

the **future** of Franchise Audits

Expert Insights on where quality control auditing is going





The success of any multi-unit business depends largely on the ability of the business owner to ensure that quality standards are maintained and executed the way it was designed to be delivered. Quality Control Audits are one way to maintain standards and ensure quality across the system. Audit initiatives need to be properly planned, communicated and executed so as to gain support from everyone in the ecosystem.

Unfortunately, maintaining consistent standards as the business grows from one unit to tens or hundreds of units start to become very challenging. Manually implemented audits to ensure consistency across the entire system, from branding, marketing, merchandising to customer service and quality of product, become a non-scalable and costly effort. To complicate the execution, various stakeholders are responsible for different areas of the business. Even with a well-designed set of quality standards to guide audit management, the effectiveness of the operations system comes under pressure as more and more human effort needs to be invested to maintain compliance.

Role of Technology in Maintaining Audits

Regular and consistent audits are relevant to everyone in the ecosystem from business owners, store managers, franchisees, suppliers and employees. A Digitally driven Management Operating System helps to reduce the time and resources to design, plan, schedule, implement, collate and summarise the outcome of Management audits. This also means operations management leaders can save time on executing manually driven audits and focus on engaging the team members or franchisees in more critical conversations on improvement and compliance to ensure quality control across the brand. Some functionalities included in a digitally driven audit platform include:

1. Simple Audit implementation

In a multi-unit system, maintaining audits can be a time consuming and big responsibility, hence often becomes relegated to the role of “nice to have” or implemented only after issues arise. Even when the audits are implemented, the amount of time necessary to compile and consolidate the information collated to offer productive organizational input is daunting and a strain on the manpower.

Using a technology platform designed to help the business owners create, schedule, implement, collate results and provide performance reports allow business owners to focus on the actual performance improvement rather than get bogged down with the huge time investments, high costs in manpower and inconsistent implementation.



2. Set Up Benchmarks for consistency and continuous Improvement

This Digitally powered Quality Control Audit system helps you to keep track of your business operations performance, improve customer experience and eventually set up benchmarks across the different levels in the organisation for continuous improvement.

3. Help Identify Areas for Improvement and monitor corrective actions

Operational audits are incredibly beneficial for helping to identify areas of Strength and areas for improvement, uncovering opportunities for greater efficiency and cost savings. When some areas fall short of benchmarks, corrective actions can be recommended, and progress can be tracked.

4. Auto generated reports to allow easy comparison between time periods, outlets and uncover trends.

Field managers no longer need to invest long hours deciding the audit results from Excel spread sheets onto a master sheet. When an audit is conducted on the TreeAMS Audit platform, results are automatically attributed to specific outlets. When further data analytics are needed, the collected information may be extracted and analysed according to different parameters.

What kind of operational audits can I have in my franchise?

Operational audits can be very comprehensive, focussing largely on areas that require compliance, on key processes, procedures, system, as well as internal controls to achieve greater quality control in the business. Another objective of regular Operational Audits is to improve the overall efficiency and effectiveness of the business operation.

Operational audits are a 'deep dive' into every facet of management and the operating System. The various aspects of an Operations audit are usually captured in the Standard Operations Protocol (SOP) of any business and then extracted and transposed into checklists to form the benchmark for various Processes, checklists and standards documented in the business operations.

These audits may be used to deliver various outcomes and can be implemented internally either by managers, or by internal field auditors and in the case of a franchise system, by the franchisor to ensure that the operational aspects of the business meet a standard level of performance and all areas of operations compliance are Ontrack.



Aspects of Operational Audits

As the Operational Audit often follows closely to the SOP of the Business, operational audits have subcategories that cover specific business functions and operations:

Financial Audits or Review

Financial audits focus on financial controls as they relate to reporting of overall sales performance. These audits help ensure that outlets are reporting performance accurately with no discrepancies between reported sales, invoices and inventory.

Daily Operational Audits

The Day-to-day operational activities from staff appearance, to conduct, store appearance, store readiness, product quality, customer service, inventory, hygiene standards are key areas that need to be audited to ensure sustainable quality standards to maintain the Brand Promise to the consumer.

Information System Audits

Information systems audits investigate overall infrastructure and networks, technical operations, data centre operation, project management, and review security status and procedures.





Marketing Audits

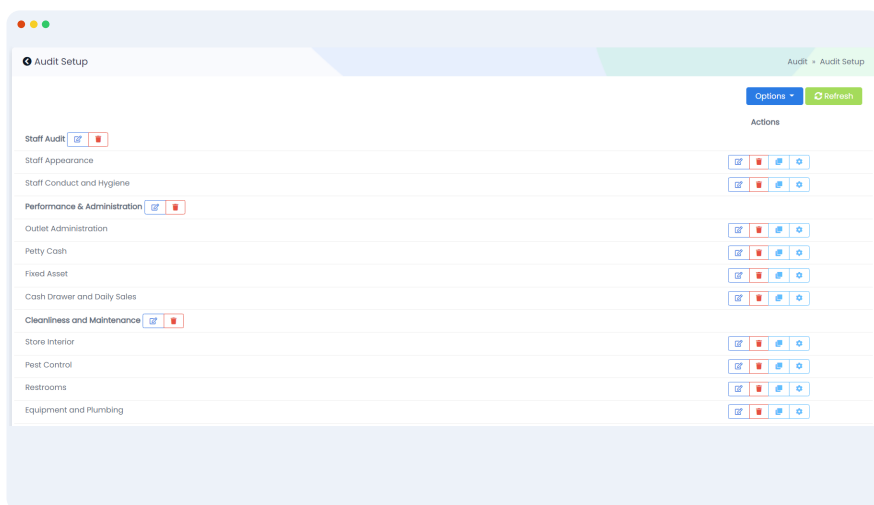
A marketing audit is a broad-based audit into the marketing aspects of the business. How a brand is represented by individual units in a multi-unit business is important to sustaining brand equity. An audit holds both an external situation analysis and a thorough review of internal marketing practices, alignment of goals, strategies, capabilities, processes, and systems. The result of the audit offers actionable recommendations to improve progress toward the business's overall brand building objectives.

Franchisee Compliance Audit

How a franchisee manages their franchised unit has an impact on the overall brand perception for the brand. This covers everything from legal, financial, sales, marketing training and most importantly, unit operational compliance. To ensure franchisees are accurately representing the Franchisor's Brand Promise and are in compliance with brand and operating standards, it is important that regular and comprehensive audits are conducted.

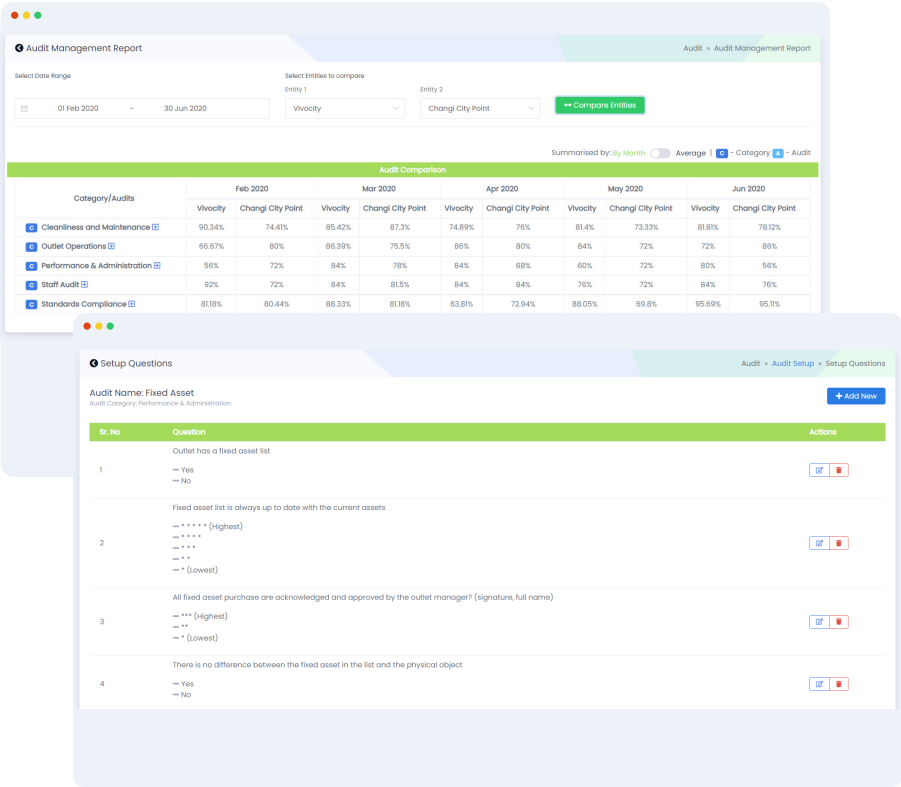
Level up your Quality Control with TreeAMS Audit Solution

Whether you are a Store Manager, Operations Executive, Marketing Manager, Franchise manager, Auditor or Business Manager, digitally implemented audits will save you Time, make your more efficient, reduce possible errors and most of all help you achieve your work goals more efficiently and systematically. This system will save you 90% of the time you used to spend designing, scheduling, preparing physical audit sheets, conducting audits, collating audits, analysing audits, developing store wide and network wide audits and then recommending corrective actions. With a digitally driven audit, you can focus on your main work objective, Managing quality and consistency.



Category audits

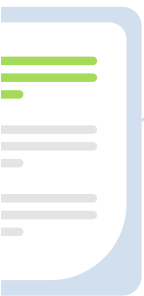
On a technology platform, the business owner can upload predesigned Quality audit questions relating to the key success factors onto an audit template of choice, decide whether the audit is a yes/no, a performance based or if it is a qualitative question. Based on the objective of the audit, the questions can be easily designed and implemented on predesigned audit formats. A good audit program will typically allow category audits, audits by role, different audit formats, alerts for corrective actions tracking of audit results and report generation.



Different audit formats

TreeAMS not only helps with Quality Control Audit Implementation and all its associated base features, but also allows the auditor to request corrective actions and track the outcome. When the desired result is achieved, quality control compliance is observed across the entire business and brand execution consistency is maintained. On the contrary, when the area that is being audited consistently falls short, the auditor has the right set of information to take informed systems and make the necessary changes in order to achieve brand execution consistency.

More importantly, a digitally implemented audit system can help the business owner save a lot of time that would be otherwise invested on entering data, calculating the results, consolidating data, evaluating data and disseminating the results. With TreeAMS Quality Control Audit system, business owners can secure the desired Quality Control compliance results across multi units, multi countries and across various key areas of performance quickly and efficiently, allowing the business owner to focus on improving the various aspects of the business to achieve operational excellence.





For enquiries on designing your own
audit system, please contact:

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