

The Outsourcing Solution

The process of delegating certain functions of a company's operation to outside firms with expertise in that area is nothing new. From accounting to legal services, having a team of experts more versed than yourself is valuable and can prevent you from making costly mistakes.

In the franchising industry, outsourcing has grown to encompass less traditional functions such as marketing, lead generation, sales, development, operations, and technology. Technology has helped to speed this along as email, administrative tools, crm systems, and conferencing capabilities have enabled people to work from virtually anywhere. With its multiple facets and layers, a franchising operation needs more expertise than its founder can provide and assembling the best talent from just the local pool can range from extremely difficult to outright impossible. Additionally each stage of franchise growth presents a new set of challenges where the operation will either progress or fail. Utilizing people who have worked through these stages with other franchise concepts provides a greatly increased perspective and chance of success.

In recent years, the number of companies offering to provide outsourced functions for franchise companies has grown at a brisk pace. Through this growth, 3 types of service providers have emerged:

- 1 – Those providing a single service such as marketing or sales
- 2 – Those providing all services in a “one-stop-shop” format
- 3 – Those providing an assemblage of the top individual service providers, working in tandem

When evaluating outsourcing providers, franchisors should spend time with the current clients of the firm, evaluating what they needed, what was provided, and how they feel about the experience. It's important to find providers who will work “with you” as opposed to “at you,” providing education and insight along the way. Additionally, there are a lot of franchise professionals who achieved great success with a concept, but very few who have been involved in multiple successes and failures, enabling them to identify and evaluate similarities and differences in situations, as they arise. Deciding to outsource certain aspects of a franchise business is critical to the success of the operation. Deciding which organizations to utilize and what to utilize them for is equally critical.