Franchise Relationship Management (FRM)

What is Maestro's 'Franchise Relationship Management' (FRM) Module and why is it important?

As brands grow and scale with multiple locations, it is critically important to monitor, manage, and report the different elements associated with location management, especially as there are several FDD fulfillment requirements such as Item 19 and 20.

However, trying to manage multiple units within the same brand or managing units of different brands, without the right processes / systems/ single source of truth results in a tremendous amount of manual work, increasing the chance of errors and data inconsistencies which impact speed to growth and scalability, all of which influences business/unit profitability.

Franchise Relationship Management's supports several requirements:

1. Franchisors can better manage the brands' multiple locations by consolidating relevant unit information together in a centralized space and captured in Item 20
2. Franchisors can quickly identify underperforming units and provide timely guidance and knowledge to enable Franchisees to maximize the profitability of their stores.
3. Franchisees can easily track step-by-step requirements of the onboarding process so they can open faster.
4. Royalties are efficiently calculated, invoiced, and paid with payment tracking.

This is easily done with the Maestro® Solution by combining information and data that needs to be centralized and tracked in real-time from the moment a franchisee starts their on-boarding journey and continuing throughout their lifetime of existence. This can be overwhelming if not done correctly. When looking for the right FRM system there are so many factors to be considered, such as but not limited to:

- How to track and manage the different franchisor / franchise steps through on-boarding?
- How to keep track of all the relevant store information?
- How to track expiration dates of the many licenses and insurances needed to operate?
- What violations are happening across the brand?
- How do I consolidate customer concerns?
- How do I streamline royalty management?
- How do I quickly identify underperforming units?
- How do I capture Item 19 and Item 20?

The success of managing multiple units is achieved by driving store management excellence across multiple locations and by building a profitable/healthy partnership between the Franchisors and Franchisees one that is long term, sustainable and profitable. The time and freedom that comes from knowing that all the location information and insights are coming together in one place makes it easier to focus on growth and brand scalability.

At Orchatect, we use workflow management to administer process driven requirements thus enabling store management efficiencies provided via our FRM module and intelligence hub. The main benefits are:

- Streamlined workflow that helps reduce time and manual effort associated with overall store management
- Centralized and summarized financial metrics helping with unit economics and ITEM 19
- Adherence and compliance to FTC regulations as per ITEM 20
- Tracking/capturing of all activities associated with royalty management and payments

Location / Store Management

The Location/Store Management section focuses primarily on capturing all relevant information associated with each location that is open and operating. Some of the many data points within this section include to:
- Owner info
- Insurance / license info
- Complaints
- Violations
- Support Logs
- Site Audits
- Location events
- Franchise Agreement documentation.

Outlets & Franchisee Information – ITEM 20

In accordance with the Franchise Rule as per the Federal Trade Commission, this section captures the statistical information aligned with the five specific tables in ITEM 20. Maestro's ability to capture the outlets information within the same system reduces errors and saves the Zor time. This includes data associated with the three most recent fiscal years as well as data related to the ownership, status and projected openings of systemwide outlets.

Onboarding / In-development

Maestro's FRM is not only able to outline the onboarding steps, but it can also ensure authorized visibility between Franchisors and Franchisees, track progress of activities completed, calculating time lapsed for different activities and send Zor notifications.

An effective onboarding strategy and management of the tasks is crucial to ensure that the stores are opened on time as delays impact how quickly a store can start generating revenue and paying royalties to the Zor. An easy to follow, successful onboarding strategy increases Zee engagement which increases Franchisors bottom line. The onboarding steps provides the opportunity to share the right operating processes, expectations and challenges to help Zee develop productive stores.

Financial Performance Representation – ITEM 19

ITEM 19 is where Franchisors display financial information such as revenue, to potential prospects so they have an indication of how much money they can make with that brand. Maestro's FRM through its orchestration capabilities pulls in real-time revenue data from accounting software such as QuickBooks, making it easier for Franchisors to share this information in their FDD.

Unit Economics

Maestro's FRM tracks unit financial metrics such as revenue, operating profit margin etc. that provide early insights to the business health of the units. Unit economics are good measures to be used to identify and predict potential units that may need operational help to ensure they don't fail / file bankruptcy and reach their financial goals. Failed locations not only severely impact Franchisor revenue but also have a negative impact when seen by prospective clients who maybe considering investing in a brand.

Disclaimer: All financial data is a reflection of information obtained from Intuit products.

Royalty Management

Maestro FRM is able to calculate royalties across multiple locations, update corresponding QuickBooks accounts, and automate invoice payments through Maestro's proprietary payment gateway. This ensures royalties are accurately assessed and collected in a timely manner.