CURRENT OPERATIONAL CHALLENGES IDENTIFIED BY WESTERN CANADIAN TIM HORTON FRANCHISEES

This paper will identify and analyze key management challenges from the perspective of western Canadian Tim Horton franchisees. It investigates the three current issues affecting Canadian franchisees: staff recruitment and hiring, staff training, development and retention and profitability. The franchisees chosen to participate in the survey operate locations in Alberta and Saskatchewan.

Background of the Problem

Tim Hortons is a Canadian institution. As Tim Hortons presence and influence continues to grow it is important to examine and evaluate current issues that affect the relationship between the franchisee and franchisor and perhaps to identify opportunities that might benefit both groups and their profitability. The perspective of the Tim Hortons franchisee is the focus of this empirical research study.

Literature Review

An initial search of food service franchise literature produced few resources that explore the realities franchisees face in their ongoing relationship with the franchisor. Previous studies focus more on the challenges encountered by an entire restaurant group. In light of their market domination, the challenges that face the Tim Horton franchisee deserve attention. These unit owners are responsible for day-to-day store operations. Their impact on the customer and the staff flows through to TDL, the corporate group, and to the shareholder.

The service profit chain is customer focused. It endeavours to establish links within customer loyalty, employee satisfaction, productivity, and profitability. Satisfaction is created by the perceived value the customer receives. Satisfied customers become loyal customers. Satisfied, loyal, and productive employees create this value. (Heskett, Sasser and Schlesinger, 1994) The study explains that service companies that place frontline workers and customers first, focus on four key areas: investment in people, technology that supports frontline workers, revamped recruiting and training practices, and compensation linked to performance for employees at every level. This reinforces his belief that positive employee attitudes drive customer service satisfaction, which in turn increases profitability.

Parsa (1996) believes that the franchisor has considerable power over the franchisee, but how that power is used effects both franchisee satisfaction and financial results. He studied the power relationship as perceived by the franchisee. The study classified power into two types: economic power (coercive, legitimate, and reward) and non-economic (expert, information, and referent). Parsa’s study concluded that coercive power has an inverse relationship with satisfaction. Non-economic power and satisfaction have a direct relationship. Parsa (1996)
concluded that the franchisor's power is often written into the franchise agreement by requiring the owner to be the operator, which therefore limits the franchisees’ ability to acquire income outside of the franchise. In the face of this power, franchisees focus on gross margins or the bottom line. There is often tension in the relationship between franchisor’s need for higher unit sales and growth and the franchisees’ drive to seek a higher margin. Implicit within this relationship is the elusive concept of service delivery. From the point of view of the franchisee, the front line employee can be a link between the human resource policies espoused by the franchisor and the implementation of these policies.

Woods and Macaulay (1989) discuss turnover, retention, and future shortages of the labour market in the hospitality industry. The role of a good manager is to provide good service and products to the customer. However, very often their role as managers is dominated by the ongoing need “fill in” for staff shortages, as a result, they are not managing the business effectively. During a labour challenge many managers abandon corporate hiring policies and succumb to the “warm body” trap. Often managers believe that they can hire and train any individual to do a front line position and fit into the organization culture. A lack of fit into the culture is a mistake that contributes to continual labour turnover. Woods and Macaulay (1989) linked turnover, retention, and future labour shortages to the misunderstanding that there is one set of customers, the guests. In reality, there are two groups of customers. The guest is the external customer and the employee is the internal one. The best customer service to the guest is only as good as the service the manager provided to their employees.

Wasmuth and Davis (1993) concluded that turnover was linked to dissatisfaction among front line staff and their current position, rather than an attraction to another job. Many of the managers surveyed understood that turnover is costly, but many were unsure of the exact dollar figure. Wasmuth and Davis (1993) estimate that the average cost of the turnover one hourly employee was $1,500. The study cited three main reasons for staff dissatisfaction: a combination of both poor supervision and little responsibility; the repetitive and fast paced nature of the job; and, the generally low salary of most front-line positions. Staff is now expected to work with different POS and computer technology systems. Moving from one job to another did not increase the available employee pool but simply moved the employee pool within the industry.

Delerey and Doty (1996) discovered three key human resource practices that are strongly related to a company’s profitability. They found that result-oriented performance appraisals, employee security, and profit sharing were key elements. Companies like Starbucks and Southwest Airlines believe that sound human resource practices, good management, and an emphasis on employee retention and development are key to their success. While general human resource practices may be franchisor responsibility, the actual implementation, or adaptation, may rest with the franchisee.

With the decline of union membership in traditional segments, unions view the restaurant industry as a growth possibility. Both McDonald’s and Starbucks have come under fire from both the Canadian Autoworkers and Teamsters Unions (Hamstra, 1997). The Canadian Auto Workers Union was successful in organizing the first McDonald’s Union in North America in Squamish, B.C (Matsumoto, 1998). The entire process was very quick; taking only one month from the time the CAW was contacted, to the formation of the union. The drive to unionize was generated by the grievances of two staff members. These staff members cited poor job conditions (broken equipment and health and safety issues) and verbal harassment (one of the staff was forced to remain one the job while sick) as their reasons to unionize. Whether these are the result of weak human resource policies of the franchisor or the implementation of these policies or weak
franchisee management practices, the results highlight the relationship between the two groups and the frontline employee.

Hinkin and Tracey (2000) found that turnover was the main contributing factor of burnout for hotel front line supervisors. The study found that hotels that have improved supervisor retention and development have been able to reduce front line staff turnover, which has in turn lead to better, consistent customer service. One hotel that decided to reduce their training program, frustrated new staff causing them to quit, leaving the experienced staff to pick up the slack at the cost of reduced job performance of their duties. One of the key findings of the study was that the front line employee that quits because of poor supervision, training, or poor working conditions is often the most talented person. The competitive advantage occurs when companies value employee tenure and therefore structure their compensation system and management practices to reinforce retention. Although that study examines front line hotel supervisors, it would be useful to examine whether these findings are characteristic of front line staff in the quick service sector. If these findings are present in the quick service industry, are they the responsibility of the franchisee?

Koys (2003) found that improving a company’s human resource practices would improve the bottom line. Companies need to focus on three general areas in order to be successful, organizational citizenship behavior, becoming the employer of choice and controlling turnover. Organizational citizenship involves managers hiring conscientious employees that have performed above the call of duty at previous jobs. Maintaining morale and fostering a team environment encourages employee interaction. An employer of choice means supporting self-managed work teams accountable for results along with extensive training, good compensation, and reduced status barriers along with the sharing of financial information. Reducing turnover can be accomplished by first reducing any management turnover. Managers generally encourage organizational citizenship behavior and foster the perception that the company is an employer of choice.

As the Quick Service Restaurant, Fast Casual and Full Service Restaurant Industry become increasingly saturated, customers demand improved and more polished service (Yee, 2003). Customer service needs support from both the franchisor through better training programs, upgrading quality of food and the franchisee through service execution (Gogoi and Roman 2003). Berta (2003) highlighted Ken Donahue’s successes in turning three Burger King restaurants from 1-2% annual growth to over 9% in under six months. The secret to his success was better training, which reduced customer errors and improved speed of service.

**Problem Statement**

Satisfied customers become loyal customers through the value created by satisfied, loyal, and productive employees. The literature suggests that creating a profit-chain customer focus can be difficult. Employee turnover seems rooted in dissatisfaction with a lack of training, poor supervision, few, or non-existent, performance appraisals and poor working conditions. This research will investigate the current challenges identified by western Canadian Tim Hortons franchisees support the research trends, or whether other issues influence the franchisor-franchisee relationship.
Methodology

Primary data were gathered through a telephone interviews because of the contribution that qualitative research makes to the understanding of the complexity of organizational problems (Esterby-Smith, Thorpe and Low, 1999). Further, Brotherton (1999) states that such methods can reveal the dynamic interaction between the activities of managers, employees and their customers. The questionnaire was designed in an attempt to identify both the key management issues and the underlying causes of these issues.

A respected husband and wife franchisee team field-tested the survey to help determine the clarity of the questions and their research validity. Initial discussions with franchisees indicated a broad-based desire to participate in the survey; however, day-to-day business time constraints limited their availability. With this in mind, the survey was reduced and streamlined in an effort to maintain the integrity of the interview and to meet the time limitations.

A random group of franchisees volunteered their participation. All the respondents are current Tim Horton franchisees with operational service experience ranging from 6 months to 18 years. Eighteen people were surveyed in June and July 2003. The franchisees chosen to participate in the survey operate locations in Alberta and Saskatchewan. In order to ensure the anonymity of the respondents, both the location and names of the respondents are not disclosed. The respondent group was limited to these western Canadian provinces and to this size for two reasons: the research was deemed exploratory by TDL, the parent company of Tim Horton donuts, access to this sample was convenient for this researcher in these early stages.

Top Three Issues

Three non-aided issues emerged from this research. They were: staff recruitment and hiring, staff training, development and retention and profitability. The discussion of the issues follows the layout of the survey.

Issue One - Staff Recruitment and Hiring

Description of the Problem

Hiring is a serious issue and concern for every storeowner, not only for meeting present staff needs but also for attaining future staff requirements. When an application is received, the owner or manager immediately interviews the applicant. During the interview, there are two main criteria: previous restaurant experience, and availability. If a potential applicant is asked to return for a second interview, the interviewer must consider that the potential employee could be hired by a neighbouring business in the interim. Most employees that leave an application on a cold call are usually submitting applications to every location in the immediate area. Consequently, the cold call application must be followed with an immediate interview.

The franchisees in lower unemployment areas of Calgary and Edmonton reported that they consider hiring “almost” everyone who applies. Franchisees are competing for applicants with other neighbouring restaurants as well as Wal-Mart, Superstore, and Home Depot. In recent years, many new Tim Hortons locations opened below minimum staff levels. Storeowners are forced to find and train staff after the location is opened.
Stores located in urban industrial or tourist resort locations reported the greatest employment challenges. Many of the storeowners hire only experienced restaurant staff to reduce the learning curve. They believe that experienced people will have a general understanding of job expectations and an understanding of the inherent stresses of the restaurant industry. Consequently, the new staff member will more easily assimilate into the culture and working environment of Tim Hortons. The chance that a new employee would quit during or after training could be reduced. Employees with no experience are only hired if recommended or referred by current staff members. Additionally, applicants may not have vehicles and require bus services to meet their shift time requirements.

Most first-time employees are students. During certain times of year, August for example, many of full-time students prepare to return to school. As a result, they revert to part-time hours or simply resign. Franchisees prepare every year for this eventuality by over-staffing their locations leading up to the start of school in September.

During the mid 1990’s, recruiting staff was as easy as placing a newspaper ad. Applicants appeared quickly, often as early as the next day. The availability of staff members changed as similar employers entered the labour market. As a result, the labour pool became more disbursed. This situation has remained over the past years. Currently, newspaper ads yield few applicants.

Solutions -- Best Practices

Creative solutions adopted by some franchisees to combat current recruitment challenges include hiring banners, street signs, posters in community centres and churches, advertising in ethnic newspapers, referral bonuses and advertising paid health benefits. Owners in resort regions and downtown locations advertise paid bus passes for all staff to encourage applicants without transportation.

Several franchisees have pioneered hiring over the Internet from as far away as Australia and Spain. Unfortunately, many of these staff do not make it past their six-month anniversary primarily because they are only seeking seasonal employment. In a seasonal, resort town staff is consistently required to fill every shift allotment. As a temporary solution to this problem, the franchisee drives staff members to the resort location from an urban centre, pays for travel time and adds a minimum of one or two dollars an hour to their current wage. The staff from the urban centre helps ensure customer service and proper training of the existing staff. The franchisor has been helpful by providing television advertisements and in-store hiring posters along with recent improvements to staff uniforms. Franchisees believe this has generated the interest of potential applicants. These measures do not solve the challenges.

Franchisees determine the most successful recruitment techniques for their locations and utilize these techniques with greater frequency. Some companies, such as Wal-Mart and Superstore, have chosen to advertise health benefits to full time employees. This can prove to be a hiring ploy. Often, these organizations overstaff and select only a few people for the full-time hours and the advertised health benefits. Tim Hortons franchisees report that they operate under a different premise. They hire as many full-time staff as possible and use part-time staff to fill in any gaps in their schedules. Franchisees believe that this commitment to hiring full-time and scheduling for full-time or part-time is a “human resource” competitive advantage. They prefer a policy that fosters a greater level of trust and loyalty between employer and employee, rather than one that addresses problems with short-term solutions. Time invested during the initial screenings and hiring phase can, as found ten years earlier by Wasmuth and Davis (1993), provide
substantial savings for the franchisee, and strengthen their employment reputation within the community.

**Issue Two: Staff Training, Development/ Retention and Customer Service** — Eighty percent of the owners expressed concern with staff development, training, and maintaining Tim Horton standards, while improving customer service.

**Description of the Problem**

Staff training and development was originally grouped with issue one. Through the data gathering process, more franchisees noted a difference between the two issues. As a result, finding employees became the first issue, and retaining and training people to be productive and valuable team members was clearly identified as separate issue.

Many Tim Hortons customers today demand quick, fast service to keep in pace with their hurried lifestyles. Complaints made to the head office or directly to store owners often relate to poor customer service, staff training, and a lack of professionalism by supervisory staff. Some customers who complain feel that Tim Hortons does not care about the individual customer.

Franchisees reported that originally, Tim Hortons was not the fast paced quick service restaurant it is today. As recently as 10 years ago, many stores did not have drive thru capabilities. Most offered smoking and barstool seating around the donut showcase. Many of the customers would purchase their coffee to stay in, as opposed to take out. During this time, product offerings did not change frequently and operating the POS system was a simple procedure. Many of the employees were older and remained longer as staff members. The pace was much slower, more social with little or no demand from the customer for speed of service.

Today, Tim Hortons is much more dynamic and fast paced. Almost all of the new stores have a drive-thru along with larger seating areas to accommodate increased business. The product line reaches farther than simply coffee and donuts and staff needs to be aware of new products and marketing programs that change monthly. Many staff members are expected to multi-task: working the drive thru, the soup and sandwich station and storefront cashier positions (Wasmuth & Davis, 1993).

These new dimensions have created extra demands on staff, managers, and owners. These demands can sometimes be overwhelming. As mentioned in Issue One, operators do not have the luxury of hiring more staff to combat frequent turnover rates. Franchisees instead must devise creative ways to train for retention and customer service. In an effort to deal with the stresses, head office and storeowners have created many programs both formal and informal to combat this stress. These initiatives parallel the research of Gogoi & Roman, 2003.

**Solutions – Best practices**

Retention of staff has become a main concern for both franchisees and franchisors for the past decade. With unions seeking membership at McDonald’s and Starbucks in 1997 and lower unemployment (Hamstra, 1997) both franchisees and TDL (Tim Horton franchisor) created a human resource program called, “Always Fair.” This was a “suggested” human resource policy created by the franchisor to help the franchisee retain staff. One fifteen-year franchisee equated the evolution of this human resource program to the evolution of Tim Hortons itself. Initially, Tim Hortons was just like any other donut shop trying to survive. Staff was treated almost as an
inexhaustible resource. There were no retention programs in place. Today, Tim Hortons is much larger and considered the leader in Quick Service Restaurant segment. As a leader, an example must be set in every area of the business including human resources and staff retention. As a result, both the franchisee and franchisor have taken on additional expense to retain front-line staff. The program itself is voluntary, however, the franchisor tracks results. The majority of the expense and administration of the program is the responsibility of the franchisee. The TDL Group provides assistance with research and suggests proven programs. Perhaps the franchisor could contribute to the expense of the program since both the franchisee and the franchisor become beneficiaries of staff retention and better trained front counter service.

Many owners expressed feeling a “loss of control” over the last few years. To combat this, franchisees have become more involved than in previous years. More than ever, they see, Gogoi and Roman (2003) found that success is directly related to their personal involvement in all areas of the operation. Increasing personal involvement has helped establish guidelines for managers and staff within a more open team environment. Having the owner present and working in the store accomplishes two things: the owner leads by example: and, the owner is better able to notice inefficiencies that can be remedied in a timely manner before they become an issue. Some of the inefficiencies may seem insignificant to a staff member, but may have other implications for storeowners if they are not corrected. For example, one owner commented that simply correcting the number of napkins given to a customer or ensuring proper sandwich portioning when directly to the bottom line. Strengthening Berta’s (2003), franchisees felt that if they had not personally observed the error, it would remain uncorrected and would eventually affect profitability.

As Woods and Macaulay (1989) stated, with greater franchisee involvement, a good manager is essential in the effective day-to-day operation of the unit. The husband and wife team of the past is no longer sufficient to run the operation. Managers must be carefully selected (Hinkin & Tracey, 2000). They represent the franchisee and their business interest. Many franchisees saw the importance of selecting an individual with strong management skills, not simply the individuals who show up for work on time. Some locations found that inexperienced or poorly trained managers were more susceptible to manager burnout and turn over (Hinkin & Tracey, 2000). Managers in most stores have become an extended family member often working for a number of years, remaining loyal to their owner. Almost all the franchisees surveyed, discussed helping a manager to buy their first new car, house, … or sometimes even providing personal loans.

Another franchisee explained the importance of a long-term strategy for managing the business. Many of the locations have experienced over ten to twenty percent growth. Franchisees understand that focusing attention on retaining staff pays dividends in the end (Heskett, Sasser & Schlesinger, 1994). Treating staff with respect furthers a strong team atmosphere. Many of the owners have followed the TDL suggested human resources policy of paid health benefits, regular written reviews, staff incentives, awards for service excellence and length of service rewards, along with regular staff celebrations and gatherings (Delerey and Doty, 1996). One storeowner provides his staff with an assortment of incentives, not to solely to drive sales, which may in turn be the result, but to increase retention during the summer period. In other areas, new staff members who remain with the store longer that six months are given retroactive incentive back pay of hours worked, partially paid health benefits, staff functions and subsidized accommodation along with a number of performance related gift certificates or movie passes. These incentives are viewed as investments in people that help increase retention. No matter how busy and hectic their locations became, human resource planning must remain an essential focus.
One very busy storeowner found that over time, a strong core group of staff members tends to emerge. This core group can then be relied upon to assist in training and coverage of shifts that are missed by other staff members. As staff is hired, the trusted core staff is assigned, on a rotating basis, to train new staff until they attain a level of proficiency. When asked why there was no dedicated trainer, the answer was the same in most high volume locations, trainers burn out. Perhaps this indicates something else. Rather than isolate training, this franchisee has recognized that training is a line responsibility.

With the increased popularity of Tim Hortons, many owners feel that although they are working harder, they are also more efficient that in the past. The major reason for this is an increased Tim Hortons popularity with the consumer and the rapid growth sales. Many franchisees do not take the sales numbers for granted and are concerned with staff mistakes and errors that will inevitably cost the owner in both lost customers and higher food costs.

The unit manager is viewed as the essential key to administering proper training and maintaining standards (Koys, 2003). Many of the franchisees meet on a regular basis with their managers to discuss future hiring, staff performance reviews and personnel development. Owners surveyed discussed placing their managers on performance incentive programs based on labour costs, food cost and TDL inspections, but programs and payouts are not consistent between franchisees.

One franchisee that currently offers health benefits, service awards and cash payouts to staff observed a reduction in turnover from one hundred and thirty percent three years ago to seventy-eight percent last year. This owner stressed the importance of an efficient training program that is always adhered to without deviation. He felt that offering incentives to encourage employee retention, created a positive professional environment. To further professional development among his management staff, managers were often sent on courses offered by both TDL and outside providers at his expense. Another practice that he has implemented successfully is that his manager interviews every person that applies (low unemployment in this stores locations translates to less that 3-5 applications a week); this has enabled better planning for future hiring needs. He feels that by investing time and effort in training, development and retention up front, will result in the saving of both money and time in the end (Koys, 2003). A decrease in turnover and an increase in retention result in higher profitability.

Issue Three: Profitability: -- Fifty percent of the franchisees interviewed expressed concern with bottom line profit.

Description of the Problem

Many of the owners expressed concern with the increased attention that continued profitability requires. The owners concerned with profitability expressed that they are currently seeking improved efficiencies within their operations. Many of the owners concerned about the bottom line also complete regular profit and loss statements. Owners who do not complete regular profit and loss statements expressed less of a concern for profitability. When questioned, none of the owners surveyed expressed concern with a retail price increase. They understand that many of the products offered today and those that will be offered in the future represent higher food cost items. Offering the customer increased value, selection and variety is strongly supported by the franchisees. High food quality is understood as one of the competitive advantages. However, there is growing concern among franchisees in terms of how to reduce costs in other areas to improve the bottom line.
Solutions – Best Practices

One franchisee explained that in the past, items such as utilities and garbage removal were never considered an issue because they were inexpensive. With these costs increase, owners must focus their attention to finding efficiencies in every area, not simply in the food and labour costs. Many owners believe that too much attention to food and paper costs does not bring customers in the door and may be more hurtful to the business by creating a negative atmosphere. Franchisees believe that customer service drives sales and improves profitability. They understand proper training improves service. When all of these elements are in place, profitability will be increased. Greater involvement by the owner is the best solution recommended by franchisees to address profitability concerns.

Many of the franchisees surveyed did not have a good “understanding” of profitability. Only a few openly discussed their profit statements with confidence. This lack of confidence may be due to the high growth rate many owners are currently experiencing. The high growth rate narrows the focus of the franchisee to more pressing issues. Additionally, many franchisees lack experience in completing regular profit and loss statements. Instead, they leave this role to a hired accountant.

Where do Franchisees Find Solutions to Their Problems?

Many of the franchisees interviewed consider their individual store concerns personal business and did discuss operational problems openly. All of the owners surveyed, choose to find solutions to problems they encounter by working out the problems themselves. Some discuss issues with one or two select franchisee friends, but usually in an open-ended and vague question format. They do not generally divulge specific details or current issues or concerns. Only one franchisee mentioned using any franchisor support. Perhaps it is perceived that asking the franchisor for assistance may be viewed as a sign of weakness. Perhaps the franchisor is never considered as option because they are not viewed as a resource by the franchisee. This is an area for future research. It would seem logical that franchisees might experience similar challenges and might benefit from cross-communication among the franchisee, rather than on the more traditional vertical communication between franchisor and franchisee only.

Discussion

Throughout the interview process, an interrelationship between all three issues emerged. Originally, issue one and issue two were considered the same issue. After completing several interviews, the two distinct issues emerged. Ultimately these two issues affect profitability. Recruitment and hiring of staff is a critical step in running a successful business. The training and development of both front-line staff and managers is an essential element of the Tim Hortons unit operation. With better training, there are fewer errors and better order accuracy resulting in improved customer satisfaction. As staff become more comfortable with the menu and cash functions, increased up-selling will occur which in turn raises the average check and offers the regular customer a chance to try new products or promotional menu items. As the staff and customers become satisfied, profitability should follow. Improved customer service is supported in the literature by both Yee (2003) and Zuber (2001). They found that improved customer service is the competitive advantage. It is essential to create a balance between driving sales through customer service and reducing costs through greater employee awareness in order to increase profitability.
One finding that requires further research is the development and training of the unit manager to improve their ability to execute their responsibilities at a high performance level. Many owners depend on the manager to monitor training and customer service in the storefront. Often they are not provided with adequate training. Many franchisees have made the mistake of promoting the wrong person to the position of manager in the aim of simply filling the position. More time and energy is needed to provide better training and job descriptions for managers. One of the findings from the interviews suggests that more direction is needed from the franchisor on suggested incentive programs for unit managers.

Rapid change in the industry was also mentioned as a concern by many of the franchisees. An understanding of the way business is conducted is essential. More time is spent on human resource issues like expanded information in employee files, employee advisory meetings and labour board issues. It was stated that better communication and involvement between the franchisee and franchisor would be helpful. Often franchisees are reacting to situations, rather than proactively preparing for changing customer needs. A more comprehensive human resource recruitment, hiring and training plan is needed. This might best be done through joint work between the franchisor and the franchisee.

Limitation of Research and Suggestions for Future Research

A larger and more varied group of franchisees from across Canada could be surveyed on the same topic. Further in-depth research could be done on the issues to determine which training programs work best for franchisees. One interesting area for further research would be to find out why franchisees do not view head office as a resource for solutions to their problems and to determine ways in which this can be improved. Those participating in the survey represent a variety of diverse locations in Western Canada. The fact that the survey represents the beliefs of only Western Canadian franchisees may be viewed as a limitation of the research. Future research might be done to determine whether the issues identified are specific to Western Canada, or whether they transcend the regional differences of Canada.

Conclusion

Many franchisees need to spend more time understanding their profitability situation and using this information in consultation with their managers to develop action plans for improved sales and food costs. Manager development is not consistent between locations suggesting a greater emphasis needs to be placed on training. Some of the franchisees interviewed displayed knowledge of all three issues and seemed to have a better understanding of issue three, profitability, and how it is related to issues one and two, hiring and development. Sometimes there is a gap between understanding this link and developing policies and procedures to strengthen this link.

The majority of the comments recorded from franchisees was positive and support a strong relationship with the franchisor. There were no negative comments made about Tim Hortons, their strategic plan, direction, or relationship with the franchisee. This supports a strong and healthy environment that is customer focused. The study provides insight into the general mindset of the franchisees surveyed and their business focus and presents some trends that need attention. The franchisee and their local units create relationships between the community and TDL. Franchisee trends and challenges require the resources of both the franchisee and franchisor to maintain strong corporate and community relationships.
Resources


Appendix 1 Survey - Current Management Issues Identified by Tim Hortons Franchisees

Name_____________
City_____________
Date_____________
Time_____________

1. Does your store have a D/T   Y    N

2. How long have your been a franchisee with Tim Hortons_______(Years)

3. What do you consider the 5 major challenges affecting your Tim Hortons operation?
   Description of the problem?
   Recommended solutions / best practices?
   How do you measure your results?

4. Would you say that these issues are different now from 12 months ago?

5. Who is your competition?

6. Do you believe this competitor will be the same 12 months from now?
   i. Would this have been your choice a year ago, why?

7. Where do you find solutions to problems?
   (Franchisees, TDL, newspaper, books, Internet, personal experience)