

Franchisee Advocacy and Why It's Important for Success



“It’s not what you know, it’s who you know.” How many times have you heard that one? In business, dare I say this may be one of the more important creeds to take to heart. This is especially true as it pertains to getting things done in the political arena that may help the success of your business. Indeed, many franchisors not only have public relations companies to help them shape the public’s impression of their business, but also lobbying departments or third-party lobbying groups to assist them. Yet, by and large, the same cannot be said of franchisees.

So, why is it that franchisees do not undertake the same effort to help their business? One reason is likely expense. For another, my experience of working with a significant number of franchisee groups both large and small around the United States has shown me that most franchisees are unaware of the process as well as the direct benefits associated with advocating for their businesses, especially with state and local representatives. Regardless, franchisees need to understand that political advocacy, as it relates to your franchise, is yet one more way to ensure your business has the best chance at success.

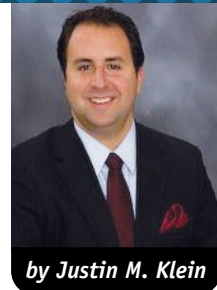
A good, working definition of “advocacy” is “an activity by an individual or group that aims to influence decisions within political, economic and social institutions.” Advocacy includes engaging in activities and publications designed to influence public policy, laws and budgets by using facts, the advocate’s personal and business relationships, the media and other public messaging to educate government officials and the public. Advocacy can include many activities that a person or organization undertakes, including: media campaigns (especially social media campaigns), public speaking, commissioning and publishing research. Lobbying, which is typically done by professional organizations, is a form of advocacy where a direct approach is made to legislators on specific issues or pieces of legislation.

There are many advocacy groups that focus exclusively on franchise-related issues, such as the International Franchise Association

(www.ifa.org) or the Coalition of Franchisee Associations (www.thecfainc.com), of which PFIFC is a member. In addition, there are also advocacy organizations that are more industry specific. There are dozens and dozens of advocacy groups around the United States that focus on franchise-related matters. These organizations, as a result of having numerous franchised outlets operating in those industries, tend to be very active as it relates to franchise-specific matters. A non-exhaustive list of some of these industry-specific advocacy organizations are: the International Health, Racquet & Sportsclub Association (www.IHRSA.org), which focuses on the health club industry; the National Restaurant Association (www.restaurant.org), which focuses on the restaurant industry; and the Asian American Hotel Owners Association (www.aahoa.com), which focuses on the hotel and hospitality industry.

Indeed, while the aforementioned organizations are national in scope, there are also state and local organizations that focus on franchise matters, such as the Garden State Franchise Association (www.gardenstatefranchiseassociation.org), which focuses on franchise matters in New Jersey, or the Northern Illinois Franchise Association (www.northernilfranchise.org), which focuses on franchise matters in Illinois. Certainly, there is no shortage of advocacy groups in the franchise industry.

According to Jamie Izaks, one of the founders of the Northern Illinois Franchise Association, political advocacy is now more important than ever as it relates to the fitness industry. Izaks said, “Elected officials want to hear from franchisees. Treat that relationship like any important business connection. That means you have to nurture it. Stay current with important issues, advocate for your business and make sure your elected officials, both at the state and federal level, understand the fitness industry. Invite them in and have them talk with members. Let them understand the deep




impact you are having on peoples' lives. Life without your club is often a huge void in their lives. Plus, the lengths to which you are going now to keep the business safe for your members should be known. The more you advocate for your business, the greater the likelihood of government policy supporting it. Likewise, take the time to get to know industry trends, see what other industry thought leaders are advocating for and, if it aligns with your priorities, use their platform for your discussion points as well."

Franchisees should take Izaks' words to heart. It is imperative that franchisees are mindful of the organizations that can help them. More, it is necessary for franchisees to learn how to use these resources to their benefit. Frankly, as belts tighten and in light of the ongoing pandemic, franchisees must be active and engage with their state and local representatives. Franchisees can use these resources to maintain awareness of legislation that already affects their business, as well as pending legislation that may affect it in the future.

Moreover, if there are other franchisees in your area – both in your franchise system or in other systems – it would be prudent to seek them out and join forces on issues that are symbiotic to your collective businesses. Izaks added, "Another key piece of advocating for your club or clubs is taking the time to rally others in the franchise system, most commonly in your region or state, to join you in your efforts. There is strength in numbers when it comes to advocating. Getting your franchisee colleagues on board to raise their voices for your advocacy goals increases the likelihood of affecting change or keeping policies in place."

With respect to pending legislation, having your voice heard can be very helpful to advocating for or against such legislation and can be the difference of success or failure for your business. If one

thing is clear in the fitness industry, it is that government plays an enormous role in the operations of gyms. Whether it be those states that regulate membership agreements or licensing or, most recently, in connection with operating in the "now normal" COVID-era, state and local government has an enhanced role in the operation of your business. As such, the better relationship you have with the representatives in your state and local areas, the more likely those relationships can be leveraged to help shape policy and also provide the facts and information that will help guide legislative decisions. Remember, your state and local representatives have not likely owned a business like yours; your input is critical in helping craft legislation that serves not only the public good but protects your interests.

Ultimately, franchisee engagement with advocacy organizations is becoming a more critical tool to franchisee success. Franchisees should learn to feel comfortable working with advocacy organizations and networking with legislators and their staffs to ensure your voices are heard and your needs are taken into account in the legislative process. Franchisees should also remain mindful that good advocacy serves a vital role in the development of public policy. Finally, franchisees should be careful that their efforts to influence policy are conducted in a businesslike and lawful manner. 

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