

A woman with long dark hair, wearing a denim apron over an orange shirt, is looking at a tablet computer. She is standing in what appears to be a cafe or kitchen setting. A blue line graphic starts from the top left, curves around the text, and ends at the bottom right.

TRANSFORMING
FRANCHISEE SUPPORT
DELIVERS THE BEST EXPERIENCE

NEW BUSINESS MODELS AND TECHNOLOGIES INCREASE THE OPPORTUNITIES FOR GROWTH

Digital technologies are driving change to traditional business models as expectations grow for a personalized and on-demand experience with every interaction. It is not just consumers that expect companies to know them; suppliers and stakeholders want the same level of experience.

Companies seeking to provide the same consumer-grade experience for internal stakeholders need to manage their operations like a connected process, from IT to billing to human resources to sales. For franchised organizations, the complexity increases exponentially. But the benefits of ease and efficiency from a one-stop-shop user experience across business services can greatly empower a workforce and set the table for growth.

Delivering this kind of experience needs a unified view across the IT and business landscape of how the service-delivery model should be governed. There are four considerations in optimizing a digitally enabled service-delivery model:

UNDERSTAND THE ACTUAL CUSTOMER

The real customer in a franchise model may not be the client who signed the service contract. The customers are the franchisees. That's not what the agreement says, but it's the reality. The standard tech-support arrangement does not work within a franchised organization. The discrete tasks are usually standard technical problems, solved with advice, upgrades, or replacements, but the context within which they are delivered is entirely different – and realizing that is paramount. The outsourcer is actually providing a business service, and it ends up as the point of contact for anything that might go wrong – core technology, third-party systems, even business processes that have nothing to do with the contract. It is also important to consider the funding model. The client sets a budget and the service provider invoices the client, but the funds come from the franchisees, and the client does not have direct financial control over them. This is one of many shifts in the power balance.



TAKE A BUSINESS VIEW OF YOUR SERVICE-DELIVERY STRATEGY

As customer care is increasingly being backed by IT operations, technology is even more critical to consumer-facing businesses, from retail to restaurants. This is the opportunity to reimagine the service delivery strategy with a business view and consider who from the IT operations team will be facing off with the franchisee business owner and engaging in the governance of business decision making. Breaking down these barriers to achieve consensus and a unified strategy will pay dividends.



THE STRATEGY WILL PAVE THE WAY TO THE RIGHT TECHNOLOGY

Is the goal supporting franchisees or fixing technical problems? Working for consensus on service delivery strategy will guide the best technology for the franchise owners, whether it is standard IT service-management tooling with service-ticket processes or a more customer service-management toolkit. Having alignment on the overarching goal means the technology choices underpinning those goals will become a higher-value enabler.

For example, companies operating under a black-box support model, in which anyone with a tech issue simply calls an unseen service desk, should consider if the ITSM technology and toolsets required to support a franchisee model are analogous with other typical IT delivery models. This will help determine if the technology that supports customer workflow in addition to IT process needs to be more robust and appropriate.

Comparatively, if companies are moving towards a more transparent model, in which franchise owners will be given a support portal and more say in the process, then the solution chosen should support that change. Deploying the customer service-management model rather than the IT-support module can be simpler, more secure, and more targeted to the objectives that need to be addressed. This approach can also help with accounting and billing reconciliation, the next big hurdle. By streamlining manual processes, digitizing content, and leveraging modern enterprise cloud software like ServiceNow™ to accelerate the deployment of workflows and automate strategic operations, managing a multi-supplier environment will allow companies to achieve gains in transparency, control, and quality that are so urgently needed.



DETERMINE THE FINANCIAL CONSTRUCTS FOR THE **SERVICE-DELIVERY MODEL**

Franchise-based organizations typically use either a consumption-based or flat-fee model to recover technology support costs from franchisees, and both have advantages and disadvantages.

One issue with the flat-fee model, for example, is that locations which use less support services tend to feel cheated. But a consumption model may encourage detrimental behavior. A location may seek to minimize support calls because that will reduce the fee it is charged in the next billing cycle. Over time, issues may be neglected.

For example, if a location had two of its five point-of-sale terminals go down but found it could get by with three, then there is significant risk if that third terminal fails, as it could no longer serve the customers lined up during peak business hours. An emergency support call would need to be placed and, worse, three defective terminals could mean three fees and a large unexpected bill. In that instance, franchisees would be increasingly unhappy, and thinking of them as consumers of technology rather than as people with business

goals may create an unworkable model. Grasping that can lead to a complete pivot for both the client and the outsourcer.

A more balanced approach is often to base pricing on store size and business transacted. This could be coupled with disincentives for abusing the system based on identifying outliers to expected consumption, and billing would be reassessed on a regular basis. With this, a store on a busy downtown street would then pay more for service than one in a quiet suburb. The difference is pivoting to a business view where franchisees are stakeholders using technology to achieve business goals.

First, consider selecting a customer-relationship management package over an IT-management one. Also, consider billing based on business volume, with ongoing adjustments as needed. And always understand that franchise organizations are a unique model and need to be treated that way. The customers are the franchise owners, and not just the client who signed the contract.

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Digital transformations are underway and digitally enabled businesses will continue to challenge older franchises to adapt to digital platforms. Planning your strategy and aligning your technology and tools will advance you on your journey.

To learn more about how companies are leveraging service-integration and management capabilities and the ServiceNow platform, reach out to our experts for a discussion.



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