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4 Reasons Why Franchisors Churn Through Marketing Suppliers—And How To Overcome Them



David Chapman Forbes Councils Member

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In the fast-paced world of franchising, the stakes are high, and the pressure to meet growth goals is unrelenting. For many franchisors, selecting the right suppliers—whether for marketing, IT, legal services or beyond—is a critical yet often overlooked decision.

On the surface, the process may seem simple: review proposals, compare pricing and make a choice. But as someone who's spent over two decades working as a marketing supplier with more than 200 franchise brands, I can tell you firsthand that this shorthand approach is riddled with risks and hidden costs.

In my experience, internal teams often underestimate the complexity of the process and fail to account for hidden costs like cumulative staff hours, lost productivity and the long-term risks of a poorly chosen supplier.

The 4 Pitfalls Of Marketing Supplier Selection

The traditional in-house marketing supplier selection process can lead to significant, often invisible, pitfalls:

1. High Time And Opportunity Costs

In my experience, the typical marketing supplier selection process can take more than 200 staff hours, diverting attention from critical business initiatives. When you factor in the average hourly cost of senior employees, the true financial cost of handling supplier evaluations grows quickly.

Worse yet, the wrong supplier choice can quickly compound these costs after the deal is signed, as franchisors face operational disruptions, downtime and potentially eroding franchisee system trust trying to make the supplier relationship work.

2. Limited Marketing Supplier Options

Most franchisors rely on internal team members (usually senior-level folks tasked with leading key company initiatives) to evaluate suppliers, often under tight deadlines and with competing priorities. This can lead to a narrow pool of the “usual suspects” typically drawn from peers, familiar names or cursory online research. Without access to a broader network of vendors, franchisors risk overlooking more innovative suppliers with fresh “out of the box” ideas.

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3. Unrealistic Expectations

Franchisors are notorious for creating elaborate requests for proposals with scoring systems to lead the selection process. However, most RFPs are created in a vacuum without a frank discussion with all decision makers (including C-level folks) to ensure that realistic key performance indicators (KPIs) are set up front to build consensus on service expectations. Moreover, in many cases, the expectations that *are* set *aren't* in line with market realities. The result? Frustration on both sides, unmet goals and wasted resources.

4. Compatibility Mismatches

A marketing supplier's industry experience, technical expertise and track record are only part of the equation. True success comes when the supplier's working style, communication preferences, reporting structure and culture align with your team's. Without tools like personality assessments or compatibility testing, franchisors often pair with suppliers who look great on paper but struggle to collaborate effectively—leading to friction and eventual churn.

Overcoming These 4 Common Pitfalls

Navigating the marketing supplier selection process can be challenging, but it's not insurmountable. By adopting a structured and thoughtful approach, franchisors can avoid common pitfalls and set their organizations up for long-term success.

1. Mitigate High Time And Opportunity Costs

Clearly define the roles and responsibilities of everyone involved in the selection process. Establish a clear timeline and set benchmarks for evaluating suppliers. Leverage technology tools like supplier evaluation software or project management platforms to streamline tasks and improve collaboration.

2. Expand The Supplier Pool

Cast a wider net by attending marketing industry trade shows, participating in networking events outside of franchising and following marketing thought leaders who spotlight emerging technologies and companies. Conduct deeper market research to uncover innovative suppliers with fresh perspectives.

3. Set Realistic Expectations

Before issuing an RFP, gather input from all decision makers to align on objectives and performance indicators. Hold a pre-RFP workshop to discuss what success looks like and focus on clear, measurable criteria.

4. Ensure Compatibility

Evaluate potential suppliers for cultural and operational compatibility. Schedule in-depth conversations to understand working styles, and consider compatibility assessments to gauge alignment between your teams.

A Note On Trusted Advisors

While franchisors can navigate these challenges independently, some may find value in working with a third-party advisor to help select a supplier. An experienced advisor can bring additional industry insights, streamline the process and provide unbiased evaluations. However, the decision ultimately depends on your organization's specific needs and resources.

Building Strong Marketing Supplier Relationships

Once you've chosen a supplier, you can strengthen the partnership by prioritizing:

- **Regular communication:** Schedule periodic check-ins to discuss progress, address concerns and align on priorities.
- **Clear KPIs and accountability:** Establish mutually agreed-upon metrics for success and hold both your team and the supplier accountable.

- **Proactive feedback loops:** Create a system for gathering feedback from both internal teams and suppliers to identify areas for improvement.

By applying these strategies, you can take control of the supplier selection process, reduce costs and build partnerships that drive success. Whether you handle it in-house or seek outside support, the key is to approach the process strategically, balancing due diligence with a focus on long-term outcomes.