

Royalty Assurance?

A franchise concept is based on independent franchise owners paying a percentage of their unit's sales to the franchisor for the right to use the brand name, logo and signage, production methods, recipes, etc.

There are many ways for a franchise owner to underreport sales to the franchisor, thereby reducing the amount they pay in royalties. A few methods of underreporting may include:

- Reporting and paying fees on a sales number less than actual sales
- Voiding sales, refunding, item deleting, and failure to ring all transactions
- Ringing sales in training mode
- Not recording outside catering sales
- Using unauthorized registers at varying times during hours of operation
- Mid-day register closing and re-start

Our Services

At **The Integritus Group**, our primary objective is to create a program customized to each client, meant to deter underreporting of sales and to determine if franchised stores and restaurants are in compliance with policies and standards.

We will create a program customized to your needs, which may include the following components:

- **Franchise Royalty Auditing:** We will conduct franchise audits using your existing audit template or one that we create together. The audits will be used as training tools for your Franchise Owners and to identify underreporting and theft.

- **Underreporting Investigation & Documentation:** Franchised stores can be investigated as needed to help obtain evidence of underreporting, unauthorized transfer, unauthorized distribution, and supply channels.
- **Integrity & Standards Shopping:** Brand Compliance shops are a valuable tool to measure and evaluate performance, standards, and compliance.
- **Focus Store Program:** A comprehensive review of raw material to sales yield will be conducted to determine the bottom performers in your system, who will require increased attention and focus.
- **Unannounced Problem Store Visits & Consultations:** Visits are used to raise awareness, deter underreporting of sales, and to provide independent guidance to Franchisees on various loss prevention standards, which in turn deter employee theft in their businesses.

Results

- Higher royalty collections on the same customers and raw materials.
- Reduced cash, inventory, and food loss, with improved food, labor, and paper costs.
- More informed and profitable Franchise Owners.
- Wealthier Franchise Owners create a more profitable Brand.
- Collection of your program expenses through restitution and improved sales