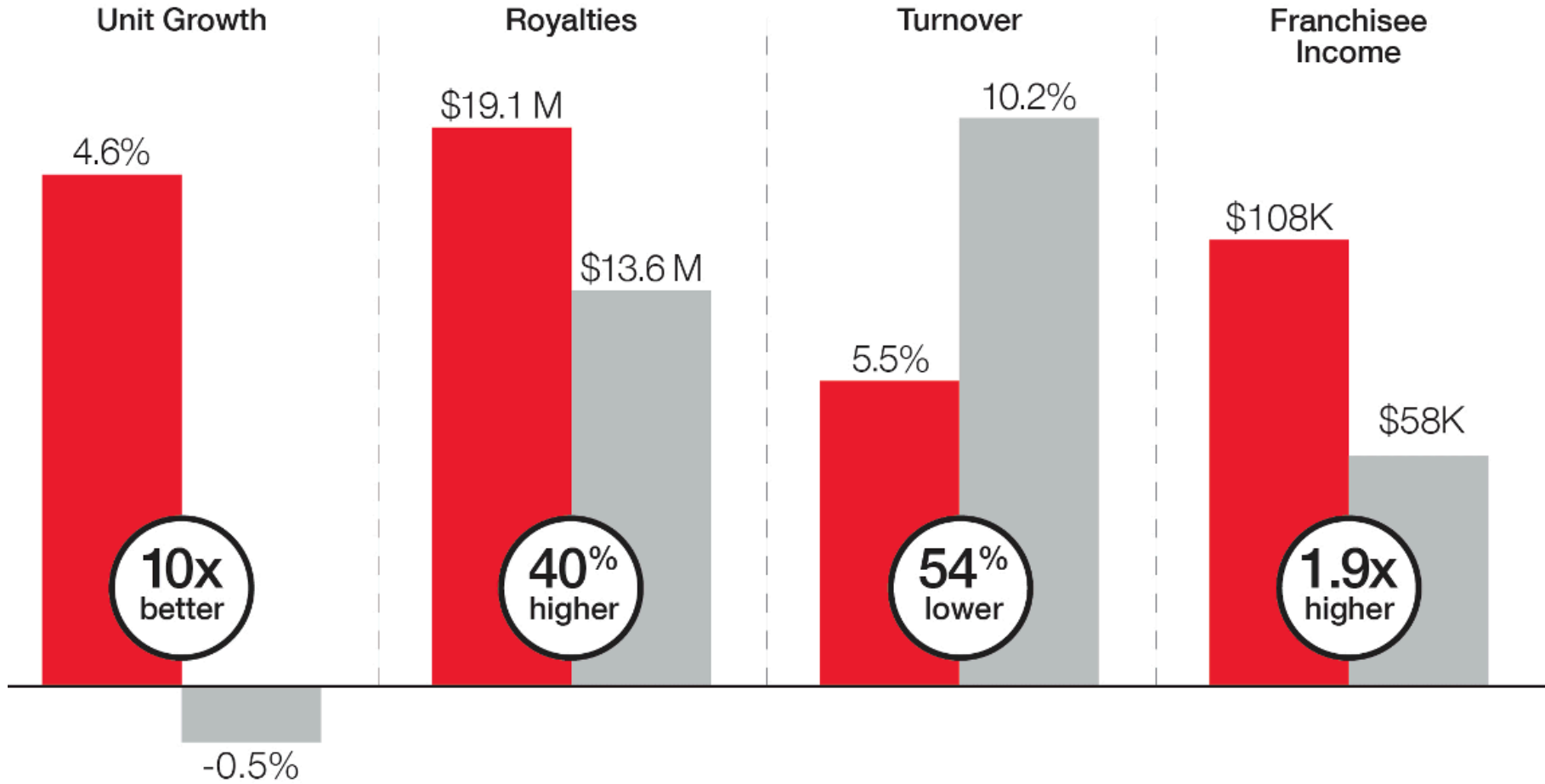
WELLS FARGO



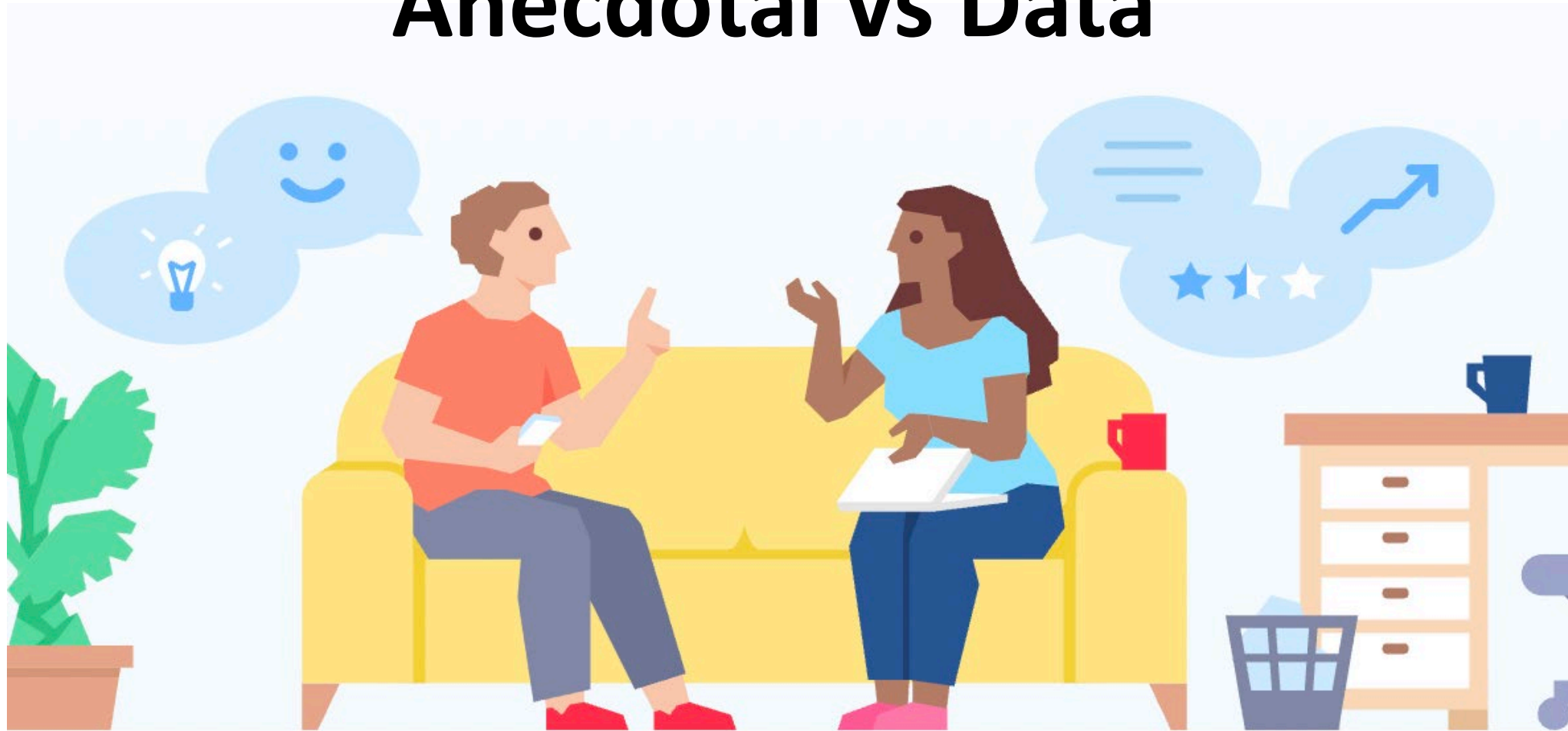
The Link Between Satisfaction and Franchise Performance

Brands with high franchisee satisfaction drastically outperform brands with low satisfaction on every key performance metric. Here we see the gap between brands in the top quartile of satisfaction vs. brands in the bottom quartile of satisfaction in annual unit growth, royalty revenue, franchisee turnover, and franchisee income.


- Top Quartile Franchises
- Bottom Quartile Franchises




Anecdotal vs Data



- Results
- Dashboard
- Scorecard
- Snapshot
- Market Information
- Training & Support
- Franchise System
- Leadership
- Core Values
- Franchisee Community
- Self-Evaluation
- Financial Opportunity
- General Satisfaction
- Business Lifestyle
- Demographics
- Open Text Responses
- View Participants
- Share Surveys




200
Completed



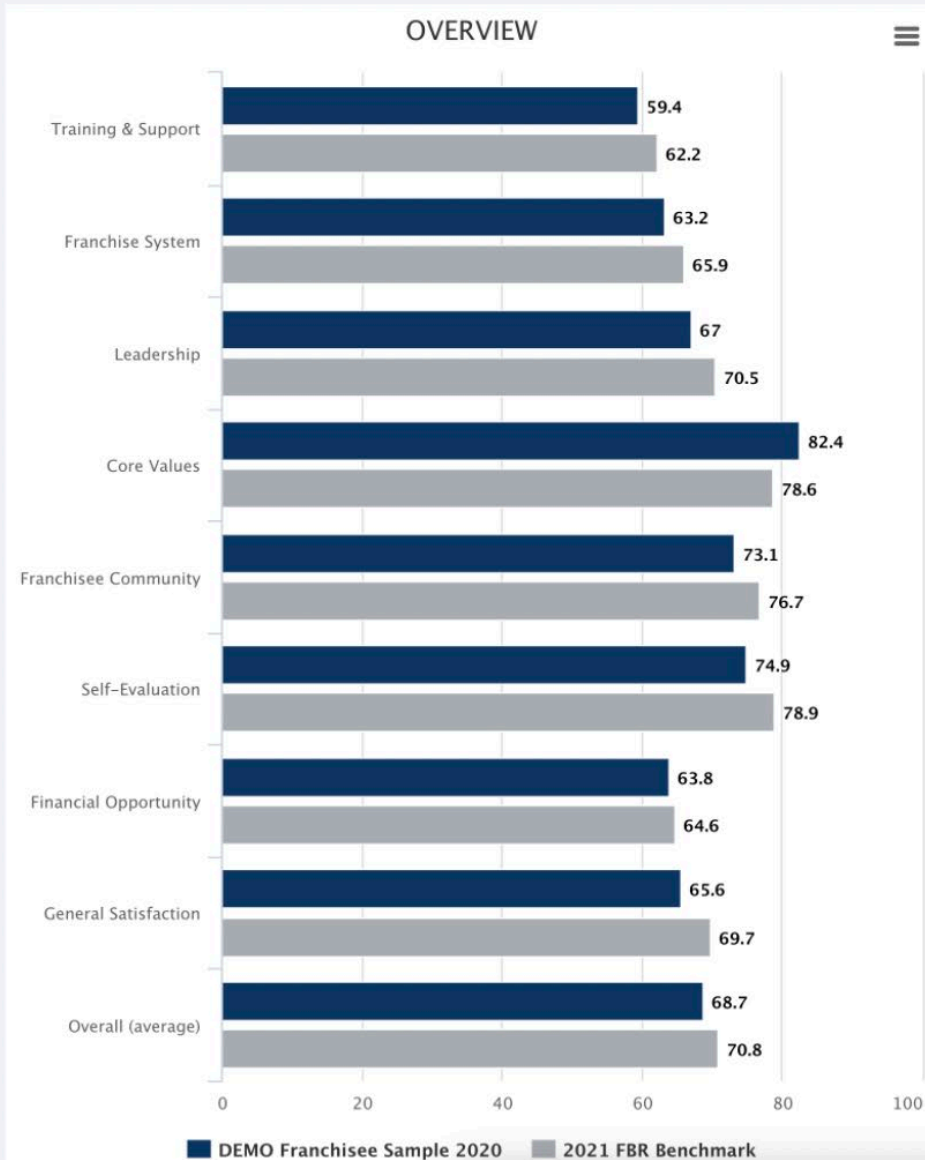
66.2
Participation



68.7
FSI Score



70.8
2021 FBR
Benchmark



Selected Surveys and Sectors

Molly Wally's - DEMO Franchisee Sample 2020 (200) *

2021 FBR Benchmark (27797) *

Snapshot image of primary survey and sector

Highest Rated Areas

- Honesty & Integrity (87.2)
- Enjoy the Business (81.9)
- Respect (81)
- Trust (80.9)
- Cares About My Success (80.4)

Lowest Rated Areas

- My Overall Performance (49.1)
- Innovation (53.9)
- Effective Technology (54.3)
- Financial Picture (55.1)
- Marketing & Promotions (55.9)

How do great teams monitor & manage culture?

- Involve all stakeholders
- Share results
- Align & Set expectations
- Benchmark & Trend

Engagement Benchmarks

24 Questions Across 8 Key Areas



Satisfaction

Job rewarding & satisfying, receives necessary support, fairly compensated.



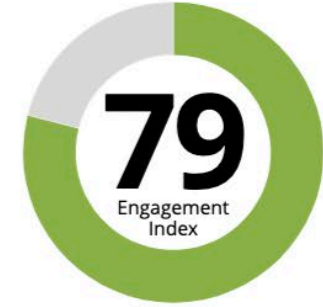
Engagement

Enjoys relationships with team, feel mostly positive about work, proud of work completed.



Alignment

Understand brand vision & values, defined role & responsibilities, clear measures of performance.



Self-Assessment

Skills & experience good fit, long-term growth opportunity, strong personal performance.



Manager

Professional, positive, & effective, values ideas and feedback, cares about my success.



Leadership

Professional, respectful, & fair, communicates clearly & openly, effective in driving the company.



Culture

Strong, positive team culture, comfortable & respected at work, contributions & ideas valued.

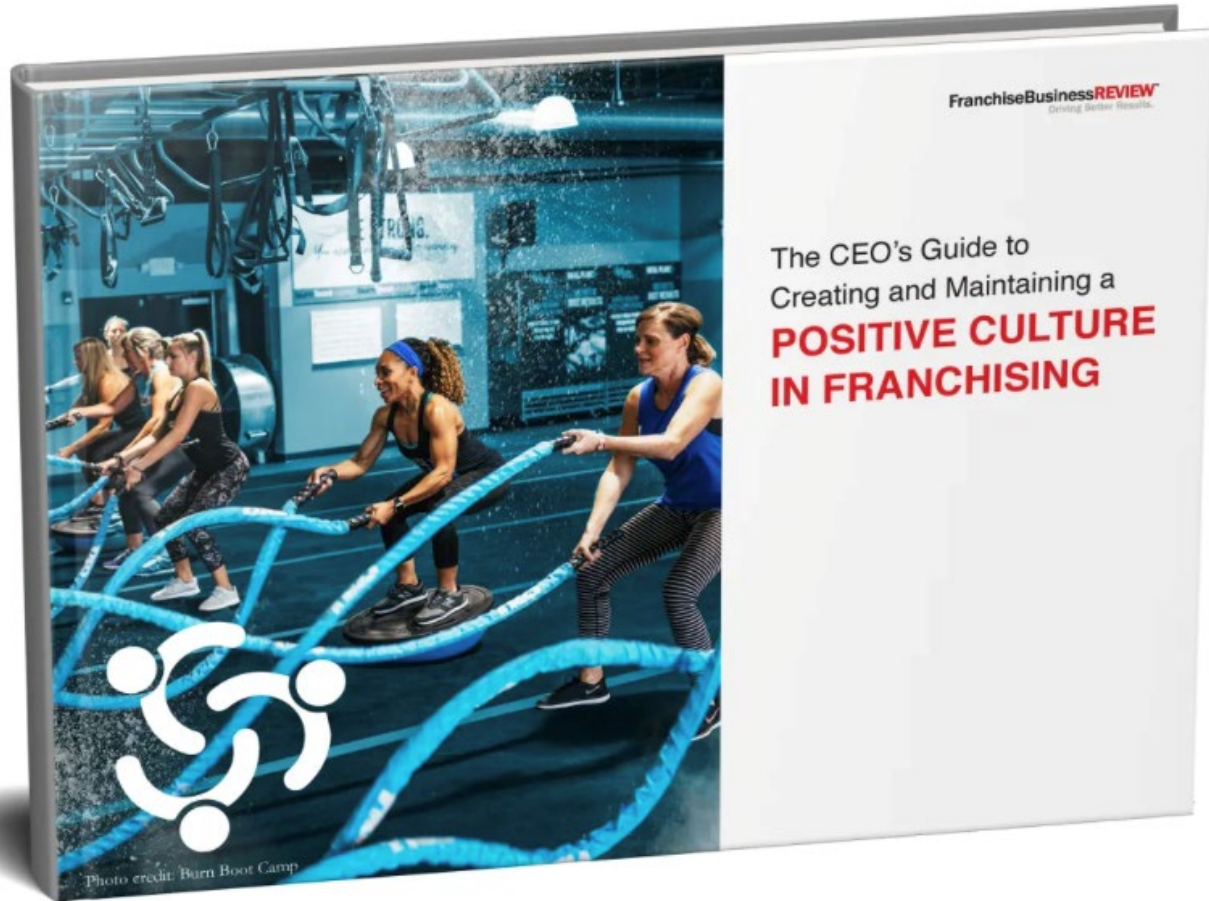


Core

Great place to work, optimistic about company future, would recommend to a friend.

Using data to **CHANGE** culture

- Create stronger connections
- Accountability
- Engagement
- Empower people





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Brian Schnell

Partner and Franchise Chair

Faegre Drinker

brian.schnell@faegredrinker.com

BRAND CULTURE
IT'S ALL ABOUT ATTITUDE AND LEADERSHIP

Legal Risks if Bad Culture

- Franchisees are motivated to free ride
- Franchisees create conflict within the system
- Franchisees badmouth the franchisor to prospects
- Franchisees file lawsuits/from adversarial franchisee associations

Strong Brands Live and Breathe a Collaborative Culture

- Culture is reflected less in the franchise agreement
- And more on a franchisor and franchisees' unwavering commitment to culture/strong relationships
- Collaboration does not mean a franchisor gives up decision-making authority
- If a franchisor wants motivated and engaged franchisees, give them a meaningful voice in matters of systemwide importance
- Role of the franchise agreement is to allow the franchisor to grow, protect and evolve the brand

Embracing and Resolving Conflict is Healthy

- Constructive dialogue to explore solutions can be more effective than both parties only focusing on “winning” the conflict
- Relationships fail if the parties do not adequately address breakdowns and collaborate to find solutions
- When parties stop actively listening and communicating, they resort to litigation or legislation

Key “Golden Nuggets” of Culture

- Collaboration, shared alignment and accountability are absolute difference makers
- Franchisees want a voice, rather than a vote
- Make 2022 a year where culture is a top priority. WE NEED EACH OTHER.