

## PROGRAM STANDARDIZATION: WHAT IS IT AND WHY YOU NEED IT FOR YOUR RESTAURANT OR RETAIL EXPANSION

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Owning restaurants or retail stores is not for the faint of heart. There are always challenges, like cost volatility, staffing, and thin margins.

But you've overcome all those things and have built a successful business! And now it's time to expand your restaurant or retail company. So how do you do that?

Here's what you (or your franchisees) could do:

- Research and choose a real estate broker in every city you want to expand to
- Interview architects; research their qualifications; get fee proposals from several of them; make sure they're all pricing the same scope of work; negotiate a contract
- Find contractors in every location; do research on them; vet their qualifications; negotiate a price with them (or find a few contractors to get bids from); negotiate a contract
- Hope that everyone is doing things right and staying on schedule, and maintaining your brand standards. And since you can't be everywhere at once, this is a leap of faith, right?

Doesn't that sound downright **daunting**? What if there was an easier way? A **"secret sauce" to streamline your expansion, minimize risk, and save time, money, and headaches?**

Well...there is! Expansion doesn't have to be that complicated, for you or your franchisees.

The secret sauce is something we call **"program standardization."**

It's not just about standardizing the physical elements of your locations, although that's important too. We're talking about having a "one-stop shop" to handle everything for you. A team of people looking out for your interests and working as your eyes & ears on the ground.

Program standardization is **particularly useful if you're franchising**, but even if you're not, it's still the way to go.

By now you might be thinking, "sure, this all sounds good, but we're not one of those huge national chains that have their own real estate department..."

Don't worry. **Program standardization with SCGWest is like having your own in-house real estate department.** We help cut through the red tape so that you can focus on running your business.

Let's look at how program standardization works and more importantly, how it can help your growing business.

### **Standardization of the physical space**

Developing standards for your restaurant or retail locations just makes sense, for a lot of reasons. It's why big chains have prototypes, and why you need to be diligent about having standards in place when you're going to expand.

You should standardize as many things as possible: square footage, materials, and equipment are the most obvious ones. But there are other things you may not have thought of, like the layout and flow of the space. And of course, the elements of your company's branding should be consistent: colors, logo, graphics, and signage to name a few.

The design of the space should be functional, aesthetically pleasing, and should support the ways you want to serve your customers.

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## **HOW DO PHYSICAL STANDARDS BENEFIT YOUR EXPANSION?**

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### **SAVES TIME**

You and your design team only have to choose materials and equipment once, and then those specifications can be used for every location.

### **BETTER COST PREDICTABILITY**

Costs will still vary by location, but knowing the size of the space, the materials to be used, and the equipment to be ordered gives you and your franchisees a more accurate estimate of the initial investment needed.

### **PROTECTS YOUR BRAND**

A strong, consistent brand is critical for restaurants and retail. Brand standards help ensure that your customers can count on a consistent experience no matter which location they visit.

### **Standardization of the expansion process**

#### **Here's where it really gets good.**

Imagine having **one team** managing all of the real estate needs for your expansion. That means that, regardless of the location you're expanding into, there's a team in place that knows your standards and takes the day-to-day work out of your and your franchisees' hands.

**That's how we define true program standardization. Life is easier for you and your franchisees, and you can focus on your customers and your operations.**

## WHAT KINDS OF THINGS CAN BE STANDARDIZED AND HOW DO THEY BENEFIT ME AND MY BUSINESS?

Below are the services that we recommend as part of a standardized expansion program. They're intended to protect both the franchisor and franchisee and make the expansion easier for everyone involved.

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### SITE SELECTION

Think that site selection just involves googling “tips on where to locate my restaurant” or “what’s the right location to expand my restaurant”?

Think again! Site selection is the **single most important decision** that you or your franchisees will have to make. You don't have to take our word for it. According to this Forbes [article](#), “[T]he right real estate selection is fundamental to both parties’ success....If you’re an emerging franchise and allow the franchisee to choose a bad site, it could spell doom for their business and your brand.”

Site selection **must** involve expert analysis for things like market & demographic research and zoning issues. Feasibility studies might be needed to further evaluate potential locations. When we do site selection as part of a standardized expansion program, we work with local brokerages in each location to visit potential sites. We develop **standard selection criteria** to evaluate each site. And we draft, review, and negotiate LOIs and leases, so that **franchisees are protected**. Standardized lease terms are a great way to make the process easier on franchisees as well.

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### DESIGN & PERMITTING

Once the site selection is complete, the “one stop shop” team can roll right into design and permitting. Having **standard specifications for materials and equipment** is a huge time saver, and should allow the design team to quickly create the construction documents that will be necessary to get a permit from the local building authority.

There's another reason equipment standards are really important. Some equipment – particularly commercial kitchen equipment – has long lead times. If someone isn't carefully managing the ordering and delivery, it could delay the project significantly. Standard specifications help speed this along.

For our expansion clients, we handle the design and permitting phase to get each project the approvals needed to move forward.

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### CONSTRUCTION

You know how, if you do something many times, you tend to get faster and more efficient at it?

That's why having a standard construction team is so beneficial. **With restaurant and retail construction, speed is the name of the game.** You're not making money until the business is up and running, so there's no time to waste.

We offer our clients turnkey construction services, eliminating the need for finding local contractors and speeding up the construction process, since we know exactly what needs to happen and when.

Of course, speed shouldn't mean sacrificing quality or safety. Our experienced construction teams will put in place quality control and safety policies to make sure the project is done right.

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### **CODE COMPLIANCE & PROJECT CLOSEOUT**

Once construction is complete, there are several inspections and certifications required to make sure the new space is in compliance with applicable building and fire codes. As part of a standardized process, one team should lead the project through things like fire safety inspections, health department inspections, and ADA compliance. Making sure that your brand standards are followed is another important piece.

“Project closeout” refers to compiling all sorts of information about the space or building – things like warranties for different materials and operation & maintenance instructions for systems and equipment. This information is important for the franchisee to have in their records so that they know how to properly maintain the facility.

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### **FINANCING ASSISTANCE**

Standardized financing options and loan terms can make your business more appealing to franchisees and are another service we can offer for restaurant expansions or growing retail locations.

#### **Summary**

Expanding your business can be complicated! Restaurant and retail site selection, location strategy, construction, and financing are a few of the issues that you and your franchisees will have to deal with – and they all have to be done right in order for your expansion to succeed.

All of this can distract you from running your business – but standardizing the process and relying on **one team to handle all the real estate aspects** can really simplify things for you and your franchisees.