

Salesmarts

Training as a Sales Tool An overlooked competitive advantage

BY EVAN HACKEL

Do you offer excellent training throughout your franchise organization? Training programs that teach your franchisees how to run their businesses, that orient new employees, and more?

You should be. Good training improves profits, cuts waste, reduces frustration among your franchisees, and provides many other benefits. But here is another advantage of training you might not be thinking about: *An excellent training program makes it easier to sell new franchises.*

An outstanding training program also makes it more likely that your currently owned franchises will sell more quickly, and for higher prices. Why does training deliver all these benefits? Let's take a closer look at some of the reasons.

1) Training is a big selling point for new owners. "How will I learn to run this business?" is one of the biggest questions on the mind of potential franchise buyers. They want to know that they will be able to confidently and profitably become new business owners without making costly mistakes. So be sure to promote your great training in your sales presentations and materials.

Don't let it be an afterthought ("We also train you") when it should be one of your biggest selling points.

2) Your well-trained franchisees become better validators. When a prospective franchise buyer calls one of your current owners and asks, "Is this a good franchise to buy?" you want that owner to answer, "Yes! The franchisor provides fantastic training and support every step of the way." Remember that just one negative comment can prevent prospective franchisees from buying—and you know the high cost of recruiting them. Be sure to provide training so good that your cur-

rent owners will rave about it.

3) Well-trained franchisees make more money, and profitability sells. Well-trained franchise owners and employees sell more, make better use of your sales and marketing tools, waste fewer resources, and just generally *make more money*. And when potential buyers are considering several franchises, they naturally gravitate toward the one that is making the most money. (Wouldn't you?)

4) Fewer failed franchises and an improved Item 20. Better training reduces the number of franchises that close their doors. And when prospective buyers are looking at your franchise, you want them



to look at your Item 20 and notice that a very small number of locations have gone out of business. It's critical.

So to summarize, good training is one of the most powerful tools in your sales arsenal. It makes your franchise stand out from the competition and will attract more new buyers. In addition, it makes your franchises more profitable, and therefore more likely to be sold for higher prices. And it all starts with training.

What should your training do?

Now let's ask a question that is probably on your mind: What should your

training actually look like and do—and how do you get from where you are now to training excellence that your franchisees will rave about? Here's a brief checklist to start you moving in the right direction.

- **Help every franchisee** understand and make the most of all the programs in your franchise system: marketing and advertising, display technologies, sales support and systems you provide, etc.

- **Build your brand** by communicating how your company began, who started it, what it stands for, your philosophy of customer service, etc.

- **Teach the basics** of good business management, such as hiring and managing employees, creating a yearly business plan, etc.

- **Take the uncertainty out** of the fundamentals of running a business, including writing a business plan, accounting, obtaining business insurance, employment law, setting up systems, etc.

- **Help every franchisee** better understand operational issues within the franchise system and reduce costs.

If you cover these bases and trumpet the fact that you provide superb training to new and current owners, you will sell more franchises, sell them for higher prices, and watch as currently owned locations change hands for increasingly high prices.

So, is training a sales tool? Absolutely! When you consider the benefits

we have explored in this column, you will begin to see training not as a cost you need to cover, but as an investment that pays a major ROI in your franchise company's success. ■

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