

## Ensure financial foresight for the festive season

With the festive season approaching, fast food franchise owners should consider marketing special offers and promotions to encourage sales. Promotions and special offers should be well advertised around areas where tourists congregate. Staff should be trained beforehand on all terms and conditions surrounding promotions so that they can be properly administered.



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Simone Cooper, Head of Franchising and Enterprise Development at Standard Bank says that while the holiday season may lead to booming sales for fast food franchises, it is also a time when risks increase. Businesses should plan for all contingencies to ensure a successful and rewarding holiday season. This preparation should also include effective, safe cash management and ensuring that the adequate security is in place.

"Although the festive season may lead to an increase in sales, it also puts more pressure on staff, increased stock holding and more effort required to ensure that service and quality standards are not compromised. It can be a tall order for staff. After all, many will be working while their families and friends relax and enjoy themselves.

"Criminal activity also increases during holiday periods. The South African Police Service (SAPS) recently announced that business robberies increased by 13.7% overall in the 2013/2014 financial year, while the Consumer Goods Council report that retail robberies were up 30% between April 1, 2013 and March 31, 2014. Security should therefore be a high priority for all franchisees during the festive period."

### Effective resource management over the festive season should include:

- Devising a rewards programme for staff working over the festive season.
- Creating sales targets and rewarding employees that reach them with attractive prizes. This can do wonders to keep staff happy at work over the holidays.
- Instilling the spirit of team work by encouraging staff to share the workload.
- Linking peak periods to a 'standby roster', in which volunteers only come in when required can make working over holidays more attractive.
- Hiring casual staff. The key here is to make sure that casual staff are adequately trained before the rush begins. Otherwise, they could be more of a liability than an asset.

### Effective and safe cash management should include:

- Making arrangements for handling extra volumes of cash securely.
- Increasing safe deposit facilities onsite that can only be accessed by the security company. "Your bank can assist with these arrangements by installing facilities like Standard Bank's AutoSafe device and cash collection services," says Cooper.
- If you need to personally deposit cash at a bank, arrange for a security escort, or use several people at different times to make 'drops' that change from day-to-day.

- Getting your bank to supply you with backup point-of-sale machines and necessary supplies. Nothing could be more disastrous than not having enough machines to handle card transactions at the busiest time of the year.
- Considering introducing a service like SnapScan, offered by Standard Bank, which allows all smartphone users to make payments directly from their phones - a service that can be loaded within the restaurant or outlet in a process that takes only a few minutes. This reduces the need to make plans for cash management.

**An effective stock control system should include:**

- Aligned to cash management is cash flow. Ordering extra stock at short notice, increased staffing costs and increased energy costs can place unexpected pressure on short-term cash flow. Manage this by making necessary arrangements with your bank.
- Paying extra attention to stock control. Once you have ordered extra stock, controlling it is essential. Regular checks and stock counts should be performed. Stocks should be balanced and deficits corrected as soon as they are found.
- Checking and updating business insurance - if this is necessary, including public liability clauses.

"Keeping risks under control means that a franchise outlet can operate successfully and profitably without placing additional stress on employees. A secure, planned season is a happy, successful season," concludes Cooper.

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