OPERATIONAL EXCELLENCE in RESTAURANT FRANCHISING:
Assembling a Well-Oiled Machine
In the television show “Undercover Boss”, the leader of a large organization puts on a disguise to perform a low-level job within the company. On a secret mission to examine the inner workings of the business, the end goal is to find a way to achieve operational excellence by evaluating employee training, performance, and engagement as a “regular Joe”.

Sixty minutes later, delicate pain points are addressed, processes are improved, and the most dedicated and deserving employees are recognized for their commitment. Best of all, the CEO learns a very valuable lesson, and everything is wrapped up nicely before bedtime.

In the real world, however, we can’t all don fake mustaches and matching mullets just to gather information about operations and employees, especially with a camera following us everywhere we go. There’s got to be a better way to evaluate employee knowledge, responsiveness, and performance without having to go on TV.

In this white paper, we’ll discuss how companies are ditching the disguises and hidden cameras for something more practical. In fact, they’re building well-oiled operational “machines” by adopting mobile data collection technology in the field and using lessons-learned to drive the continuous improvement of store performance.
Whether you're a franchisor, a chain, or a multi-store retailer, chances are you probably have operational excellence at the top of your to-do list. But you know you can’t just go out and buy it. You have to assemble it, nurture it. You have to create an efficient machine, one that’s focused on achieving and maintaining brand, quality, safety, and compliance standards while driving continuous improvement.

Operational excellence is actually quite similar to a machine, complete with gears, pullies, and levers that power industry-leading performance. The only difference is that this machine is fueled by data, propelled by continuous improvement, and powered by the cogs of employee knowledge, performance, and responsiveness.

**What is Operational Excellence?**
At Form.com, we define operational excellence as the ability to meet rigorous brand, quality, and safety standards by driving continuous improvement in employee knowledge, performance, and responsiveness.
THE COGS OF YOUR MACHINE: Knowledge, Performance, Responsiveness

Knowledge:

Do employees know what to do at all times?

These days, it’s more critical than ever that each employee understands the proper procedures and standards for their daily operations. Most companies dedicate a heavy effort into creating world-class onboarding and training programs, then measure the conformance to these policies in the outlet. However, operational excellence is only achieved when we measure the effectiveness of the training program itself.

By aggregating feedback from employees and evaluators at hundreds of locations on a standard-by-standard basis, you’ll get a clear idea as to where improvements are needed to the training program itself, rather than merely acting on a collection of non-compliances.

How mobile technology and software can help

In addition to serving as a hub for training documents and materials, the right mobile software will let you integrate, compare, and cross-reference training metrics (from employees and trainers) directly back to performance, audit, and sales numbers.

By comparing training analytics with production data, you can pinpoint exactly where procedures are breaking down while identifying trends and opportunities for “teachable moments”. This level of access to (and integration of) quantifiable data ensures that employees and operational leaders have the knowledge they need to succeed. It also closes the loop on how to measure the impact and effectiveness of a training program.
Employee performance may be the most critical cog in your machine. After all, you’re not going to get the output you need if employees aren’t performing at the right level.

The key to optimizing performance is to help employees apply the knowledge they’ve gained in a way that helps them continuously improve. But again, without data, how do you establish a benchmark from which you can measure success? How do you pinpoint where things are going well and where things are breaking down? How do you find those teachable moments that can lead a knowledgeable employee to improve their performance without affecting their engagement?

By habitually performing internal evaluations, inspections, and walkthroughs with data collection software, you can gather a steady stream of information. At first, you’ll get a peek behind the curtain to establish a baseline understanding of how operations are going. But as data builds and accumulates, you’ll quickly be able to analyze large sample sizes where you can spot trends and opportunities that will help you improve.

The data you collect from mobile evaluations can help you figure out which processes are running as expected, and where the company can make procedural and training tweaks to optimize performance. Best of all, a comprehensive business intelligence platform can help you share the information you gather with employees to show them why certain decisions are made and why certain procedures are in place. This level of transparency and understanding empowers employees to engage deeper in your program while incentivizing them to perform the best of their ability.
We’ve talked a good deal about the importance of using data to make smarter strategic decisions, but “stuff” is going to happen. A large component of operational excellence is having the ability to quickly course correct when the inevitable issues arise.

Let’s say a visit to an outlet reveals that a capital improvement is needed – say a sign is in bad condition, or the dining area needs refurbishing. If the next steps involve pages of paperwork, emails, and weeks of voicemail tag, then a better system is surely needed. The best run organizations will have a workflow that will allow for the quick and full documentation of the issue. Automated notifications and approval requests go to the right people, subsequent work orders fired off, and follow-up visits are scheduled to check on the outcome. In short, you need a process with heavy automation and clear oversight.

How mobile technology and software can help

The right mobile software will have corrective and preventative actions (CAPA) baked into your solution, allowing the boots on the ground to know exactly how to handle the issues they are bound to encounter. Mobile software can help you gather the evidence you need to diagnose and confirm the issue at hand. Automation notifications and workflow can alert the right people of the issue, quickly collect the required approvals, and send work orders to the proper crews.

By aggregating the data across your locations, you’ll not only know that this issue was properly handled, but you easily understand whether this local issue is trending across the region or the globe. Long-term data collection can also allow you to predict when preventative maintenance or capital improvements should be made, and regionality or seasonality of performance-based issues.
Continuous Improvement (CI) is the drive chain that transmits mechanical power from gear to gear in your well-oiled machine. If applied properly, a CI program will keep all the gears turning and working towards an output of brand, quality, and safety compliance.

The name alone will tell you that continuous improvement isn’t a “fix it and move on” approach to problem solving. Unlike many companies that implement short term initiatives to patch-up major problems (especially after an incident or outbreak), organizations that subscribe to a continuous improvement ideal typically take a measured, strategic approach, favoring slow perfection through progress over hasty patch jobs.

How mobile technology and software can help

One of the core principles of continuous improvement is that decisions are made based on data. Mobile inspections, audits, and evaluations generate a TON of data, and the software distills it down into digestible, easy-to-interpret graphs and charts.

When you take the time to analyze this data, you’ll gain a better understanding of whether things are improving or getting worse over time. If things aren’t improving, you can use data to identify trends and make smart, incremental changes on an ongoing basis until you’re running like a well-oiled machine.
These are what we strive to deliver with our Operational Excellence machine. These are all critical customer-facing matters. Should anything go wrong there, the end result could be devastating to the entire franchise.
The way people feel about your brand can have a massive (yet difficult to quantify) impact on your bottom line. You know that a few slip-ups at a single store could quickly do unrepairable damage.

Brand consistency, through things like store presentation, processes, and look-and-feel, can strengthen a brand’s ability to differentiate itself from the competition.

For example, if you’ve ever been to a Moe’s Southwest Grill, you’ve been greeted with an enthusiastic “Welcome to Moe’s!” from the entire staff the moment you walk in the door. Whether you’re in Alabama or Alaska, you’ve probably also noticed their pop-culture inspired menus and “where it’s cool to be you, even if you’re not cool” atmosphere. It’s all the same, wherever you are. And that feeling makes customers feel welcome and at home – even if they’re thousands of miles away.

Customers trust brands with a consistently clear identity. And in the franchise and chain business, trust is everything. Trust builds customer loyalty, which is worth 10 times as much as a single purchase. In other words, when brand consistency leads, steady profits will follow. But unless you’re evaluating brand consistency on a regular basis, you can never really be sure that each location is aligned with your unique positioning.

Like operational excellence, achieving brand consistency is easier said than done, especially in the franchise business where every owner is responsible for a good deal of their own local marketing. Brand data usually trickles in slowly (if at all) in these cases, and usually isn’t tied-in with the rest of your systems and data. This lag can make it especially difficult to get ahead of potential problems.

Brand Compliance

With the right mobile platform, franchisors can tie data collected from brand evaluations directly back to sales, quality, and training metrics to determine the impact that brand consistency can have on the bottom line. That information can help determine the effectiveness of your brand training, and the impact that poor brand representation has on the bottom line.

A customized mobile platform can also serve as a franchise’s system of record for distributing brand updates, educating your internal teams on your brand promise, and maximizing your brand vision.

Also, look for a fluid, flexible system, one that makes it easy to rollout complicated promotions and Limited Time Offers (LTO)s. With so many moving parts already in motion, you’ll need your software to adjust to your needs; not the other way around.
Quality

Quality is a major factor in customer satisfaction, and a prerequisite for best-in-class consumer experience. Franchisees generally get a head start with quality because they’re building from an established foundation of success, one with processes and procedures already in place and proven to be effective. But established procedures and processes don’t guarantee quality at individual stores. In fact, your entire machine has to be chugging along smoothly if you’re going to guarantee quality products and services.

Assuming all brand processes are properly followed in each outlet (everything from the greeting and signage to cleaning procedures and food storage), quality goods and services will follow, and a mutually beneficial relationship will thrive. But without ongoing checks, quality cannot be measured proactively. And if there’s ever a quality problem at one of your stores, it’s always better to discover it yourself rather than hear it from an angry customer on social media.

How mobile technology and software can help

Mobile technology and software can help companies quantify quality by measuring user satisfaction and process effectiveness against store and employee performance. Mobile apps can also accelerate quality inspections and audits by pre-populating form and checklist fields, kicking off automated tasks and notifications when non-conformances arise, and expediting response plans by immediately informing management of any issues or problems.

Regulatory Compliance

Maintaining regulatory compliance can be a confusing and stressful process for anyone involved - especially when you factor in the intricacies of global regulations. If there’s one thing you can expect from government and industry procedures, it’s that change is coming. Because the minute you think you’ve got your compliance programs covered, a new act or law is about to make things infinitely more complicated. That’s just the way it is.

In the US alone, you’ve got to account for the Americans with Disabilities Act (ADA), Fire Safety, the Right to Know Law, MSDS, Hazardous Waste storage and handling – not to mention the litany of FDA or OSHA regulations you’ll have to abide by should you work with food or in a potentially dangerous environment.

How mobile technology and software can help

Ongoing and consistent internal compliance audits breed ongoing and consistent compliance – and help you get ahead of any problems that might arise before an industry or governmental auditor hits you with a hefty fine.
They also ensure staff and management are consistently aligned and aware of what needs to be done to maintain constant adherence to regulatory statutes.

Non-compliances discovered during internal audits can also be used to create learning experiences. For example, when an issue arises and needs to be corrected, operational leads can leverage their mobile software to create an interactive learning experience for the staff. They can learn about the applicable compliance recommendations directly on the mobile device and discover the proper actions to take to make sure the problem doesn’t happen again.

Safety risks seem to lurk around every corner of the franchise and chain business. There’s the risk that an employee or customer falls sick or is hurt (or killed) by contaminated food or hazardous conditions. There are also environmental risks to consider, in addition to health risks, and risks of being fined, sued, or completely shut down for running an unsafe operation.

Many stores with distributed operations still manage safety processes with paper, spreadsheets, and various other homegrown solutions. But time is of the essence when it comes to employee and customer safety, so you need to get things fixed as soon as possible...and prevent problems from happening again. Paper, spreadsheets, and bulletin boards just aren’t going to cut it.

How mobile technology and software can help

Ultimately, the right software can mean the difference between a filing cabinet filled with useless inspection documents and a safety-focused system based on continuous improvement. Imagine being able to clearly see the trends and tendencies that could be putting your employees and customers at risk. With mobile technology, you can do exactly that, while improving safety by automating workflows and setting automatic triggers to kickoff time sensitive CAPA.

While you can't eliminate all accidents, you can get close to creating an injury-free workplace when you combine the right technology and data analytics with a strict vigilance of safety protocols and potential hazards.
The 7 steps towards Operational Excellence and Continuous Improvement

1. Establish a baseline measurement of employee/process performance

With a mobile data collection app and a centralized platform pulling data from disparate systems, companies can gain an understanding of how compliant a location is against brand, quality, and safety standards. This information can be reviewed and analyzed from local and global perspectives, and used for future learning moments and strategic decisions.

Operational excellence isn’t something you achieve overnight, which is why you can’t expect to immediately understand what your locations are capable of doing overnight. It’s going to take some time to establish a baseline with mobile software, and it’s going to be next to impossible if you’re chasing numbers from various different systems, spreadsheets, and paper-based forms.

2. Streamline data collection and see all your data on one platform

By now you know that operational excellence takes a regular cadence of confirmation and calibration. You also know that you need to be continuously improving at all levels, which can be difficult to pull off when you’re responsible everything from safety, quality, and compliance to brand management, customer experience, and employee training/feedback.

For example, let’s say you perform brand and guest experience walkthroughs with a mobile application created for your industry. But you’re still using a spreadsheet to collect control data and a paper/clipboard approach for safety audits. Meanwhile, all your sales, order management, and eCommerce numbers are secluded on a separate point of sale (POS) system. What’s the point in collecting all this data if none of it interacts?

With flexible software and cutting-edge services, you can make all this data work together. And when you see all your data in the same place, it simplifies the process of making data-driven decisions. Even better, you can streamline evaluations, so operational leads can focus their time on training and strategizing for growth at each location. It’s possible to do, but you’ve got to make sure you have the right technology.
Leverage data analytics to make more informed decisions

A data analytics program can show you the patterns and facts that emerge from the information you collect, and help you use these facts to draw conclusions. With the right system in place, you can get a closer look at the data, and brainstorm ideas for advancement before even setting foot in the store. You can even compare data captured from one particular location to locations all over the world to make some sense out of downward trends and identify opportunities for improvement or preventative actions.

Improve communication to keep everyone on the same page

Communication is critical to the success of any business. But spreading a consistent message can be tough, especially when you’re constantly opening new locations all over the world. The fact is, the more you grow, the more likely it is than an important message will be misunderstood or missed altogether.

Poor communication can be especially damaging when a brand invests big money in rolling-out a Limited Time Offer (LTO) with complicated instructions and promotional materials. With hundreds or thousands of locations are involved, any minor miscommunication can have a potentially major impact. If a company isn’t regularly auditing all in cases like these, management may not realize that things are going wrong until it’s too late.

Miscommunication at this level not only hurts the bottom line, but it also has a significant impact on the way companies measure the success of their promotions. In fact, we’ve heard horror stories from clients about promotions that failed at half of their locations because they didn’t receive (and didn’t realize they needed) a key element of an LTO.

Maintaining open communication through mobile technology will help you make sure that every employee at every franchise is always up-to-date and on the same page with HQ. Even better, by enabling, encouraging, and providing a consistent channel for discussion, franchisees can help their Operational Excellence initiative simply by communicating openly to spark new ideas, suggestions, and techniques that lead to global improvements.
Improve Processes with data-driven trend analysis and decisions

Companies that focus on process improvement consistently analyze, improve, and refine their existing procedures – regardless of size and scale. After all, process improvement isn’t just about making big, sweeping changes; it’s also about making several small, but necessary ones as well.

To fully optimize processes and maximize efficiencies, you must have ongoing access to all your data in the same place. Ideally, you’ll also have the ability to implement automated processes and use the lessons-learned from finding and fixing local problems to make strategic decisions that drive continuous improvement globally.

By using trends spotted in data analysis to influence the decision-making process, companies with distributed operations can increase the likelihood that each outlet delivers quality products, impeccable service, and a consistently premium customer experience.

While this sounds good in theory, executing is easier said than done. After all, anyone can poke holes in processes and point out operational problems. Discovering and understanding exactly why the problems are happening and finding a data-driven way to apply solutions that help all locations improve – that’s the true way to drive of operational excellence.

Gain strategic alignment on your goal to build a continuous improvement engine

We’ve already discussed the importance of continuous improvement at length. But if there’s one last thing you should remember, it’s that the true key to driving real change is to get system-wide buy-in and acceptance of your initiatives. To get there, you’ll need to gather input from all levels and work collaboratively with the franchisees to implement the changes.

Develop a success methodology to ensure all cogs are spinning

By now you know the positive effect that operational excellence can have on your organization. But many franchises and chains are still dealing with some confusion around how to measure the success of their operational excellence programs.
How can you ensure that an Operational Excellence program is worth the time and effort it takes to get everyone on board, not to mention the time and effort it takes to implement it? The good news is, these programs are measurable. But when setting your benchmarks, remember to consider internal and external factors to measure against. For example:

**External Benchmark:** Are you meeting or exceeding the growth rate of your competitors. Can you keep it up long enough to gain a competitive advantage?

**Internal Benchmark:** How much value has been captured from driving operational improvements?

There are countless data points that you can measure against when evaluating your program. If you’re not sure how to create goals to effectively measure your organization’s success, or even how to start your organization on the path toward operational excellence, Form.com can help.
As fun as it may seem, not all franchise and chain leaders can gain insight into their organizations simply by showing up on Undercover Boss. Luckily, there are other ways to spark continuous improvement and operational excellence that do not involve a fake goatee and a mullet wig.

Mobile technology and data analytics can rapidly turn an incongruent franchise system into a well-oiled machine – one that’s driven by continuous improvement and a dedication to operational excellence. This machine delivers brand, safety, quality, and regulatory compliance by providing operational leaders with the ability to see how each store is performing, and dig deeper to determine if employees:

- Understand the procedures and standards they should follow
- Performing against those standards

And whether your organization is:

- Continuously measuring the effectiveness of training
- Quickly remediating known issues
- Making smart, data-driven decisions

Form.com customers are using our platform on thousands of mobile devices to gather and analyze data every day. They’re automating tasks, notifications and workflows to ensure they quick find and fix problems at individual locations, while understanding whether these local issues are trending regionally and globally. And best of all, customers are noticing and acting accordingly.

http://customerthink.com/a_ton_of_scary_custexp_quotes_and_stats/
Got questions? We can help!

Form.com is a flexible platform designed to take time-consuming procedures done on paper and spreadsheets and turn them into user-friendly forms. Our mobile and offline app allows you to access and complete forms from anywhere, even while offline, and our team of experts will work with you every step of the way to create your ideal solution.

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