

A checklist to guide franchisees through COVID-19

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We are living in unprecedented times with a rapidly changing business landscape. Franchises, like all other businesses across Australia, are rapidly adjusting to weather the impact of COVID-19. This checklist contains some areas to consider moving forward.

Do you know your franchise's obligations to minimise the spread of COVID-19?

Businesses have a legal obligation by both the Federal and State/Territory Governments to adhere to measures in place with penalties for individuals and businesses who fail to do so. Your franchisor should be regularly communicating any changes in your obligations to you. Resources to assist you with the latest developments can also be found on Federal/State/Territory Government and Departments of Health websites.

Are you still meeting your obligations under the Franchising Code of Conduct?

Your obligations under the Code still apply to both you and your franchisor.

Have you reviewed and updated your business continuity plan?

This is a critical step in ensuring that your business has the tools and resourcing in place to continue operating during and post COVID-19. View a [guide to assessing your business continuity plan around COVID-19](#).

Have you assessed your finances?

Many businesses have been required to close their doors to slow the spread of COVID-19. Others are operating in a limited capacity or are experiencing difficulties in providing goods and services to consumers who are also being impacted financially and told to stay home. There may be a reduction in cashflow but outgoings remain.

Take an in-depth look at your outgoings and work out areas where you may be able to cut costs or apply for assistance. You should communicate any concerns with your franchisor as early as possible so that, where possible, measures can be implemented to reduce the financial impact on your livelihood. Relief measures that you can discuss with your franchisor include a deferral or reduction in marketing and franchise fees, rent (if your franchisor is your landlord), etc.

Can you pay your outgoings?

It is important when assessing this question that you also consider how long you can pay your outgoings. Measures currently in place are for a minimum of six months and very few businesses can afford to operate for that length of time with minimal to no cashflow.

There is some financial assistance available at both a Federal and State level. Your franchisor should be communicating what assistance is available and supporting you to avail yourself of support you are eligible for.

Have you had an idea that could help the business overcome operational challenges?

If you've had a great idea about overcoming operating challenges in the current environment, communicate this to your franchisor. Many franchises are changing their business model to adapt to operational restrictions – for instance, franchises in the fast food and restaurant sector are offering takeaway and meal delivery with a side order of contactless payment, gyms and personal trainers are going virtual and others are opting to offer completely different services altogether to cater for changing consumer needs. If you are looking at proposing a change to your franchise's business model, there are [some points to consider](#).

Is your supply chain equipped to see you through COVID-19?

While freight and logistics are regarded as an essential service, that's not to say that COVID-19 won't impact your supply chain – if it hasn't already. Disruptions to your supply chain can include difficulties obtaining raw materials, cashflow problems and more. You can [learn how to alleviate supply chain pain here](#). Discuss any concerns with your franchisor as they arise so that they can assist you where possible.

Are you communicating with your employees, customers and other stakeholders?

People understand the difficulties businesses face at the moment but you might find that some stakeholders, particularly your employees, experiencing anxiety about the business moving forward.

Your franchisor should be issuing regular communication around key messaging during this time and any changes taking place including closures, reduced operating hours or new online delivery of services. Make sure that you convey this messaging to employees and other stakeholders as appropriate. Discuss any concerns raised with your franchisor as they may be around areas that your franchisor has not yet considered addressing.

If you are lucky enough to remain open for business, provide your franchisor with constructive customer feedback to ensure the business continues to meet customer needs.