



"The Single Voice for the Franchise Industry in Europe"
INTERNATIONAL NOT-FOR-PROFIT ASSOCIATION



FRANCHISE ASSOCIATIONS Working Together to Build A Franchise Community In Europe

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WHY ESTABLISH A FRANCHISE ASSOCIATION?



Effective trade associations are an important vehicle for showcasing the best of an industry to the outside world.

They allow companies, who are often more used to competing with one another, to influence political and regulatory debates and pool their resources and knowledge for the benefit of all.

Franchise associations are no different – they provide a necessary platform for both sides of the franchise industry to work jointly and confront challenges, learn from one another about best practices and open up new markets by helping new associations form and grow. A responsive and active franchise association can be the difference between an investment decision being made to enter a new market, as associations are so well placed to help make connections with existing entrepreneurs and new market entrants.

The EFF is launching our own program to help build franchise associations across Europe. We recognize that due to particular histories, market structures and available resources, that associations will vary in size and range of services. This is largely dependent on the needs of their members and the working culture in that country.

This short guide sets out what companies should look for in establishing a national franchise association, bringing together members from franchisor and franchisee communities, and unifying them under a single program, to support the growth of franchising in that country.

WHAT DOES A GOOD ASSOCIATION LOOK LIKE?



INDUSTRY INSIGHT

plays an important part in a franchise association's role as a source of expertise.

Research and market insight should provide an accessible and authoritative source of information and analysis on the market and the changing operating environment, particularly in areas such as how firms invest for their customers and how the franchise industry is evolving. Associations need to have insights into franchising's wider economic contribution and the resilience of our specific business model.



CLEAR ADDED VALUE

for franchise concepts according to transparent criteria.

A successful franchise association delivers added value to members through a clear vision, focus, and high-quality people. It also: has recognition within government or national authorities; promotes ethical franchising and its reputation; networks with other industry representatives; gathers franchise industry information and intelligence; communicates ethical practices; engages in mediation; and provides conferences and training.



LEADERSHIP

from the CEO and Board.

Strong association leaders set strategy and find consensus between members who are often competing with one another for market share. A successful CEO is a strategic leader; a persuasive diplomat; an excellent communicator; politically aware; a competent manager; an energetic networker; a franchise industry expert.



STRATEGIC COMMUNICATIONS

associations that are serious about explaining their issues and improving their reputation must elevate the importance of the communications role.

For this they require: an understanding of digital communications; rapid response to developments in the media; engagement with industry and political stakeholders; timely and appropriate internal communications; well-managed events; visually-appealing and well-written materials.



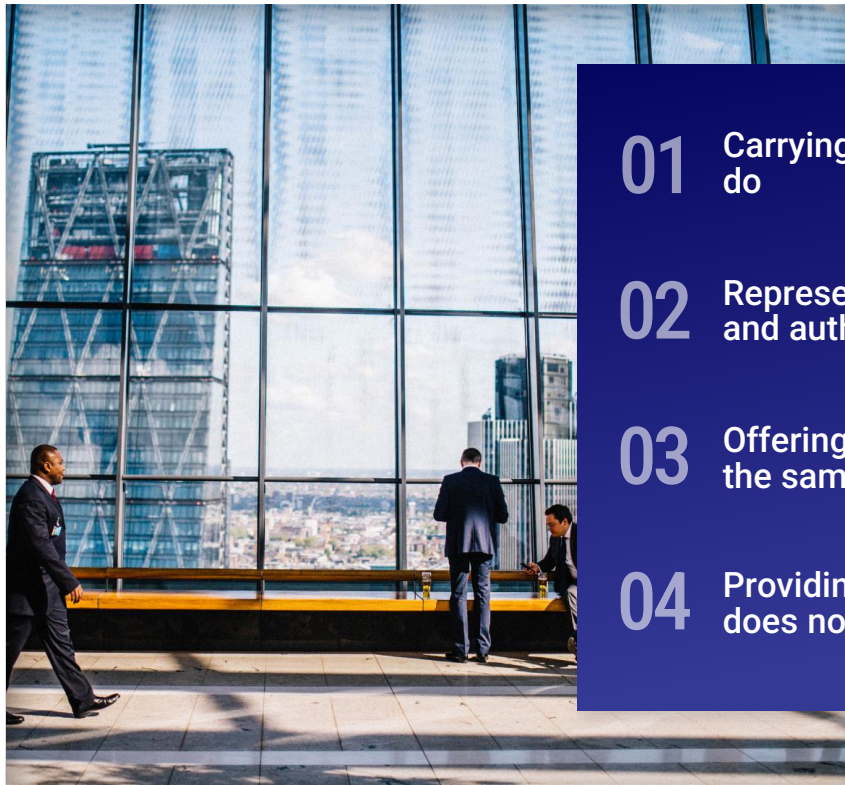
LEGAL INSIGHT AND COMPLIANCE

in critical areas of franchise and competition law.

On occasion, great care is necessary to manage relations between franchisor and franchisee communities, as it carries enormous reputational risks and in some cases, can lead to litigation. Key areas of focus should be: regulatory support; legal incorporation; EU competition compliance; employment law.

CLEAR ADDED VALUE

Companies will join franchise associations that demonstrate the following areas of added value:



- 01 Carrying out activities the company cannot do
- 02 Representing the industry voice in a credible and authoritative way
- 03 Offering an alternative way of achieving the same aims as its members
- 04 Providing expertise the company cannot or does not wish to invest resources to develop.

When speaking to franchise concepts about what they value from their associations, they will refer to its ability to promote the industry, gather data and statistics, develop standards, provision of conferences, networking and training, and influencing government.

They measure impact in different ways: this can be informally, through feedback from members, by asking stakeholders about the association's reputation, weighing up the growth in members, listing its achievements in terms of lobbying or media mentions. Less easy to measure, but no less important, is improving the reputation of an industry. This can be analyzed through reputation surveys among external audiences but sometimes it can be a case of "no news, is good news" and this will depend on the sector in question, and the challenges it faces.

LEADERSHIP

A good balance in roles and responsibilities between the Board and Secretariat is incredibly important in the overall functioning of the organization. Both parties need to understand and respect the role they fulfil for the association.



Board members should focus on the association's strategy and decision-making, while the CEO and Secretariat should be empowered to run the daily operations of the association so that the Board or its members do not start micromanaging.

Transparent and flexible governance structures are also very important to build confidence amongst members around decision making. This is particularly true for engagement with government, because if franchise associations do not make their voice heard, organizations with opposing views will do so. The important thing here is to be quick, adaptable and more effective.

Association CEOs that possess skills of persuasion and diplomacy to broker compromises between multiple individuals and interest groups, as well as being comfortable with politicians and the media are particularly valued.

Members and Secretariat should be working together to keep ahead of government regulation; making timely decisions; conveying clear messages; building coalitions; targeting the right audience, while behaving ethically and transparently.

A high-performing team is defined by management textbooks as:

"a group of people with specific roles and complementary talents and skills, aligned with and committed to a common purpose, who consistently show high levels of collaboration and innovation, and which produces superior results".

Team members are so devoted to their purpose that they will surmount any barrier to achieve the team's goals. This should be the ideal model for any business association as well.

STRATEGIC COMMUNICATIONS

Industries serious about explaining their issues and improving their reputation must elevate the importance of the communications role within their association.

For this they require:

- 01 integrated communications infrastructure; mastery of digital communications
- 02 rapid response media relations capability; engagement with stakeholders
- 03 timely and appropriate internal communications; well-managed events
- 04 visually appealing and well-written materials



Ensuring that members receive relevant information in a timely and user-friendly format is the preoccupation of trade associations the world over. In Europe, the complex nature of the policymaking process means that harnessing members to respond to consultations, draft position papers, and launch lobbying campaigns requires highly organised communication.

However, there is a delicate balance between too much and too little information and hard choices need to be made about the right channels for dissemination.

Communications in a franchise association should not only promote the reputation of the industry, but also complement the member's activities. With so many business interests competing for attention, an association must have a clear identity and message.

Probably the biggest communications challenge for any organisation is coping with the digital evolution and the web. A significant number of associations adopt a wait-and-see strategy with social media or are even philosophically opposed to it. Some will not use Facebook, Twitter or blogs insisting they only use channels that work for their audiences, particularly Linked In.

CONCLUDING COMMENTS

The most successful associations stand out through their **proactive promotion and support for ethical franchising**. This is considered to be a **core added value** by their members.



Promotion of ethical franchising is synonymous with leadership behind which lies a high-performing secretariat, supported by a back office delivering smooth financial administration and member support services. Successful associations know how to navigate legal risks in complex areas, as well as providing insight into regulatory developments affecting their members.

Ideally this model would be the typical franchise association. **At the EFF, our aim is to**

"work with existing and new national associations, with the support of our most well-established members, and build a thriving community for the franchise industry in Europe".

For more information about how to go about establishing or even growing your franchise association offering please contact the EFF directly. Our aim is to build a strong community for the industry throughout Europe, so all of our stakeholders understand why they should support the growth of ethical franchising.