



Franchisee Website Solution: **Build or Buy?**

How to Effectively Plan & Implement the Right Solution

Franchisors are quickly realizing just how important it is for their franchisees to have a strong online presence these days, to spread awareness of their locations in local markets, increase lead generation and customer acquisition levels, and help improve customer loyalty and retention – all of which directly benefit the franchisor by increasing royalty streams, expanding market share, and strengthening the brand. Exemplifying this point, the number one reason customers visit a franchise’s website today is to find information about nearby franchisee locations. When there is a lack of relevant, local content about the franchisee’s location presented on the website (often times little more than a phone number and address is provided), customers are left doubting the business’s credibility, and disappointed at the lack of information. This results in stagnant website traffic and lead generation numbers, especially if franchisees do not have dynamic web pages that are updated frequently with fresh content to boost placement in local search engine results.

Furthermore, an ever increasing number of franchisees who understand the value of a strong web presence have

independently initiated their own Internet marketing programs, by launching their own websites, creating social media profiles (such as Facebook and Twitter), and advertising online. The result of this is a very fragmented and muddled representation of the franchise brand on the web, not to mention the frustration franchisees endure while trying to navigate the complex and convoluted world of Internet marketing on their own. What’s worse is franchisors are losing control over their brand online, and franchisee confidence and satisfaction is waning because these essential marketing tools are not being adequately provided by the franchisor.

This shift has created a great dilemma for franchisors, especially those whose core business is not focused on web-based marketing and technology, since solutions for this unique problem have in the past been mediocre at best, costly, and time-consuming to implement and maintain. Perhaps most difficult is the question of whether to develop the needed solution for franchisee websites in-house, work with an existing supplier, or leverage a specialized platform such as Empowerkit. We will examine some of the key issues to consider when evaluating this consideration, and offer a framework for prudent decision-making.

Assessing Your Current Situation

Franchisors considering the effectiveness of their franchisees' online presence are generally in one of the following stages:

1. Starting to think about it:

You've realized the need for local websites to empower franchisees with a better way to increase awareness and customer acquisition in their local markets, and you're unsure about how to proceed in finding and implementing a solution. The primary focus of this paper is addressing franchisors at this stage.

2. Midway through implementation:

In this stage, you've already identified the need for franchisee websites, and are currently in the process of implementing a solution, which may be a built-from-scratch system your IT team is working on, or something you've tasked a vendor with. In this stage, it's important to reassess the effectiveness and viability of the approach you've chosen, and this paper will give you some great information to consider.

3. Just completed and launched:

You've finally rolled out your franchisee sites and are anxious to get feedback and see the results. What's critical at this stage is ensuring that the most optimal solution has properly been implemented for your needs, and that you have defined success metrics in place to monitor results over time. In this paper you'll learn some critical features and capabilities you should have in place, and better understand the ongoing time and financial commitment you should anticipate moving forward.



4. Have had a solution for some time:

If you're reading this, you're probably questioning the effectiveness of the solution you currently have in place for your franchisee websites.

Are you seeing the increases in traffic and lead generation you had projected? Are franchisees able to leverage the system to post locally relevant content, and are they happy with the results? If you've had the same solution for some time now, and you're unhappy or unsure about its real value, it's time to consider a better option – and this paper will show you how.

ROI: What Ultimately Matters

When assessing what's important for your franchisee websites, what matters most is the return on investment (ROI). In most cases the success metrics you should assess for franchisee websites to help define the ROI, in order of importance, are:

1. Lead-to-Customer Conversions:

Website leads that convert to paying customers.

2. Lead Generation:

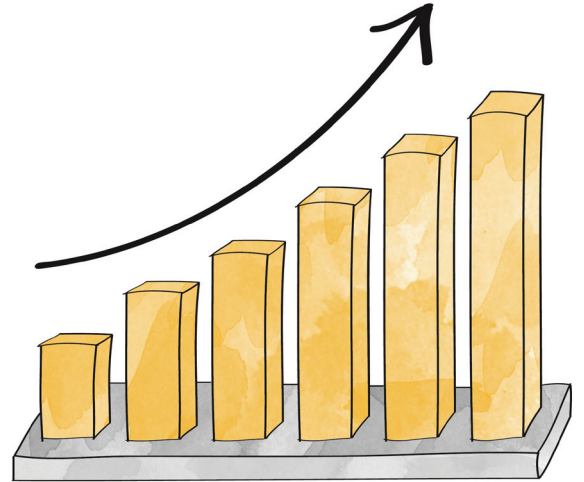
Visitors that complete the primary call to action on the site.

3. Website Traffic:

The amount of traffic generated to the website from various sources.

4. Search Rankings:

Search engine rankings for targeted key words in local search results.



When considering the rate of success you can achieve on these key metrics for your franchisee websites, to ultimately increase unit-level sales and royalties, there are certain features and capabilities your solution will need in order to produce positive results in the long run. Below is a list of the most important features and capabilities you should require to achieve optimal results:



Frequent Updates

Static, unchanging websites yield low, stagnant placement in search engine results. Experts agree that the strongest impact on higher search rankings, by far, is effected by frequent content updates to a website, which has shown to yield a 55% increase in traffic and a 90% increase in leads.



Local Content

Franchisees must be able to publish some degree of original content to their local websites. For one, local content directly increases local search rankings, in turn driving more targeted traffic; secondly, local-centric content ensures a unique and engaging experience for the local market, thus increasing conversion rates.



Franchisor Control

Although local websites are specifically geared towards increasing unit-level performance, it's important that franchisors maintain a comfortable level of oversight and control. There needs to be easy mechanisms for the franchisor to distribute certain content to franchisee websites, approve content franchisees post, and ensure brand consistency across all sites.



Ease of Use

It's imperative that the content management system for franchisee websites is extremely simple to use for those who are non-technical. Franchisees are slow to adopt software solutions that are complicated to learn and use. Strong franchisee adoption is a must, so the system's ease of use will be a major factor in its ultimate success.



Scalability

You need an easy way to deploy new franchisee websites quickly and cost-effectively, and take websites down if need be. There should be a management interface which allows a non-technical staff member to effortlessly deploy new franchisee websites, and deactivate those for locations that close, without having to bother (and pay) your IT team for it.



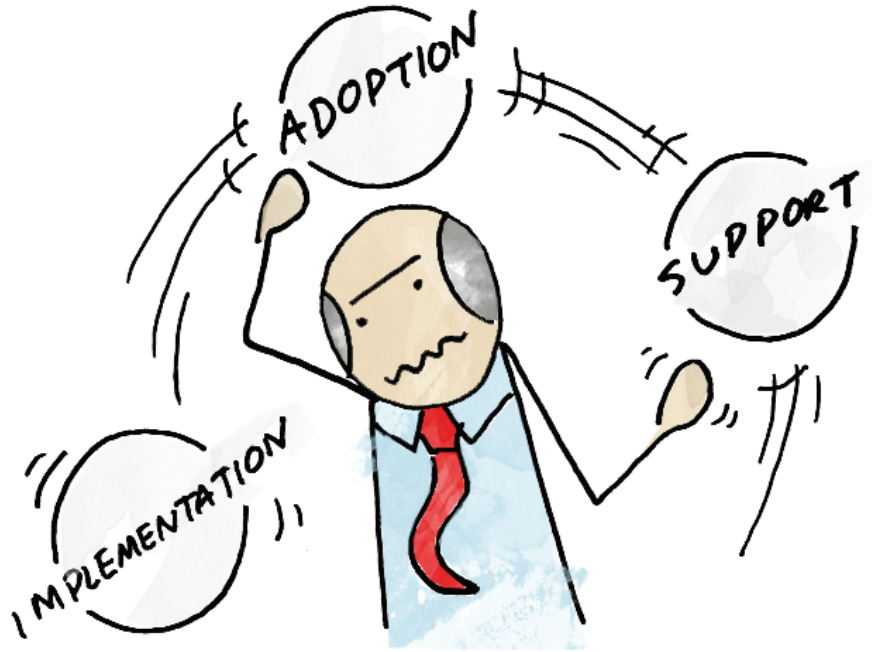
Performance Insights

There must be a way to measure results. Ensure there are comprehensive analytics available to the franchisor, and more simplified analytics for franchisees. Being able to show franchisees performance insights of their local websites in an easy to understand and digestible manner is a powerful way to gain broad adoption and support.

There are numerous other features you'll likely want, but the above chart outlines the fundamental capabilities you'll need for the solution powering your franchisee websites in order for it to be a successful undertaking. Since [Empowerkit](#) was designed specifically to meet the needs of franchisors and franchisees, it accounts for all of these capabilities and much more.

Build vs. Buy: What's important to consider

It is extremely important to make a sound determination on who is ultimately best suited to deliver the optimal results you're looking to achieve for franchisee websites. In most cases, the decision is whether to task your IT department or a current vendor with implementing this new solution, or utilize an existing, specialized service such as [Empowerkit](#). Without fully understanding the implications of this critical decision, many franchisors assume that because their IT department should be skilled in all things technology, and should be able to deliver the expected results, they should be responsible for this new initiative. After all, they know your business better than any outside supplier, and you've entrusted them with your IT needs, so why would you look outside of your organization? Well here are some very important considerations to carefully evaluate before making a decision:



1. **Time Investment and Risk:** How long will it take to completely get up and running?

*In-House**: 6-12 months

Empowerkit: 1-2 weeks

Your IT department is likely very busy and overwhelmed maintaining and developing your current technology systems, and in most cases they have a backlog of feature bugs, system improvement requests, integration dilemmas, security-related

challenges, and a host of other prioritized items they need to solve as soon as time permits. Have a frank conversation with your IT managers to understand their current and projected workload over the coming months, and then evaluate what kind of effect it would have to burden them with a completely new project which their team may or may not be able to adequately execute. Will existing

priorities be further delayed, and how may that cause a negative ripple effect in your organization? Also consider that if your IT team is not specifically skilled at designing and implementing this sort of web solution for franchisee websites, there will likely be a learning curve which will make the timeline for the project highly variable, and put other prioritized tasks in limbo.

2. Financial Investment: What is the initial and ongoing investment needed?

Directly tied to the aforementioned learning curve dilemma, which should be assumed from most IT departments (even the most talented and progressive ones) in franchises not focused on web technology at their core, is the more important financial investment in human resources that will need to be made. Implementing a proper system for franchisee websites that meets the essential requirements listed above can take upwards to \$250,000+ to thoroughly plan, design, develop, and deploy. Moreover, if your IT team is not intimately familiar with and focused on the desired objectives and results for the project, and is not highly skilled at developing web-based properties of this kind, the inherent timeline

In-House:* \$150,000-\$250,000 initially; \$500-\$750/month in ongoing support & maintenance

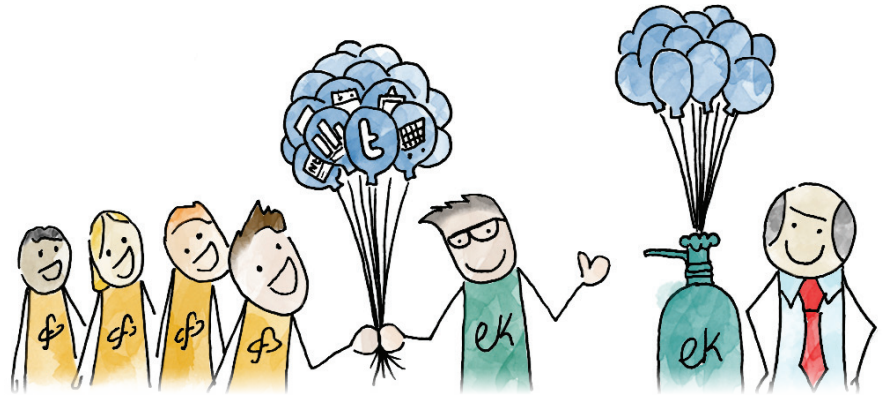
Empowerkit: \$0-\$5,000 initially; \$25 per site/month for ongoing support & maintenance

variability also causes unpredictability in the associated price tag for the project, which makes budgeting very difficult.

With **Empowerkit**, the only upfront costs are if you wish to have a fully integrated brand identity into your franchisee websites, which represents a very minimal cost.

3. Focus of the Franchise: Should I focus on my franchise or developing a new technology?

Let's face it – you're in the business of franchising and delivering outstanding value to your franchisees and customers. For the vast majority of franchisors, the IT department's role (a very important and valuable one at that) is to develop, support, and maintain the software and hardware needs that are critical to your organization's operations. Different from traditional IT functions including system administration, database management, system networking, and security risk management, creating and maintaining a system for your network of franchisee websites requires a very specialized set of skills. These skills involve a deep understanding of business objectives, user needs, information architecture, user experience design, brand continuity, workflow and content management, data modeling, application scalability, and myriad other specialty disciplines.



In-House:* General focus on software & hardware systems, not specialized in web solutions

Empowerkit: Specialized, ready-to-deploy solution for franchisee websites

It's important to assess if your IT department has well honed skills in these areas, and more importantly if this is something that's actually advantageous and feasible to handle internally given your franchise's core focus and workload.

Leveraging a ready-to-deploy solution like **Empowerkit** that fits your exact needs can allow your IT department to remain focused on their immediate priorities, without derailing their focus with a new solution that requires a steep learning curve.

4. Opportunity Loss: What do I stand to gain if I were to do this internally?

When considering your IT department's ability to execute such a web project successfully, consider the possibility that they will struggle due to the multitude of challenges, and ultimately deliver a sub-par or average solution. This is not to presume that your IT team is by any means incompetent or incapable to fulfilling well-defined functional requirements. It is simply a

In-House: Stagnant online lead generation at unit-level*

Empowerkit: 55% increase in traffic and 90% increase in leads for franchisees

reality that expectations from customers and franchisees alike are very high given the level of sophistication and innovation happening on the web today, and the associated benefits and value of excellent websites for franchisees

focused on achieving real business objectives are steadily increasing – it's not an easy task to deliver on these high expectations, especially when the required skill set deviates from your IT team's core expertise and prior training.



Franchisee Websites: In-House vs. Empowerkit

How could this potential for mediocre results affect your franchise's image, internal morale, and competitive edge? More importantly, what is the monetary opportunity loss for not optimally achieving the business objectives and/or resolving the problems that you defined from the outset? These are very important questions to assess prior to deciding whether or not to engage your IT department or use Empowerkit for your franchisee websites.

| | In-House IT Department | Empowerkit |
|------------------------------|---|--|
| Time Investment | 6-24 months | 1-2 week |
| Financial Investment | \$150-\$250k initially; \$500-\$750/month ongoing + \$5000/month for IT staff | \$0-\$5,000 initially; \$25 per site/month ongoing subscription |
| Focus of Franchise | General software and hardware technologies, without specialization in web | Specialized, ready-to-deploy solution for franchisee websites |
| Opportunity Loss Risk | Stagnant online lead generation at unit-level | 55% increase in traffic & 90% increase in local leads |

How to Proceed from Here

Ultimately, it's less important which technologies are used in implementing the solution, how long it takes, or how much the investment is. These are all very important considerations, but what trumps everything else is determining who is best equipped to comprehensively understand the business objectives and goals for franchisee websites, and execute the solution so that the ultimate level of value and ROI is realized.

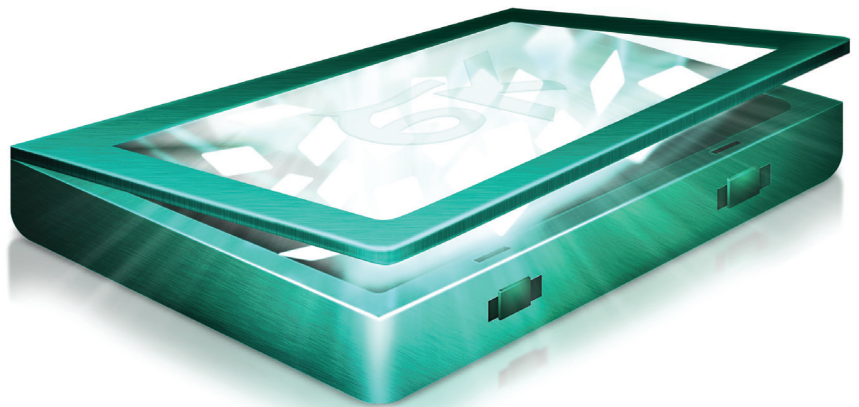
Here are the recommended next steps based on your current stage in the process:

1. Starting to think about it:

There unfortunately are very few solutions on the market for deploying and managing a scalable network of franchisee websites, and as you probably recognize by this point, it's unlikely that your IT team will be able to cost-effectively implement the best solution. You should clearly define your business objectives for this initiative, and carefully assess all of your options. Give us a call or email to schedule a demo of Empowerkit, to see how it can streamline the successful implementation of ROI-driven websites for your franchisees.

2. Midway through or just completed implementation:

Whether you're in the midst of rolling out a solution for your franchisee websites, or you've just completed the project, it's still important to ensure that you've made the best decision that will yield optimal long-term results. You'll need some time to assess the effectiveness of the solution you've implemented - but if after reading this paper you're starting to second guess your approach, it's always better to cut your losses and implement the right solution than to let an unsuccessful initiative drag out, and lose time, money, and credibility with your franchisees in the process. Luckily, switching over to Empowerkit is both fast and cost-effective, so contact us if you're interested in seeing another possible option that can produce better results.



3. Have had a solution for some time:

By now you're really starting to rethink the effectiveness of your current franchisee websites, and the increase in revenue that could be generated through a better, more robust solution. Don't worry, this is a very difficult problem to solve, and most franchisors lack the foresight you had early on when you identified the need, and actually did something about it. Give us a call – let's take a closer look at what you have now, and the level of improvement in lead generation and customer conversions you could expect to see through switching to a solution like Empowerkit.



empowerkit

The team behind Empowerkit has an intimate, first-hand understanding of the challenges and opportunities facing franchises today, along with a strong expertise and focus on designing and developing results-driven web properties for franchisors and franchisees. To schedule a free consultation with an Empowerkit strategist and see a tour of the platform, please call (877) 803-4213 and ask for Chris Anderson, or email chris@empowerkit.com

**Note: these figures are estimates; actual numbers will depend on the number of dedicated resources assigned to the project and the skill level of your in-house team.*