

FRANCHISEE TECHNOLOGY FEE ASSESSMENT

Case Study

CLIENT NEED

- Client hired new Chief Digital Officer with ambitions to become a **"leading technology-led franchisor"**
- Client **increased digital transaction fees** over recent years and wanted to ensure they **remained competitive** compared to other franchisors
- Primary objective was to ensure **alignment with CDO's strategy** and assess progress in delivering the **best technology at the lowest cost**

CURATED TEAM



Principal: Former **Bain** Case Team Lead; held executive roles at **Motorola**, **MTS India**, and **Altman Solon**; led prior project for same franchisor



Project Leader: Former **McKinsey** Engagement Manager; later held roles at **Target**, **Kimberly-Clark**, **Aaron's Company**, and **Colonial Group**



Consultant: Former **BCG** Project Leader; later held roles at **Inspired Brands** / **Buffalo Wild Wings**



Consultant: Former **Accenture** Manager and senior member of the firm's Digital, Data, and Analytics Practice

ENGAGEMENT OUTCOMES

- Introduced a **"normalized fee"** metric to standardize competitor tech fee comparisons, accounting for differences in **fee structures, AUV levels, and FDD inconsistencies**
- Conducted **competitive benchmarking on technology spend**, leveraging a database of competitor fees, secondary data, and expert interviews to assess fee structures and digital investments
- Determined that franchisee tech fees had **increased significantly** since a prior assessment and **exceeded those of certain competitors**, potentially creating a competitive disadvantage
- Resulted in a **reassessment of funding strategies**, including potential fee adjustments and increased allocation of advertising funds toward tech investments that could reduce overall fees

