



COMPILATION REPORT

April 2017

The Metrics of Excellence



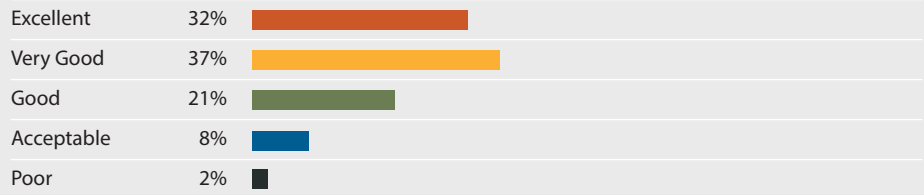
Validation

Overall Quality

98%¹

In one all-encompassing question we ask the franchisee to rate the quality of the franchisor. This question provides insight (without any specifics or qualifiers) about their overall impression of the franchise.

Q: In general, how would you rate the overall quality of your franchisor?

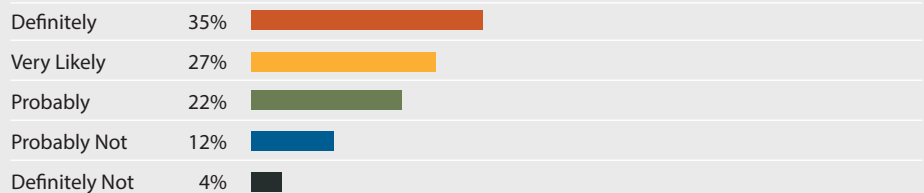


Invest Again

84%²

This question is extremely important when evaluating a franchise. However, occasionally a franchisee will rate this question low because the concept has changed significantly since they purchased the franchise, or because of personal issues.

Q: Knowing what you know now, and if you had to do it all over again, would you invest in this franchise?

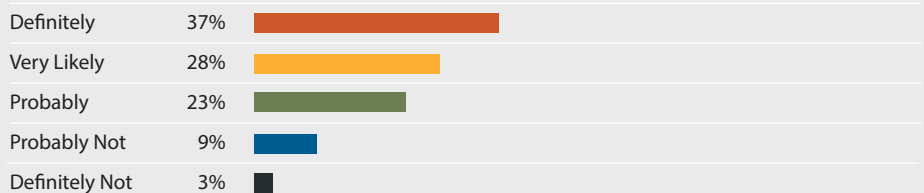


Recommend to Others

88%²

When evaluating franchise investments, it is extremely important that existing franchisees (when asked confidentially) will recommend the franchise to prospective franchisees.

Q: Would you recommend this franchise to a prospective franchisee?



¹ Combined scores of *Excellent*, *Very Good*, *Good*, and *Acceptable* responses.

² Combined scores of *Definitely*, *Very Likely*, and *Probably* responses.



Start-up Quality

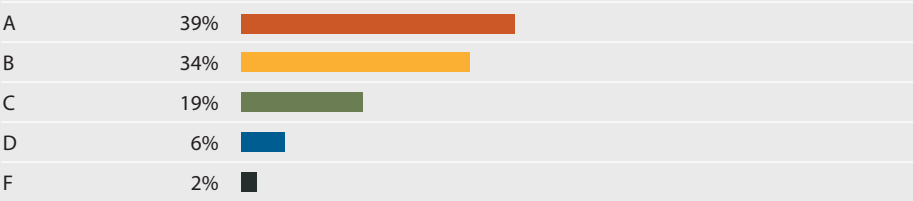
Initial Training

92%¹ The initial training provided by the franchisor is crucial to the success of new franchisees. Every franchise provides some form of initial training, and the quality of this training is of tremendous importance to high-quality franchise companies.

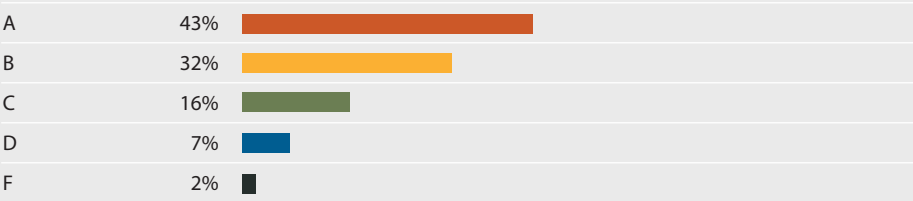
Opening Support

91%¹ Opening support can be incredibly important in creating a customer's positive first impression of your business. However, this depends on the franchisee category and product or service offered. In many cases, the franchisor may be required to offer little or no opening support.

Q: How would you grade the initial training supplied by the franchisor?



Q: How would you grade the initial opening support supplied by the franchisor?



¹ Combined scores of A, B, and C responses.



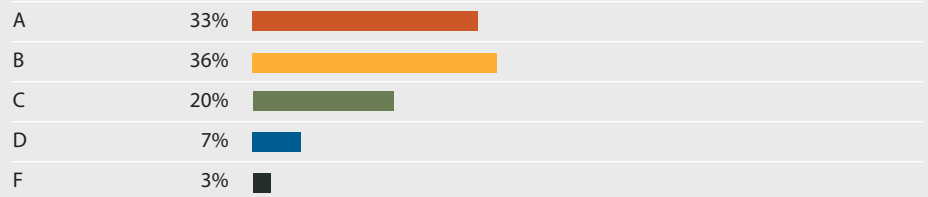
Ongoing Training and Support

Ongoing Training and Support

90%¹

While the importance of opening support can vary with the franchise category, the post-opening training and support provided by the franchisor is extremely important to franchisees' long-term success.

Q: How would you grade the ongoing training and support supplied by the franchisor?

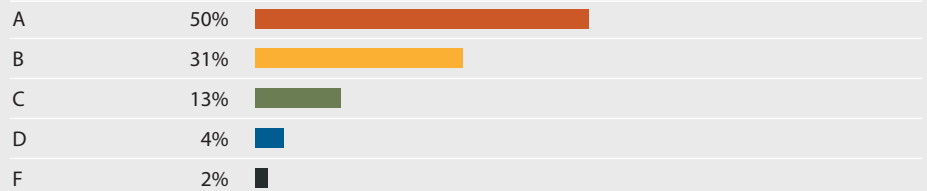


Field Representatives

94%¹

Almost every franchise system has individuals that are responsible for assisting franchisees when they have questions and/or problems. This question is designed to measure the helpfulness of these individuals.

Q: How would you grade the helpfulness of the franchisor's field representatives?

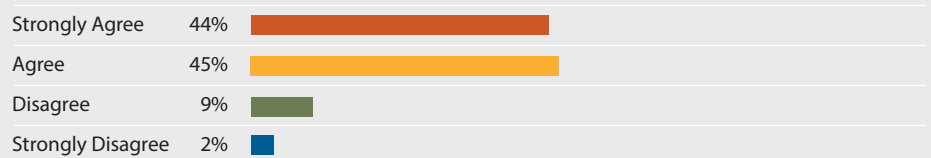


Problem Solving

89%²

This question measures the franchisee's perception of the effectiveness of the franchisor's ability to solve questions and problems in a timely manner.

Q: My franchisor responds in a timely way to my questions and minor problems.



¹ Combined scores of A, B, and C responses.

² Combined scores of *Strongly Agree* and *Agree* responses.

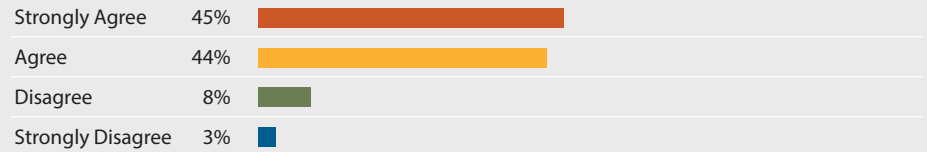


Franchisor/Franchisee Relationship

Franchisee Success

89%¹ Does the franchisee believe that their success is a major concern on the part of the franchisor?

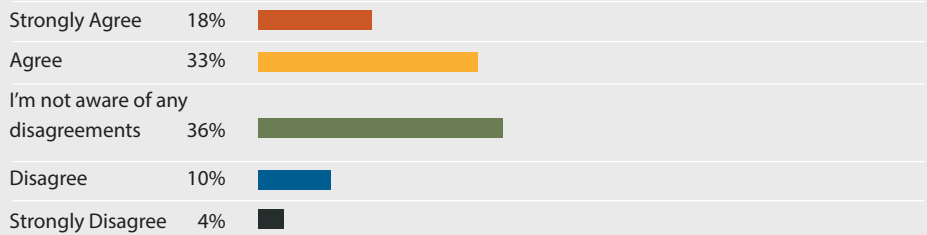
Q: My franchisor cares about franchisee profitability and success.



Conflict Resolution

86%² Disagreements between franchisors and franchisees are not uncommon; the most effective franchisors resolve these conflicts quickly.

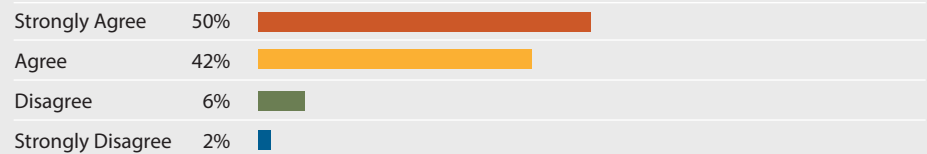
Q: My franchisor is effective in resolving disagreements with franchisees.



Long-Term Commitment

92%¹ From the point of view of the franchisee; is there a commitment on the part of the franchisee and the franchisor for a "positive, long-term" franchise relationship?

Q: My franchisor and I are committed to a positive, long-term relationship.



¹ Combined scores of *Strongly Agree* and *Agree* responses.

² Combined scores of *Strongly Agree*, *Agree*, and *I'm not aware of any disagreements* responses.



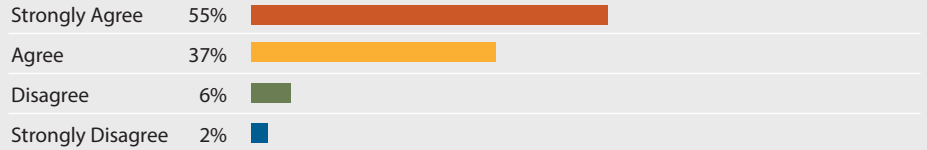
Franchisor/Franchisee Relationship

Joint Success

92%¹

In the most successful franchise systems there is a very clear understanding of the interdependent relationship between the success of the franchisee and the franchisor. This question measures the level of confidence in the understanding of that concept by the franchisor.

Q: My franchisor understands that if I am successful, they will be successful.

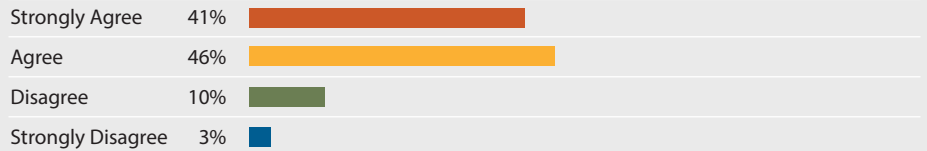


Franchisor Competence

87%¹

Does the franchisee believe that the franchisor has the talent and skills necessary to assist the franchisee in succeeding? It is important that the franchisor not only have this ability, but also that their franchisees look to it for guidance and expertise.

Q: My franchisor is a competent, skillful organization which I can rely on for help.



¹ Combined scores of *Strongly Agree* and *Agree* responses.

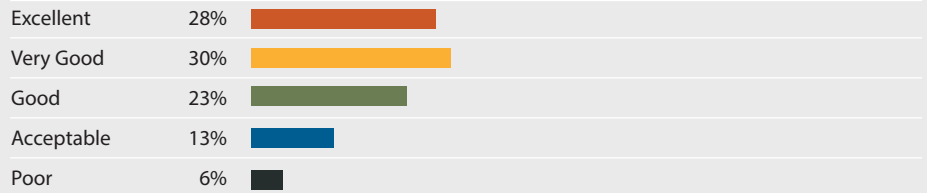


Communication

Overall Communication

93%¹ We believe that quality communication is a critical aspect of successful franchising.

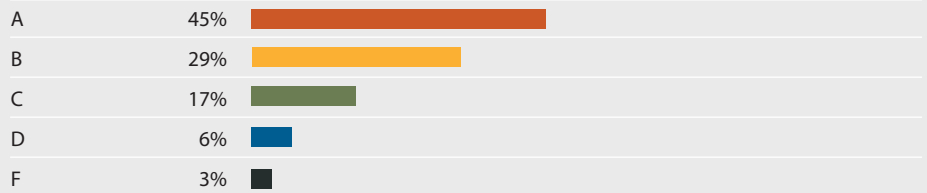
Q: How would you rate the overall communication between home office personnel and franchisees?



Franchisee Communication

91%² Healthy franchise systems have franchisees that work well with one another. They don't look to the franchisor to have all the answers, and they feel comfortable communicating with one another, sharing information and assisting their fellow franchisees.

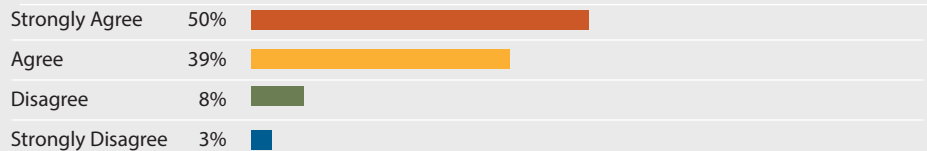
Q: How would you grade the helpfulness and communication between fellow franchisees?



Communication with Senior Management

89%³ As we measure high-quality franchise organizations, one thing always stands out - the ability of franchisees to feel that they can directly interact with senior decision makers.

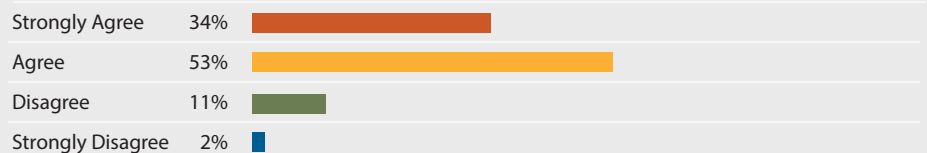
Q: I am able to communicate directly and effectively with senior management.



Public Website

86%³ Is the franchisor's public website helpful and useful in promoting the franchise brand?

Q: My franchisor maintains a helpful and useful public website.



¹ Combined scores of *Excellent*, *Very Good*, *Good*, and *Acceptable* responses.

² Combined scores of *A*, *B*, and *C* responses.

³ Combined scores of *Strongly Agree* and *Agree* responses



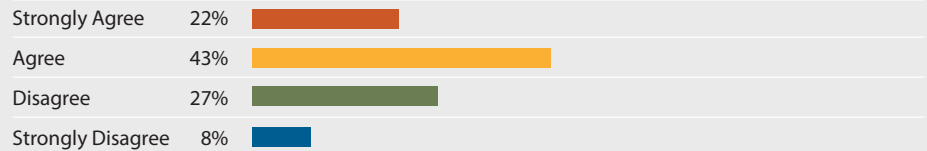
Advertising and Marketing

Franchisor-Sponsored Promotion

65%¹

This question seeks to measure the positive impact of franchisor-sponsored advertising, marketing, and promotional efforts.

Q: My franchisor-sponsored advertising, marketing and promotional programs help improve my sales and profits.

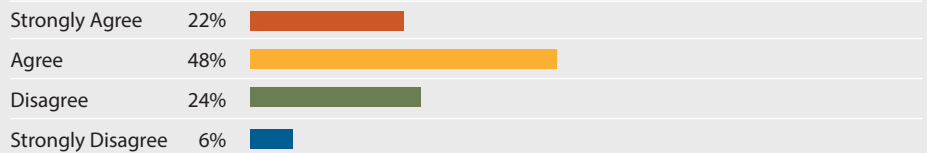


Social Media

70%¹

Does the franchisor use social media in a manner which benefits franchisees?

Q: My franchisor effectively uses social media to help me promote my business.

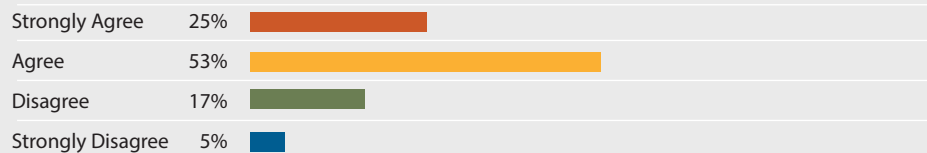


Technology

78%¹

Does the franchisor's use of technology effectively support franchisees?

Q: My franchisor effectively uses technology to help me manage and improve my business.

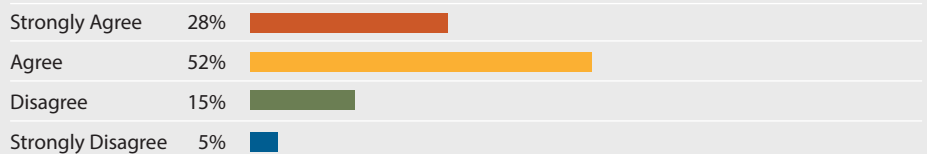


Internal Website

80%¹

Is the franchisor's internal website user-friendly and does it provide helpful information to franchisees?

Q: My franchisor maintains a helpful and useful internal website.



¹ Combined scores of *Strongly Agree* and *Agree* responses.

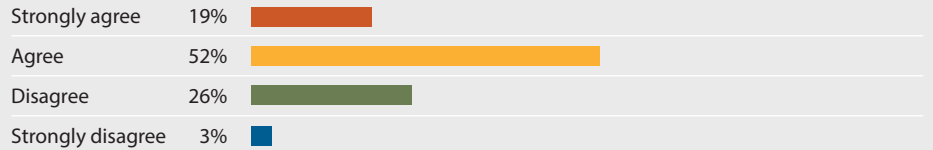


Expectations

Expectations Established

71%¹ As a new franchisee, (less than two years) it is crucial that the franchisor helps to establish realistic expectations.

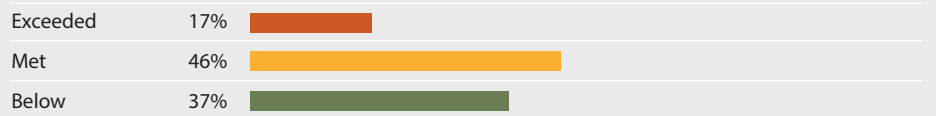
Q: My franchisor helped me establish realistic expectations prior to my becoming a franchisee.



Expectations Met

63%² This question asks new franchisees (less than two years) if their original expectations have been met.

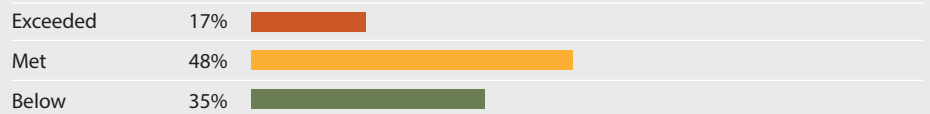
Q: My franchise experience has met or exceeded my original expectations.



Financial Results

65%² This question looks specifically at the financial expectations of experienced franchisees (two years or more).

Q: The financial results provided by this franchise opportunity have met or exceeded my original expectations.



¹ Combined scores of *Strongly Agree* and *Agree* responses.

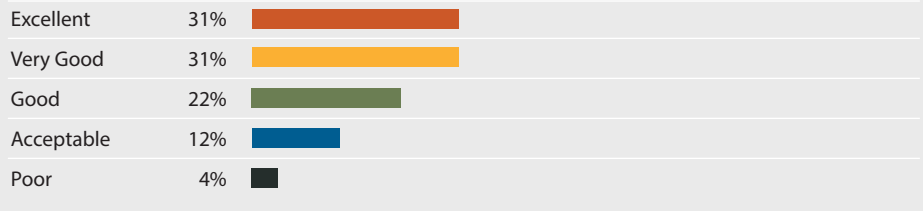
² Combined scores of *Exceeded my expectations* and *Met my expectations* responses.



Opportunity

96%¹ Without any qualification, how the franchisee rates the overall opportunity of the franchise they have chosen tells us a great deal; especially when considered along with the next two questions.

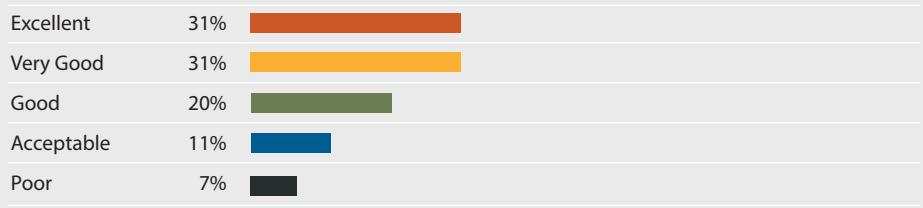
Q: In general, how would you rate the opportunity provided by this franchise system?



Growth Potential

93%¹ Now we ask about the franchise opportunity, but qualify the question by focusing on long-term growth potential. This offers insight as to the franchisees' perspective on this very important topic.

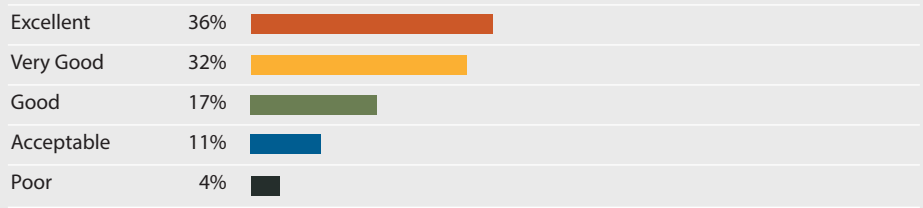
Q: How would you rate the long-term growth potential for your franchise business?



Local Competition

96%¹ Once again, we focus on the opportunity provided by the franchise, asking the franchisees to rate their franchise business compared to local competition.

Q: How would you rate your franchise business compared to the local competition?



¹ Combined scores of *Excellent*, *Very Good*, *Good*, and *Acceptable* responses.

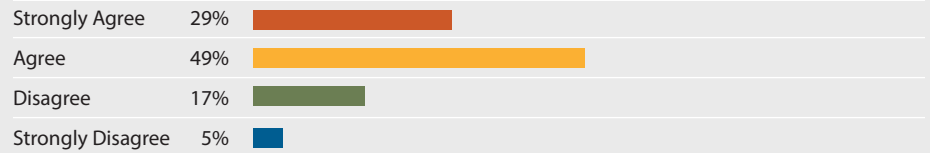


Quality of the Franchise "Product" or "Service"

Innovation

78%¹ In the best franchise systems, franchisors look to the future and make innovation a priority.

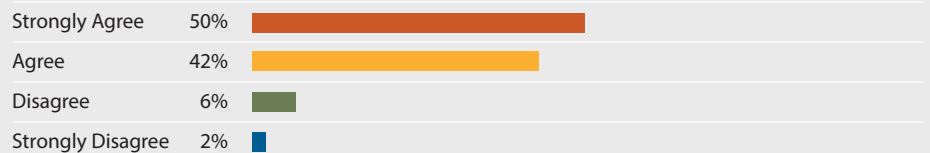
Q: My franchisor's research and development (innovation) efforts help us to be competitive in the marketplace.



Performance Standards

92%¹ High-quality franchising requires high standards throughout the system. Leadership for these standards starts at the top.

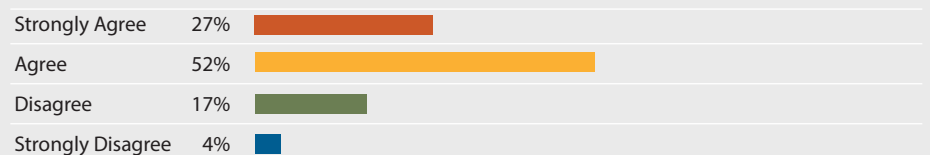
Q: My franchisor encourages high standards of quality performance throughout the organization.



Vendor Programs

79%¹ How beneficial are the franchisor's vendor programs for franchisees?

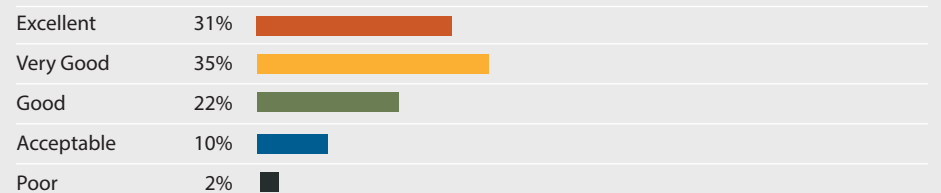
Q: The vendor programs facilitated by my franchisor are valuable to my business.



Product/Service Quality

98%² In most systems, franchisees receive some type of products and/or services directly from the franchisor. This question asks the current franchisees to rate the quality of these products and/or services.

Q: How would you rate the quality of products and/or services received from your franchisor?



¹ Combined scores of *Strongly Agree* and *Agree* responses.

² Combined scores of *Excellent*, *Very Good*, *Good*, and *Acceptable* responses.

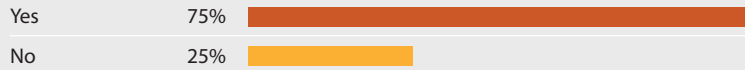


Convention and Meetings

Convention Attendance

75%

Q: I have attended a national franchise convention in the last two years.

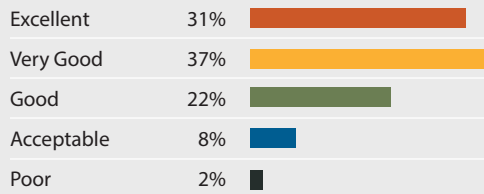


Convention Quality

98%¹

Only those that had attended a convention in the last two years were asked this quality question.

Q: How would you rate the quality of the convention?



¹ Combined scores of *Excellent*, *Very Good*, *Good*, and *Acceptable* responses.



For each survey compiled in this report, the Franchise Research Institute® sent out a study solicitation notification to every franchise owner from each World-Class Franchise® company. World-Class Certification for 2017 is based on the results from each company's most recent confidential franchisee opinion survey.

Each company gave their franchisee contact information to the Franchise Research Institute®. The notification to the franchisees included the URL (web address) of the Franchise Research Institute franchisee opinion/satisfaction online survey, as well as a numeric "pass code" (to insure no duplication of responses).

Franchisees were encouraged by the company and by the Franchise Research Institute to complete the survey, and were assured that their individual responses to the questionnaire would not be revealed to anyone outside of the Franchise Research Institute (including the franchise company's management). Franchisees logged onto the online survey questionnaire, entered their individual "pass code," completed and submitted the survey. Non-respondent follow-up was conducted by members of the Franchise Research Institute team (electronically and by phone), until a satisfactory completion rate was reached. Respondents who preferred to complete the survey by phone (with a FRI team member) were allowed to do so.

A completion rate of 70% or greater (of a pool including EVERY franchisee in each system) is mandatory in order to reduce survey bias. In every case, the Franchise Research Institute had no reason to believe that non-respondents answers would vary substantially from those of respondents.

Because of our passion for using academically strong research methodology and sampling protocol, we are able to publish a maximum error range for each survey at the ninety-five percent confidence level.

The survey results are reported using the arithmetic mean (average), which is defined as the central tendency of a collection of numbers taken as the sum of the numbers, divided by the size of the collection. For the purpose of this compilation report, each franchise system is considered a singular unit for each question (regardless of the number of franchisees within the system).

The Franchise Research Institute is the original auditor of franchise validation, founded in 2002 to study and promote excellence in franchising. FRI performs franchisee opinion research throughout the U.S. and internationally. Existing franchisees (as consumers of the franchise system) are in the optimal position to evaluate their franchise as a business opportunity. World-Class Franchise® opportunities must demonstrate that they are endorsed by their franchise owners through scientific, confidential, third-party surveys.