

The Franchise Agreement and Failing On-Going Training

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Training is a big part in any large company and nowhere is it more important than any franchise organization, there is a lot at stake. For instance, the brand name of the company, the consistency of the products and services, and of course the success of each individual franchise outlet. A few non-performing franchisees can drag down an entire franchise system in any given marketing region. This will in fact negatively impact other local franchisees.

To insure that each franchise operates by the book; the confidential operations manual, training must be thorough and comprehensive. But what if a franchisee fails training or what if they fail ongoing training? This is a key consideration considering the need to protect the integrity of the franchise system and the profitability of all the other franchisees. It is for this reason that the failing of ongoing training needs to be addressed in the franchise agreements. Below is a copy of the clause we used in our franchise agreements;

3.6.4 Failing On-Going Training

From time to time Franchisor may provide refresher training programs or seminars and may require that the Franchisee or their managers and crew leaders attend and complete them to Franchisor's exclusive satisfaction. These programs and seminars will be held at locations Franchisor designates. When Franchisor determines that it is in Franchisee's best interest to take additional training courses, Franchisor will notify Franchisee either via the Franchisee Forum intranet system, by e-mail or in writing. Franchisee will have up to six (6) months to schedule this required training. If Franchisee fails to schedule the required training, Franchisee will be notified that Franchisee is in default of this Agreement. Franchisee will then have thirty (30) calendar days to cure this default. If Franchisee fails an on-going training course, Franchisee may be deemed in default and Franchisee will have thirty (30) calendar days to cure this default by re-taking and passing the required course or courses.

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All franchisee companies need to address this and the needy expert legal counsel and an experienced franchise attorney to help them strategize the best way to protect the franchise company in the event a franchisee fails training. Consider this in 2006.Lance Winslow - Online Think Tank forum board. If you have innovative thoughts and unique perspectives, come think with Lance; www.WorldThinkTank.net/wttbbs/