

TECHNOLOGY HELPS FRANCHISEES **IMPROVE BUSINESS OPERATIONS**

Disruptions, challenges, and a new
kind of customer are driving change



It is estimated the US has **more than 790,000 franchise organizations** employing almost 8.5 million people and generating more than \$825 billion in economic output. Fast-food restaurants, gas stations with convenience stores, and full-service restaurants are the **top three franchises**. Buying a franchise is not a guarantee but opening under an established name with solid business practices delivers **higher success rates** than independent businesses.

But even with a big name on the door, franchises are like any small- and medium-sized businesses hit hard by the last couple of years. Rising energy, labor, and transportation costs and access to raw materials have made it difficult to build a stable business. In addition, margin pressure requires trying to reduce costs, streamline operations, and increase efficiency to maintain profitability.

Retailers and franchise operators face additional challenges, from talent management to day-to-day cash flows to inventory to sourcing to supplier management. They need to maintain consistency across multiple locations, manage cash flow and strive for profitability, train and manage employees to follow policies and procedures, market and promote their businesses, comply with local, state, and federal regulations, and pay the appropriate franchise fees and royalties.

At the same time, a new consumer is rising. They focus on health, purpose, wellness, and sustainability, which means the rise of millennials is driving consumer businesses to adopt digital in a big way. Personalization, delivery and takeout, and technology are key elements to creating a better customer experience. And as more digital natives enter the labor force, franchises need to use technology that meets their employee expectations.

Managing growing IT demand

Franchisees may not have control over all of their systems and depend on a centralized IT department for some of their innovation. To unlock growth and expansion, they need digital technology to enhance operations and improve customer experience, and their existing technology backbone may be a hindrance because:

- Lack of integration between PoS, inventory management, and customer relationship management can result in data inconsistencies, errors, and delay.
- Data needs to be secure and protected from unauthorized access or cyberattacks, because a breach can cause significant financial losses and reputation damage.
- Upgrades and maintenance are time-consuming and costly.
- Employees are in multiple locations, so training requirements are spread out and there are varying levels of technical proficiency.
- Relying on third-party vendors can be challenging and unpredictable.
- Systems need the ability to scale to support new locations and growing business. An increase in data or transactions cannot be allowed to crash the system.
- Adopting new technology can be expensive and the return on investment unclear.

Harnessing the power of automation

Effective technology management is critical for franchise organizations to address the challenges of technical expertise and business acumen. Franchise operators want to adopt technologies that can help them improve efficiency, enhance the customer experience, and better manage their operations.

In order to survive and thrive, franchisees need to embrace technology and automation to take advantage of a number of use cases, including:

- Mobile ordering and payment
- Digital menu boards
- Contactless technologies such as payment options, door openers, and voice-activation
- CRM to drive personalization and loyalty
- Inventory management software to automate ordering and replenishment as well as manage expiration dates
- Applied intelligence using chatbots, inventory forecasting, personalized marketing, and more
- Robotic process automation for tasks such as data entry and order processing to free up employees to focus on more complex tasks
- Predictive maintenance via data analysis and machine learning to avoid unexpected downtime and improve operational efficiency
- Self-service kiosks to streamline the ordering and payment process.

By adopting more automation, franchise owners can improve their operations, reduce costs, and enhance the customer experience. The key is to carefully evaluate automation options with the greatest value and manage them effectively.

The future franchise

The ultimate goal is to design a frictionless franchise operation that delivers value to both the frontline worker and back-office employee. Capgemini's Future Franchise Service powered by ServiceNow is a one-of-a-kind offering designed with retail and franchise operators in mind. It is focused on delivering a range of business outcomes not only to drive revenue, but to enhance the franchisee experience and empower employees.

The difference comes via:

- A holistic, effective, and user-friendly approach to managing and automating distinct franchise and retail flows
- An integrated experience center to provide a first-line business and IT service desk supported by intelligent omnichannel solutions and automations
- Next-generation operations integration for both business processes and IT operations for optimal service
- Advisory and consulting services to bring together people, processes, technology, data, and services to deliver exceptional experiences and sustainable business outcomes, powered by ServiceNow.

As a leading ServiceNow partner, Capgemini can help retailers and franchise operators by providing a wide range of services through a single, cloud-based platform. ServiceNow's flexibility and scalability make it well-suited to meet the needs of both large and small franchise operations.

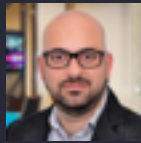
Capgemini offers a solution-in-a-box approach to help retailers and franchise operators by:

- Streamlining operations with built-in service-management capabilities including managing software updates, tracking inventory, and monitoring network performance
- Improving customer experience with reusable workflows that can track and manage customer inquiries, complaints, and feedback. It means business owners can respond more quickly and improve the overall customer experience.
- Using templates to improve communication between franchise operators and franchisees, as well as between franchisees and their employees
- Managing compliance requirements with Service Now's native governance, risk, and compliance capabilities and workflows, such as following standard operating procedures and meeting regulatory requirements
- Providing business intelligence to stay ahead of evolving consumer needs with real-time data on key performance indicators, such as sales, inventory levels, and customer satisfaction for more informed business decisions.

Franchises are an important part of the US business landscape and provide opportunities for owners and their employees. But as customers and employees demand a better experience, franchise organizations need to embrace technology to compete and manage market disruptions and business challenges. Capgemini and ServiceNow deliver a package to serve the existing business environment while supporting an expanding future.



FOR MORE INFORMATION,
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About Capgemini

Capgemini is a global leader in partnering with companies to transform and manage their business by harnessing the power of technology. The Group is guided every day by its purpose of unleashing human energy through technology for an inclusive and sustainable future. It is a responsible and diverse organization of 360,000 team members in more than 50 countries. With its strong 55-year heritage and deep industry expertise, Capgemini is trusted by its clients to address the entire breadth of their business needs, from strategy and design to operations, fueled by the fast evolving and innovative world of cloud, data, AI, connectivity, software, digital engineering, and platforms. The Group reported in 2022 global revenues of €22 billion (about \$23 billion USD at 2022 average rate).

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