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# FRANCHISE REOPENING BLUEPRINT

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WEBINAR SERIES

# Speakers

- Michael Laymen, VP, Federal Government Relations, International Franchise Association
- Barbara Moran Goodrich, CFE, CEO and Co-founder, Moran Family of Brands, Inc.
- Ralph Yarusso, CFE, Chief Development Officer, FullSpeed Automotive

# Building the Blueprint

- IFA membership spans 300+ different lines of business
- Blueprint roughly divided into 9 business verticals
- Working groups with each vertical
- Worked to identify areas each will need to reexamine
  - Enter/exit
  - Ordering/queuing
  - Interreacting/transacting
- Franchising is well positioned to implement new safety measures based; model is built on successfully implementing brand standards

# Deploying/Evolving the Blueprint

- Blueprint sent to the President's Task Force
- Distributed to all members of Congress and their staffs
- Circulated to all 50 Governors and their staffs
- Deploying locally as needed across the country
- As states continue to reopen in various stages/phases, the Blueprint is meant to be a living document and will be updated as needed
- As we learn what is working and what needs refinement, that information will be included

# IFA Reopening the Automotive Sector of the Franchise Model Webinar

- **Course Of Action...**

- Automotive repair and maintenance was listed as an Essential Business in the various “shelter in place” orders.
- The FSA Executive Team maintained close contact with our primary vendors, Franchisees, Private Equity Partners, and financing sources.
- Regular meetings of the Executive team led to the following plan:
  - Adoption and adherence to the CDC Guidelines.
  - Negotiated extended payment terms with key vendors.
  - Created cost savings/reduction plan as follows.

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- **Course Of Action...**

- Relief to our Franchisees by deferring March royalties.
- Implemented aggressive cost-cutting measures including:
  - All non-essential spending put on hold.
  - Reductions/realignment of Field Operations
  - Store and Regional Management Salary Reductions (Retail)
  - Store hours were slightly decreased. (Retail)
  - Store techs were put on 32-hour work weeks. (Retail)
  - Travel ban implemented.

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- **Personnel Decisions:**

- Reduction of corporate staff (31%)
- Implementation of temporary pay cuts for all salaried employees:
  - All Executive Staff - 20% reduction in salary.
  - Anyone making \$75K or more - 10% reduction in salary.
  - Anyone making less than \$75K - 7.5% reduction in salary.

# Operational Strategy

## How we started & What we are doing:

Started with thoughts on how we can make people feel safe and limit contact

- Work from home ability for all team members

- Maintain all team members hours and wages to pre-COVID levels

- Rolled out free pick up/drop off of vehicles within a certain mile radius

- Expanded the no contact to include after hours drop off

Wanted to help and show our compassion for other essential workers

- Created a discount for essential workers to get up to 20% off all repairs – including oil changes and tire rotations

- Local shops launched out medical supply drive for their local hospitals

Created a goal to help keep people safe by educating public on sanitizing their vehicles

- We were able to get multiple franchisees on their local news stations talking about how to sanitize your vehicle and why it was so important

## Results:

Awareness of impact on daily communication and health of relationship

Evaluation of essential costs of what we really need to effectively support the franchisees

Evaluation of support structure needed to have quick response time to needs and effectiveness

From this rapid response we have seen an increase in some of our franchisees engaging with marketing programs we were implementing throughout the system

Low impact to franchisees with Same Store Sales drop only of 5.8% from April 2020 versus 2019 and Overall System Sales drop of 6.04% for same period



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- **Communications:**

- Daily Call with Executive team
- Repurposed our Director of Training to be point liaison with Franchisees for all covid related communications.
- Weekly Call with Franchise Advisory Councils
- System-Wide Webinar for both Brands
  - Vendors Programs.
  - Lenders – PPP Programs and aid.
  - FSD's – Territory round up calls with Zees

# Communication Strategy

## Developed a 3-prong approach to communicating with franchisees daily:

1. **Leadership daily communication** on: Education on what is happening, next steps, updates of CARE Act, how and where to obtain relief, what information to pull together, steps on rent negotiations and assistance in completing the processes for all.
2. **Operations daily communication** on: Steps to take in pivoting your customer delivery process and engagement with customers, analysis of expenses and cutting costs, measuring smart numbers and action steps to take based on changes.
3. **Marketing Communication** on: Local marketing campaigns, implementation of campaigns, activating local causes to help in, communication steps to customers.

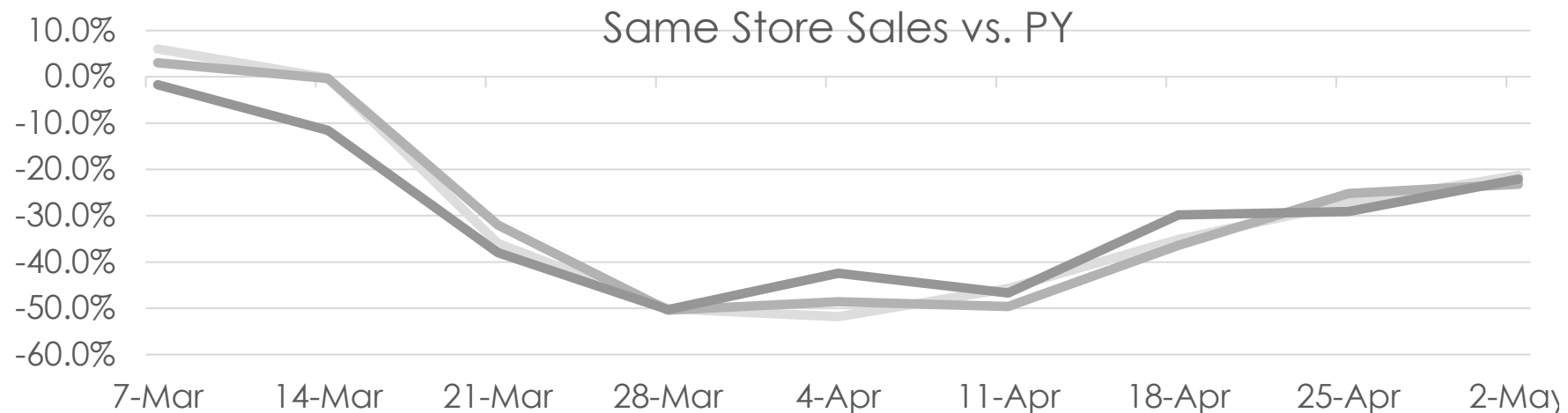
## Tools Utilized:

- Daily email updates and responses to questions
- Private Facebook daily updates
- Webinar updates, Zoom Meetings and videos
- Verbal through individual calls from all departments
- MU University uploads of information

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- **Store Operating Procedures-**
- Open for business advertising, customer in vehicle, modified staffing / hours of operation, face masks, etc.
- Adjusted marketing assets to support sales during pandemic.
- Aligned with “Cleaning” Franchises – PuroClean, Jani-King, etc.. To react quickly in disinfecting a center that had a positive test. Stressing needs for appropriate experts in health, safety and other pandemic-related resources.
- In vehicle service
- Follow the data...

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	7-Mar	14-Mar	21-Mar	28-Mar	4-Apr	11-Apr	18-Apr	25-Apr	2-May
GM-Fran	6.0%	-0.3%	-36.0%	-50.1%	-51.8%	-45.7%	-35.1%	-27.2%	-21.3%
SPD-Fran	3.0%	-0.4%	-32.0%	-50.4%	-48.6%	-49.6%	-36.4%	-25.2%	-23.2%
ROP	-1.7%	-11.6%	-38.0%	-50.3%	-42.4%	-46.7%	-29.8%	-29.1%	-22.1%

# Post-COVID Strategy

## **Support Center and Shops:**

- **Follow CDC/OSHA COVID 19 guidelines**
- **Air purifiers in all offices and rooms in building**
- **Disinfecting of lobbies, bay areas and rooms of UV or fogger**
- **Offer online scheduler for service appointments**
- **Maintain social distancing within offices, lobbies and bay areas**
- **Communicate via signage with customers on offers and process to stay safe**
- **Customers and employees wear a facemask when unable to social distance**
- **Disinfected vehicles inside before the service begins and prior to delivery**
- **Offer contactless drop-off and pick up for service**
- **Offer after hours drop off**



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A Strategic Initiative of the International Franchise Association

**Text FAN to 52886 for  
more information and to  
stay engaged!**

Thank you for attending!