Multi-Unit QSRs: The 6 Key Challenges to Success

And how to address them with Freebird

FREEBIRD CONNECT

Introduction

Many surveys have been conducted and much has been written about the unique challenges facing multi-unit franchised businesses. The results have been remarkably consistent across studies. Stresses arise for a number of reasons; most notable because of geographic dispersion and the tension between centralized control and local responsibility for financial success.[1] [2] The situation is especially difficult in the quick service restaurant (QSR) sector where each unit essentially operates like a small factory – managing materials, the production process, and quality control – while operating in a hyper competitive environment where margins are tight and employee turnover is high.

So, what are the specific key challenges faced by multi-unit QSR businesses? While the research shows that the exact number of challenges and their classifications vary, they can be subsumed into 6 overarching categories: [3] [4] [5]

1. Ready access to all key operating metrics at all levels of the organization;
2. Effective and timely dissemination of critical operational news and updates;
3. Consistency across all units;
4. Collaboration and time-saving co-ordination with units;
5. Training and upgrading employee skills; and
6. Instilling a sense of corporate unity and teamwork.

Obviously there is no single solution to excelling in these 6 areas. Ultimately it comes down to a combination of investment in training, effective people skills, and the deployment of innovative and time-saving technologies that support the 6 keys [5] … which brings us to Freebird.
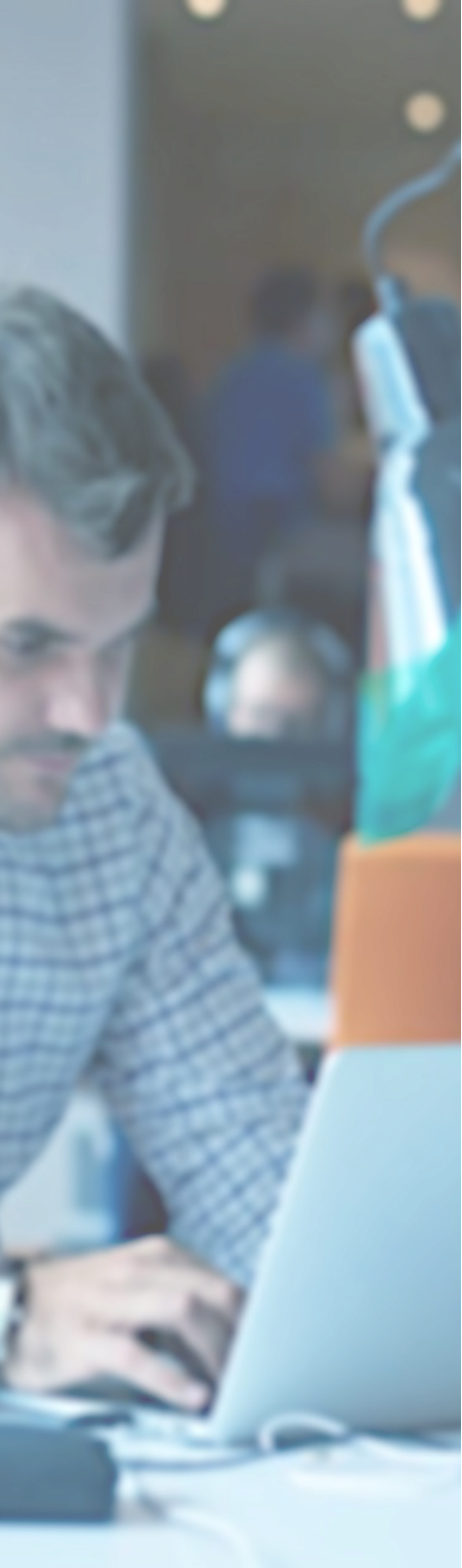
How Freebird addresses these challenges

The Freebird solution was designed specifically to address the types of challenges outlined above. Freebird is a one-stop information software platform that integrates analytics with content management and collaboration capabilities all in a single, hosted environment. With Freebird, users across the organization can monitor the status of their key performance metrics, access critical operational news, training materials, instructions, and collaborate around issues and best practices – all in one convenient place. In short, Freebird helps managers to easily access the fullest available data and information to drive operational efficiency and financial success.

So how does Freebird help multi-unit QSRs to address each of the challenges?

1. Ready access to all key operating metrics at all levels of the organization

Multi-unit managers (MUMs) at both the field and corporate levels are overwhelmed with the number and variety of operational reports and performance metrics they have to review every day.[1] [2] [5] Compounding this is the problem that the information they need is often scattered in different systems and formats: detailed sales, labor, and food related metrics might be in one system, speed-of-service metrics and financials in others, while scorecards, surveys, and other reports might be in spreadsheets.[2] Further, comparisons across units and above store roll-ups at various levels of aggregation, for different time periods, are either too cumbersome or not available. Due to frustration and a lack of time to dig up the details, problems are often overlooked and decisions are made on a gut feel basis, with little consistency across the organization.

Freebird extracts the data from all sources – such as back office, speed of service, and financial systems, as well as Excel data – organizes it so that it is meaningful, and delivers it into one convenient place. Managers at a glance can see the status of their key metrics for any level of aggregation or time period in tabular form or in highly visual dashboards and compare these against targets and benchmarks. Highlights and alerts allow them to immediately identify and focus on problem areas and to take appropriate action quickly.

2. Effective and timely dissemination of critical operational news and updates to units

In addition to the avalanche of operational data, multi-unit and managers are flooded with a constant stream of time-sensitive information relating to such things as new products, promotions, and operating procedures.[1] Sometimes the information comes from the corporate office and is sent to all units. Sometimes it originates with area managers or MUMs and is directed to specific units. This information is usually communicated through email, though additional details may be accessible on a corporate intranet site. The problem is that this type of information rarely ends up properly organized for easy reference. It is scattered in different places and disconnected from context and related information and metrics. As a result it is often forgotten, ignored, or it falls off the bottom of the activity list and the necessary action is never taken. [1]

Freebird helps multi-unit QSRs to cope with the challenge of the effective dissemination and utilization of information. With Freebird, managers can post all news, information, updates and related documents critical to their field managers in their same dedicated areas where they can find their key metrics. This approach not only helps to remove user frustration over constantly

having to track and assemble information and data from different places, it also ensures that appropriate actions are taken in a timely manner based on the fullest information available.

3. Consistency across all units

Achieving consistency in operations and adherence to brand standards across highly dispersed units is both critical to success and a major challenge for QSR operators.[1] [2] [3] Compounding the challenge is that due to high turnover, MUMs and RGMs (restaurant general managers) may not be fully trained on how issues should be handled. Many issues arise daily that require units to take actions. For example, what corrective steps should be taken when speed-of-service falls below targets, or food wastage is too high, or cash deposits vary from expected? When these types of issues are not handled in a consistent manner performance suffers and MUMs end up fighting the same fires with each unit visit.

With Freebird, instructions on the specific steps that should be taken to rectify these types of issues can be included in the performance dashboards. Providing this type of information right in the context of the various operating metrics will help to ensure that issues are addressed in the preferred and consistent manner across the entire organization. It also is a means of providing reminders and training content directly in the context of real world operating issues.

4. Collaboration and time-saving co-ordination with units

Top performing MUMs visit every unit every week, spending up to 8 hours a day in units.[4] [5] [6] In addition, they conduct daily coaching phone calls with each RGM.[5] Given that each MUM will typically be responsible for between 6 and 8 units, and that travel time alone can amount to two

to four hours a day, the necessary commitment in time and energy can be crushing. While some MUMs manage to keep up the pace, all too often the end result is reduced frequency or rushed visits with inadequate preparation and unresolved issues.

With Freebird, prior to a visit, MUMs can post information on the matters to be discussed. The information can highlight such things as a review of the outcome of the previous visit, issues around subpar performance metrics, new procedures, training, personnel issues, etc. Topics of relevance to all units can be posted to a common content group, reducing the need for repetition, while issues pertaining to an individual unit can be posted in that unit's group area. At the same time, RGMs can add comments and clarifications to the suggested agenda, as well as identify any other matters they would like to address. As a result, by the time of the store visit, MUMs and RGMs are prepared to focus on the most pressing issues and the actions to be taken. In this way, Freebird helps to ensure that store visits are meaningful, satisfying, and make efficient use of everyone's time.

5. Emphasis on training and upgrading employee skills

The ongoing training of managers is an important determinant of operational success in the multi-unit QSR sector. It is also a key factor in the ability to retain high performing managers.[7] [8] But in the QSR sector this is a major challenge and cost. Turnover in the sector is especially high, ranging between 30-40%, and the cost of replacing a trained manager can be in excess of 1 year's salary.[7] The lack of necessary managerial knowledge and organizational standards due to inadequate training are cited by managers as major reasons for the high turnover.[2] [7] [8] [9]
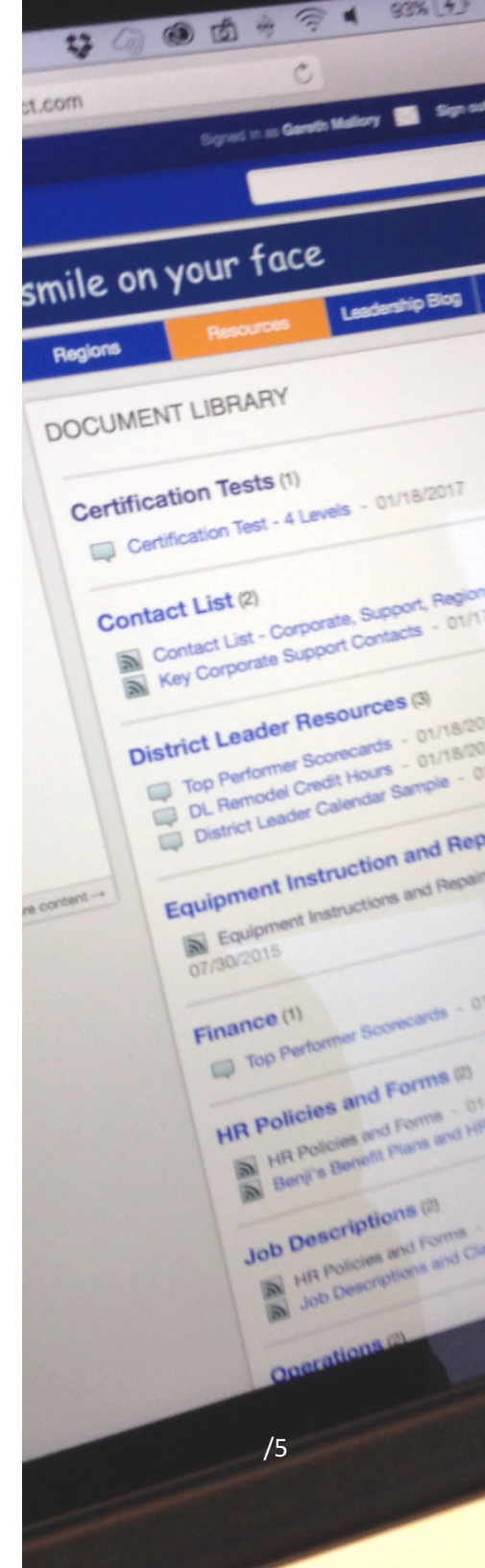
Freebird's content management and collaboration capabilities help to address these issues in several ways. With Freebird, corporate managers can easily post training materials, tests for internal "certification", links to videos, etc., where they are always readily accessible along with all the other information relevant to them. Corporate and field managers can also track the progress of employees and provide feedback and recognition as they complete training and development modules, achieve certain performance targets, etc. The ability for managers at all levels to provide ideas to the broader user community and be recognized for valuable contributions and career promotions also supports a learning environment where professional development is not only encouraged, but also actively monitored.

6. A sense of corporate unity and teamwork

Multi-unit QSRs typically are highly dispersed businesses, with units and most staff cut-off from corporate headquarters and other units to a significant extent. This makes it difficult to sustain a sense of corporate unity, to transmit corporate values and priorities, and to exchange information and ideas, which are keys to success in the multi-unit enterprise.[9] It also makes it difficult to communicate recognition for top performing managers to the broader organization – lack of recognition was rated as one of the factors cited by managers as leading to low job satisfaction and turnover.[7]

Freebird helps dispersed MUMs and RGMs to stay connected with the larger organization. For example, corporate managers can post information on corporate plans and achievements; MUMs and area managers can post newsletters and lists of priorities, instructions on how to address problems, announce employee awards and contest winners, etc. Similarly, for their own
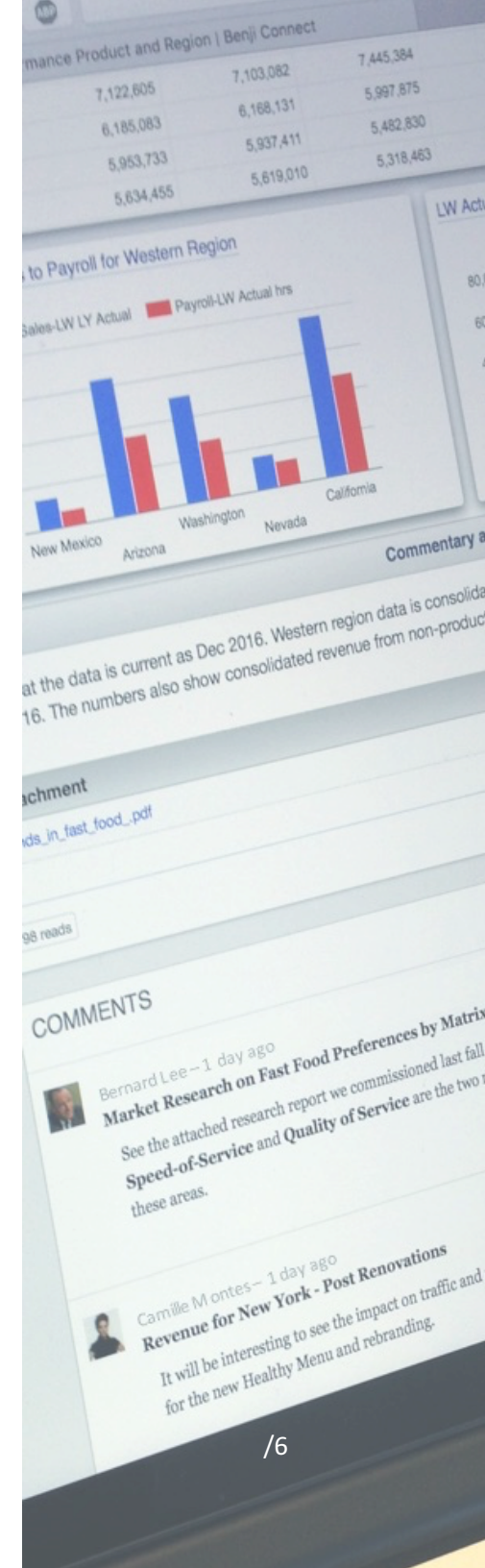
areas, MUMs and even RGMs can post ideas on such things as best practices or ways to improve service. This ability for MUMs and RGMs to connect and identify with people in the larger organization can help to instill teamwork, promote motivation, and reduce turnover.

The Bottom Line

The Freebird Information Platform helps multi-unit QSR operators and managers to address the major challenges they face. It brings together, in one place, all their key operating metrics as well as all relevant information, documents, and training materials. This not only saves them time and frustration, it ensures that everyone has maximum insight into performance, and that opportunities and problems are addressed in an effective, timely, and consistent manner. Freebird also provides corporate and field managers a means to communicate across the organization, to recognize top performers, and to share ideas and best practices, thereby fostering a sense of unity and encouraging personal development and job satisfaction. Freebird helps to turn MUMs from firefighters into mentors and coaches.

If you are a multi-unit business and experience some of the challenges discussed in this paper perhaps Freebird can help you. For more information visit…
http://www.freebirdconnect.com/

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