Franchisee training:
Consistency within complexity, post-pandemic

Over recent years Fosway has been tracking the massive increase in the use of learning technologies because of the global pandemic. One area where this has had a big impact is Extended Enterprise Learning - the education and training of external stakeholders such as customers and partners, which was traditionally delivered in the classroom by trainers often travelling the world. One subset of this group of learners are in the franchise market which has some very specific and complex requirements.

This paper explores the concept of Extended Enterprise Learning, why it has become so important and what you need to know, drilling down into specific uses cases within the franchise sector.

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March 2023

What is Extended Enterprise Learning?

Extended enterprise learning (EEL) is learning provided to an external audience – to people who are not employees. This external audience could be customers, partner organisations, customers of partner supply chains, franchise workers, members of institutions, contractors and/or contingent workers, for example.

Typically, EEL educates external people on how to use or sell a product or service. It's not a new phenomenon – car manufacturers have trained car dealerships to support sales for years, just as hotel and restaurant chains have provided training for their franchises and medical equipment manufacturers have trained medical professionals to use their equipment. Tech companies are big proponents of extended enterprise learning, with their external learning audience usually being much larger than their internal learning audience.

However, the term extended enterprise learning is not widely known. It is used by vendors and by analysts, but a lot of buyers aren't aware of it. This is partly due to it being an area of learning that has historically fallen outside of the remit of L&D and HR, owned instead by functions such as sales, marketing and operations.

What is a franchise?

A subset of the extended enterprise market is franchising. A franchise is an agreement whereby a business (franchisor), licenses another business (the franchisee) to trade using their branding, trademarks, business model and processes whilst also supplying additional support and guidance as part of the package. This allows the franchisee to sell a product or service under the franchisor's business name. The franchisor receives a royalty and often an initial fee for giving the right to do business using its name and system.

Why is it important?

Little or no experience is required

Little or no industry experience is required to become a franchisee. And because of an existing customer base and brand awareness there is less risk than starting an entirely new business. However, good training and support from the franchisor is essential.

Digital is now the main game in town

The catalyst for the digital acceleration in training was undoubtably the pandemic and post-pandemic digital continues to have a big impact.
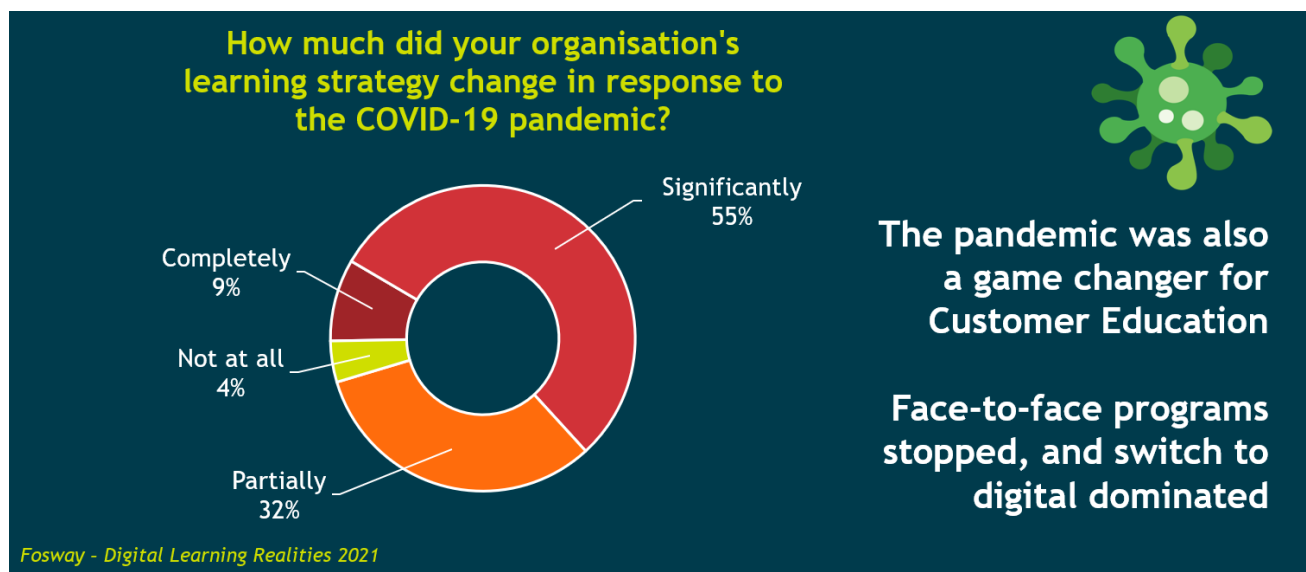
Pre-COVID, a lot of customer, partner or franchisee training was created in document format and was delivered in the classroom by trainers travelling the world, even for those customers operating in the tech space. Of course, that all shifted dramatically with the introduction of lockdowns and now that we've made that shift online, most organisations are sticking with it. One big US technology company is continuing with the online extended enterprise learning model because its

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data shows that it's really working. Attendance is significantly higher because there is no need to travel and therefore the training is more accessible. What might be more surprising is that customer satisfaction scores are higher. This is due to the company's focus on optimising digital delivery - trainers have been trained in new online delivery methods and the courses have been redesigned to suit this new modality.

It helps maintain and extend the brand

Franchised businesses have a very complex, diverse network of owners, some with single stores, others with multiple locations. Some owners may be selling multiple brands or products from the same franchisor or even from multiple organisations. It's important that they receive product or service training as the franchisor's brand success is ultimately at stake. This feeds directly into the customer experience and the consistency achieved regardless of the outlet. The brand experience that you're trying to create through the consistency of quality of competency you are building within your network is critical. The customer/partner/contractor experience and the outcome reflect on the franchisor or main organisation.

There are all sorts of benefits from supporting and training the franchisees. It can be a selling point to attract new franchisees as well as impacting on the performance and profitability of both the main company and owners' business. People are more effective at making the product if they properly understand the techniques and best practice from subject matter experts or how to promote the product by knowing its unique selling points. And if the experience is a positive one for the buyer and seller it drives sales, customer experience and satisfaction and brand reputation. It also drives loyalty and retention, particularly if it results in repeat purchases, fewer support calls or less product return.

Learning goals are business-focused

The business metrics around EEL tend to be much clearer, more tangible, and more explicit than internal L&D learning metrics. It's metrics such as: how many stores launched the new product on day one across the world, how many of x product have sold and by whom? Did they complete the appropriate learning first and did it help? What was the quality of the service provided? How

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quickly have any problems been resolved? What's the customer feedback? How many products have been returned? And so on. This means that the goals and drivers of the learning activity tend to be more business-focused and tangible as well. This means that the measures of success are also clearer and more tangible.
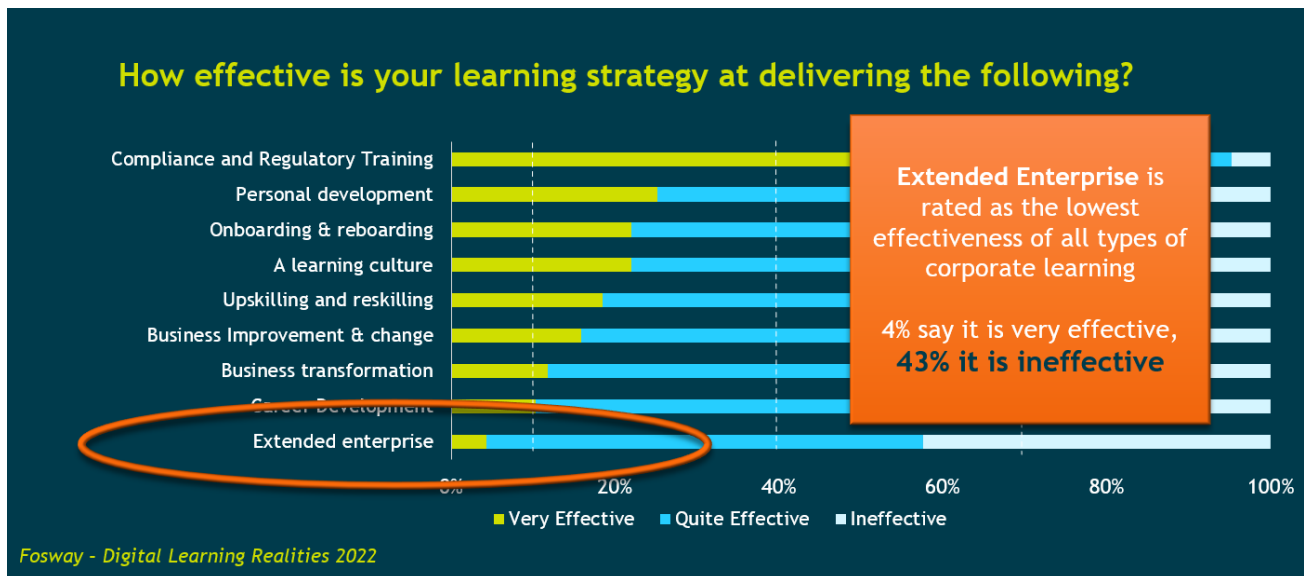
There is an opportunity here to show how learning drives business growth. Having the data available at head office, regionally and locally can show progress, where gaps need to be plugged, and support given.

What do you need to know?

The Learning Systems market is crowded

Choosing the right learning system to suit your specific needs is essential but not easy, it's even harder in the franchise market. At Fosway we classify learning systems into two categories, Suites & Specialists[1]. Where a vendor is functionally capable in the extended enterprise space, being classified as a Suite means the Learning System has a hybrid capability of delivering learning both internally to employees and externally to customers and partners etc. An EEL Specialist focuses on the extended enterprise only. There are many more Suites than Specialists and because of the increased interest in this area of the market the messaging from many Suites is changing to engage with the extended enterprise market, creating more competition. There is a wide range of sophistication and maturity amongst vendors but that is also the case for buyer requirements too. From our surveys we can see that in delivering EEL, organisations often do not feel they have an effective strategy:

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[1] The Fosway 9-Grid™ for Learning Systems

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How effective is your learning strategy at delivering the following?

Compliance and Regulatory Training
Personal development
Onboarding & reboarding
A learning culture
Upskilling and reskilling
Business Improvement & change
Business transformation
Career Development
Extended enterprise

Extended Enterprise is rated as the lowest effectiveness of all types of corporate learning

4% say it is very effective, **43% it is ineffective**

0% 20% 40% 60% 80% 100%

■ Very Effective ■ Quite Effective ■ Ineffective

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It's therefore important to know your essential requirements to avoid being sold a system which might have short-term benefits, but you could outgrow in the longer term.

Organisational structure requirements are key

The majority of learning systems provide a structure that maps the way most companies are internally set up ie pyramid-style, where a learner will only have one position in the company under a top-down hierarchy of geographies, departments and teams.

Very few learning systems provide the capability to change from this to a different model. In some franchise structures the learners could be part-time in several different stores or service different brands within a dealership. Having a structure which ensures the individuals can move around an organisation easily or be intentionally duplicated in the system but without having to repeat the training, could be very useful.

Also, from the franchisors' perspective within the learning system and organisational hierarchy, the level of security and separation of each of your franchisees could be paramount. It could be they are in competition with each other and therefore require separate domains or portals.

It is often appropriate to delegate the management of learners' access to the franchisee as it is unlikely the franchisor will have a record of each franchisee's staff. So, it is essential the system is capable of providing permissions to the franchisee administrator for uploading and updating their

staff, other permissions that might be useful include the ability to brand their own part of the site.

On the other hand, if the content or branding needs to remain in your own central control, so that it remains consistent and can only modified by your own product team, then none of these admin permissions should be delegated.

Leveraging mobile builds in flexibility

Content can often be authored within some learning systems or curated by others. In a franchise situation, busy frontline workers tend to prefer bite-size content accessible when and where it is needed. The work of these frontline workers is generally not at a desk, therefore making the training available for use with a mobile device is important, whether that means via native apps or responsive design. The franchisor can provide the content in the right format then leave the decision to the franchisee whether their employees can access it on their own device or make it available on an instore tablet that can be taken by a manger or instore trainer to the individual for them to use.

Digital also enables a more consistent approach to delivering content in multiple languages globally. There is also agility in the process. If changes are required to the content, which could be minor or entire courses due to new product launches, they can be dealt with centrally and then pushed out globally. This removes concern around whether the documents, virtual or physical, have been received. It also means that the newest recruit can be guaranteed to be onboarded with the most up-to-date content available on the system.

If appropriate, notifications can also be handled centrally and pushed out globally. This can be in the form of reminders or updates, but flexibility is key because franchisees work in different ways. Some multi-unit franchises might have different priorities or even technologies to deliver notifications.

Reporting and dashboards add value

As with all users of learning systems, the tracking and reporting on progress is crucial. The ease with which this is provided can vary from system to system. The better ones have dashboards at

every level. So, headquarters can monitor the progress of every franchise. Regional consultants responsible for supporting franchises in their area can monitor and recognise where there may be performance gaps and when an intervention call or visit is necessary. Owners can see they are compliant where necessary or certified with the right number of qualified staff or ready for a new product launch.

The economic model will drive functionality

The commercial model underpinning EEL is an important consideration because it will shape your approach. Often in a franchise situation the learning is offered for free, something that comes as part of the package. Other times, it's paid for. But how? This takes you into the realms of e-commerce and integration. There are various commercial scenarios to consider. Do you want store front type technology to allow the use of a cart to purchase multiple courses at once? Are discount codes and vouchers available to different geographic locations? What payment gateways are required? Do you use a revenue management system for invoicing or an e-commerce system if it involves credit card payments?

The right licensing model can cut costs

Licensing is another area to consider. For internal employees, licensing is typically based around a named user scenario. For instance, if you have 100,000 employees you have 100,000 licenses, which people can use throughout the year. The assumption is that they will use the licenses multiple times. In an external learning environment, the numbers can become a lot more variable. You might have millions of learners, but they only ever access the learning for one thing, perhaps to gain certification to sell or use the product. There is likely to be a cost benefit to using different licensing models. One popular model for extended enterprise is active users per month, which allows for many named learners, but the licence fee is only triggered the first time each month they access the learning system.

Certification requirements can be a critical factor

It's important that you get certification, badging and micro-credentialing right because they can

take different forms. For many customers, it's important that learning is certified and authenticated, so how is that facilitated? For car manufacturers, for example, mechanics and technicians will need to have recognised, up to date certification to work on specific brands. Technology specialists might want their qualification displayed on social media sites like LinkedIn. Contractors might need certificates or physical badges to access a building or site to carry out maintenance work. So how do people access the learning they need to use your product, access your site, stay up to date and prove their status in a format that meets industry standards?

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In Summary

Extended Enterprise Learning is not new, but it is undergoing digital transformation. Whereas the pandemic forced the training online, the benefits of going digital are now becoming increasingly evident so reverting to classroom is not likely. That said, there will always be an element of face-to-face, or side-by-side training at the frontline.

The use of learning systems is becoming more prevalent, and the vendors are changing their go-to-market strategies to ensure they are engaging the right buyers with the right messaging. However, buyer beware! Be certain of the must-have requirements as well as the nice-to-have features and ensure the vendor can demonstrate the specific use case you require.

Recommended Fosway reading

For further Fosway analysis relating to this topic, please see the following papers or resources.

- Digital Learning Realities Research
- Fosway 9-Grid™ for Learning Systems
- Fosway 9-Grid™ for Digital Learning

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For over 25 years, we have been analysing the realities of the market, and providing insights on the future of HR, Talent and Learning. Fosway analysts work extensively with our corporate clients to understand the inside story of the challenges they are facing, and their real experiences with next gen strategies, systems and suppliers. Our independent vendor analysis also provides a vital resource when making decisions on innovation and technology.

And just like the Roman road we draw our name from, you'll find that we're unusually direct. We don't have a vested interest in your supplier or consulting choices. So, whether you're looking for independent research, specific advice or a critical friend to cut through the market hype, we can tell you what you need to know to succeed.

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About Schoox

Schoox is workplace learning software with a people-first twist. People aren't cogs, and Schoox was designed for how humans actually learn. We keep learners curious by letting you deliver more kinds of content wherever they are, from the front line to the corporate office. And by making learning easy, accessible, rewarding, and fun, we help you get everyone more excited about their career development. Learners can "up" their skills, grow on the job, and get more done—and you can measure the impact of their awesome accomplishments.

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