

the franchise review

ISSUE 70 EDITION 3 2022

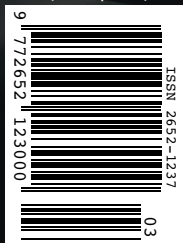
How franchised small businesses can leverage new technology to grow their business

New technology doesn't have to change everything

Cybersecurity risks grow for small business

Streamlining franchise document generation

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OFFICIAL JOURNAL OF THE FRANCHISE COUNCIL OF AUSTRALIA



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As the CEO of Clark Rubber, a key focus for me has been the adoption of new technology that can create efficiencies for the benefit of our franchisees, including by freeing up internal Clark Rubber resources so that they can spend more time working with our franchisees and helping them to develop their business.

Streamlining franchise document generation

By **Anthony Grice**
CEO of Clark Rubber

“A process which previously required a full-time lawyer, can now be completed in less than 15 minutes by staff with no legal training.”

Around two years ago, Clark Rubber identified that the generation of legal documents for new and renewing franchisees was an area of our business consuming a significant amount of time and resources.

Like most franchisors, we had spent a considerable amount of time and effort standardising and templating our franchise pack contracts so that limited customisation or bespoke drafting was required. However, even with this standardised process, we still needed a dedicated in-house lawyer assigned to franchise pack generation on a near full-time basis.

In addition to the time inefficiencies associated with manually preparing legal agreements, we were also keen to reduce the risk of human errors creeping into our franchise documents. Some examples of these errors included incorrectly completing sections of template agreements, typographical errors, accidentally using out-of-date versions of agreements, or some documents not being correctly updated when new details were provided by (or negotiated with) a franchisee.

I had heard that document automation could be a possible solution, but I had assumed that – with all the different scenarios and considerations that get taken into account when generating the legal agreements for franchisees within the Clark Rubber system (and the number of documents and possible variations to those documents that can result) – these matters would be either too complicated or too costly to automate.

Fortunately for Clark Rubber, our external legal advisers (Sierra Legal) are leaders in this field and have lawyers with both the technological skill to write the required code, while also understanding our business and our legal requirements.

Working with our external lawyers, we were able to map out the workflow process, logic and business rules that

would have previously been performed by our in-house lawyer when preparing new franchise pack contracts.

Within a few months, the end result was a bespoke webapp (managed and hosted by our external lawyers) that can be accessed by the required Clark Rubber staff members (including non-legal staff).

Staff complete a guided online survey to gather all the necessary information relating to a new or renewing franchisee, with the system itself processing the defined business rules and legal rules (and providing useful guidance and instructions for staff). Once the data has been inputted into the system, the full suite of franchise pack contracts (including cover letter, signing checklist, franchise agreement, security agreements, disclosure document, key fact sheet, deed of guarantee, landlord deed of consent, confidentiality and non-complete deeds, prior representation statement and statement by prospective franchisee) are automatically generated and available to download.

A process which previously required a full-time lawyer, can now be completed in less than 15 minutes by staff with no legal training.

Repetitive data (such as party names, addresses, ABNs, ACNs and contact details) only needs to be entered once (reducing the risk of typographical errors), the complete franchise pack is generated simultaneously (removing the risk that documents might be accidentally forgotten), and with the system generating all documents (the risk of accidentally using an old version is eliminated).

For Clark Rubber, the use of document automation has been a game changer for this part of our business, and I highly recommend that other franchisors investigate the possible uses for document automation within their businesses. ■