

**I N THIS ISSUE**

# Communication Key to Fruitful Franchise Relations



**Steven Greenbaum, CFE**

**W**hat separates franchise systems from other independent businesses is the relationship between the franchisor and its franchisees. The interdependence between the two parties indicates that the whole is no stronger than its parts. No matter how many units a franchise company has, an effective communication system for the entire network often makes the difference between high performance and stagnation.

In any relationship, communication that is open and honest is vital to the health of the parties involved. From the first time franchise sales teams meet with prospective franchisees, a precedent should be set that demonstrates how important their role is in the future success of the franchise system. This issue of *Franchising World* delves into the complexities of the franchisor-franchisee relationship and explores strategies for cultivating mutually-beneficial relationships between the two parties.

In these challenging economic times, franchisees face the possibility of slower sales and increasing prices due to the soaring costs of energy. The Growth Coach's Daniel Murphy provides tips on taking action to ensure that franchisees are equipped to handle tighter budgets through group business coaching. Regarding good communication as a business strategy, Goddard Systems' Joe Schumacher and Robin Posey encourage focusing a company's culture around respect for franchisees.

Signs Now's Steve White lends advice on helping franchisees develop a strategic plan; Brinker International's Michelle Parks, CFE, details the benefits of including franchisees in the development of the company's concepts and ideas.

Managing mergers and acquisitions is no easy task, but insight into the issues involved, notes the article authored by law firm Thompson Hine's Barry Block, can clear up any confusion. Susan Grueneberg of law firm Dreier Stein Kahan Browne Woods shares how many franchisors may not be aware that state exemptions can allow them to avoid registration requirements in states and disclosure obligations in some cases.

Whatever the plans are for franchisors looking to strengthen the relations with their franchisees or gleaning tactics for enhancing other processes throughout their systems, this issue of *Franchising World* contains a wealth of practical information that can help lead your company to success.

Steven J. Greenbaum, CFE  
 IFA Chairman  
 CEO, PostNet International Franchise Corporation

