



What the Hell Happened?

When Franchisee Discontent Morphs Into Litigation.

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What the Hell Happened?

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By Edward (Ned) Levitt*

1. Introduction

The franchise relationship is often compared to a marriage or a partnership. The parallels exist because the franchisor and the franchisee, to a greater or lesser degree, depend upon each other for their well-being and the relationship is a continuing one. But another defining characteristic of the franchise relationship, which makes these analogies particularly apt, is the tendency for disputes to increase in frequency and intensity the further one moves away from the "honeymoon period". Like the perfect marriage, the perfect franchise relationship is an ideal to strive for, but with the knowledge that it cannot realistically be achieved.

There can be little doubt that every franchisor starts out hoping that disputes within the franchise system will be few and those that are unavoidable will be resolved quickly and with a minimum amount of harm to the franchisor and the rest of the system.

Unfortunately, sometimes something goes terribly wrong and an otherwise well structured franchise expansion of a successful business concept disintegrates amid a fire storm of disputes.

This is a particularly appropriate time to be examining dispute resolution and management for franchise systems, given that we are now just emerging from one of the most difficult recessions any of us has experienced. Such economic difficulties have first of all provided an unusually high volume of disputes to study and, secondly, increased significantly the importance of detecting, resolving and managing disputes successfully. Back when the economy was "roaring" it was easier to be weak in these matters and still survive. Profitability has a way of dampening franchisee discontent and business was so good it was easy to employ economic solutions to disputes, i.e. finding a buyer for a disgruntled franchisee's business. Survival and prosperity in these leaner times would appear to be only for those who can do it well and do it right.

This paper will discuss the origins of franchisee discontent, early detection and management of disputes, alternative dispute resolution mechanisms and when to employ them, the risk and rewards of franchisee associations and best practices in litigation preparedness and management. The rapidly evolving area of class actions in franchising will be touched upon as well.

2. The Origins of Franchise Disputes

There are many sources of disputes in a franchise relationship. However, it is suggested that the most fertile breeding grounds, over which the franchisor exerts control, are: concept deficiencies, poor franchisee selection processes, overzealous sales techniques, mistakes in site selection, inadequate communication and change (voluntary or involuntary) and reaction to it.

(a) The Concept

Strange, isn't it, that the number of franchise disputes goes down dramatically when the franchisees are making money! When the concept is flawed, there is very little hope for the success of the system. It may be that the concept is too new and not yet perfected. Franchising a mediocre business is a recipe for disaster, because, if the originating entrepreneur, with greater drive and commitment, cannot make it super successful, how will the franchisees achieve moderate success?

Even where a concept is working well in a particular region or type of location, it may not travel well to other locales. Remembering that franchising is very much a numbers game and that Canada has its limitations based on size and demographics, it is important to have a concept that has broad appeal and can be operated successfully in many different communities and settings or can be readily adapted to meet local needs and tastes.

(b) Finding the Perfect Franchisee

The pursuit of perfection in most things is a journey, not a destination. While finding perfect franchisees is an understandable goal, the truth is too many franchisors settle for less perfection and much more mediocrity than is healthy for their franchise system and far more likely to give rise to discontent and disputes with franchisees. Why is this?

There are many reasons. Often it is time pressures, brought about by the fact that a good location will be lost unless a franchisee is found quickly or because a store opening goal must be achieved or the franchisor urgently needs more cash flow, that result in the franchisor “settling” for a less than perfect franchisee. At other times, it is poor franchisee selection processes, testing and evaluation which lead to bad judgement calls. The use of outside brokers can result in less than perfect decisions about franchisees, when the broker, who is more focused on commissions than on long-term relationships, is left with too much influence in the final selection of franchisee candidates.

Even so, choosing the “perfect” franchisee as an abstraction is not really the goal. To be successful and minimize disputes, franchisors need to be populating their systems with franchisees who are most appropriate for the type of business, the nature of the franchise system and the business style of the franchisor. For example, if the business is very simple to operate, it may not challenge some franchisees enough to keep them focused. Other franchisees may not be able to take the pressure of a make it or break it 12:00 to 2:00 food court franchise.

What then are some of the most universal factors to be considered in choosing the most appropriate franchisee?

(i) Financially Sound

It may be trite to say, but many a franchise failure resulted from the fact that the franchisee could not afford to carry the debt of a franchise purchase and run the business successfully through slow times. Franchisees need to have back up resources just in case.

(ii) Willingness to Follow

Franchisees have to follow the system or there will be chaos. The need to innovate will only frustrate a franchisee and lead to problems for the franchisor. Innovation is the franchisor’s job.

(iii) A Feel for the Business

It is amazing how many franchisees initially shop for a franchise purchase alone, when they should be looking for a business that would be satisfying for them and which also offers franchises. Franchisors, to be fair to themselves and the franchisee candidate, should be certain that the candidate clearly understands the nature of the business and how it operates and has some feel for it, before a deal is concluded.

(iv) People Skills

Dealing with customers, suppliers, employees and head office personnel requires some reasonable level of interpersonal skills. While not impossible, it is rare that these skills are developed after the franchisee starts operating. The franchisor does everyone a disservice when they turn a blind eye to personality deficits of the franchise candidate.

(v) Work Ethic

Operating a franchise does not require any more effort than running a similar business that is not franchised. All businesses, especially at the beginning, require considerable effort from the owners to be successful. While this is one of the most difficult qualities to assess in a franchise candidate, it can be the most critical. Past work history and good reference checking can go a long way to accurately assessing this important factor.

(vi) The Family

The support of the family can be critical in the life of any business owner who is striving for success. If that support is not forthcoming for a franchisee, the franchisor can expect to have an underperforming, unhappy franchisee. As a result, whether or not family members will be working in the business, it is important for the franchisor to meet with them and assess their commitment to the success of the business and their willingness to provide the necessary support to the franchisee.

(c) Finding the Perfect Location

Put a good operator in a poor location or territory and the business will do poorly. Put a poor operator in a good location or a good territory and you at least have a chance that the business will do o.k. We all know the importance of a good location or territory. Then

why so often is the origin of a franchise dispute the fact that the choice was a bad one?

Again, as in the selection of a franchisee, the selection of a location or territory is really about compromising from the ideal. Too much compromise is often the result of a pressure to grow and grow quickly. Sometimes it is the result of the wrong people making the decision, i.e. brokers who are too focussed on commission or poorly qualified staff.

Sometimes a new franchisor has not tested the concept sufficiently across enough markets and in enough locations or territories to know well enough what works and what does not work.

(d) Sell, Sell, Sell

Needless to say, if the business concept being franchised is flawed, problems and disputes will follow. However, even when the concept is workable, if the selling process and the pro forma financial statements paint an unrealistically rosy picture, the franchisee's unrealized expectations will become a source of friction. All too often, the franchisor feels compelled to exaggerate the expected success of the franchise to make a sale. For example, it is rare to see a franchise pro forma statement which contemplates a loss in the first few years of operation, as realistic as that may be. Countless pleadings made on behalf of plaintiff franchisees contain allegations of pre-contractual misrepresentations. However, all the blame cannot be put on the franchisor. Many franchisees buy their franchises with unrealistic expectations about the potential for financial success.

Rapid growth of a franchise system is often touted as a badge of success. Rapidity of growth is presented as evidence of the desirability of the franchises. Often, the opposite is true. Many a post-mortem on a piece of franchise litigation revealed that the root causes of the dispute were the mistakes made by over-worked, poorly trained or overly commission focused sales people.

3. When are Disputes Most Likely to Arise?

(a) After the Honeymoon

It is unlikely for a franchisee to pick a fight with the franchisor in the first while after the franchised unit opens for business. With exceptions, most of the trouble comes after the franchisee's issues go unaddressed or unrecognized for a period of time. It is the astute franchisor who puts in place a mechanism for checking back with the franchisee in an effective way after the honeymoon.

In systems that have grown larger over time, it is the long-standing franchisees who often become the leaders in systemic issues. Keeping in touch with and carefully listening to such leadership is an important strategy for dispute avoidance.

(b) When Change Occurs

There is no other time that presents a greater chance for misunderstands, disputes and litigation than when things change in a franchise system. For new franchisors, change in the concept or system come more frequently than in more mature systems, because the franchisor is constantly learning and trying to implement what they have learned. For all types of franchisors, changes in the marketplace these days is a constant.

Change is inevitable; change is good; change costs; change too slowly and you are left behind; change too often and you confuse your customer. When you own your own business you can change whenever and whatever you want. When you want to change how your franchisees operate **THEIR** businesses, that is a horse of a different colour.

Decades ago the marketplace evolved over many years. Today, shifts in any number of important areas can take place seemingly overnight. Anyone heard of trans fats 4 years ago? A franchisee looks to the franchisor to be on top of such changes in the marketplace, to investigate what needs to be done and the best way to implement the changes. This is one of the great values in being a franchisee in a good system.

Franchisors need to have the ability to implement necessary changes through their network of independent franchisee operators as thoroughly and efficiently as possible.

Serious problems and conflicts arise when the changes are for the advantage of the franchisor, not in reaction to some marketplace issue. For public franchisors, increased head office profits often translate into increased share prices; the goal of most CEO's of publicly traded franchisors. Unfortunately, while some changes produce such benefits

for franchisors by increasing profits for franchisees as well, other changes increase profits for franchisors at the expense of franchisees.

A properly drafted franchise agreement gives the franchisor the right to require franchisees to implement changes to the system as required by the franchisor from time to time. However, there are both common law and statutory restrictions on the unfettered exercise of such rights to the unjustified detriment of the franchisee. There are also situations where the courts have sided with franchisees in finding that the contractual language did not permit the exercise of the power the franchisor thought it had. In recent years, we have witnessed a number of cases, which have been decided against a franchisor who tried to force franchisees to make such changes.

A change that demonstrably lines the pocket of the franchisor at the expense of the franchisees is unlikely to be supported by the courts. Most of the litigation in this area, however, has involved fact situations that were much less clear. Is it a justifiable change to require franchisees to add a product line with low or no margin to increase traffic? Can a franchisor force franchisees to invest significant capital in new equipment that may not show a net return for years? Rising costs, changing buying habits, technological innovations, demographic issues and much, much more are putting increasing pressure on businesses generally to change and bringing to the surface the inherent barriers to change in franchised chains.

Once these issues reach the courts, the facts, motives and actions of the franchisor are viewed, dissected and analysed with the brilliant clarity of hindsight. Franchisors can dramatically increase their chances of successfully implementing change and defending such change in court, if necessary, by adopting all or some of the following approaches:

- (1) Invest in solid third party research on the impact of the change on the franchisees and the system as a whole;
- (2) Invest in solid third party research on the impact on the franchisees and the system as a whole if the change is not done;
- (3) Bring any franchisee advisory council or association into the development and implementation stages as early as possible;

- (4) Spend the time and resources necessary to explain to the franchisees the reasons for and benefits of the change;
- (5) As much as possible, adopt any modifications that the franchisees may reasonably suggest and let it be widely known that the franchisees had an impact on the decision and nature of the change;
- (6) Ensure that internal communications at head office do not misstate the franchisor's motives and business case for making the change;
- (7) Support the franchisees as much as possible in making the change and document that support thoroughly; and
- (8) Maintain statistics on the direct and indirect results of the change for individual franchisees and the system as a whole.

It should be kept in mind that, for the franchisor, change is a business issue, not an emotional one, but not all of the franchisees will react in a purely business minded way. The franchisees in most franchise systems come in all shapes and sizes, with varying personalities, attitudes and capacity for change. Often, how change is approached in a franchise system is as important as what is being changed.

4. Communications

This topic is vast. There are probably more articles written and education programs presented on this topic than any other in franchising. Without effective communications, the wrong franchisees will be selected, otherwise capable franchisees will be poorly trained, feelings will be hurt, grievances will fester, disputes will increase and resolutions will take longer and the end result will be less satisfactory.

Every member of the franchisor's team should be trained in good communication skills and be required to adopt the franchise system's culture. Every time a franchisee comes in contact with a representative of the franchisor, they should feel like they were listened to and cared about. These points may sound trivial, but when tough issues arise, the ability of the franchisor to understand what is really going on and to achieve an effective resolution are very much dependent upon how and what was communicated in the past. Trust and cooperation are built over time on the foundation of many small exchanges over seemingly small issues.

The one advantage a new franchisor has over a more seasoned one is the ability, by virtue of the smaller number of franchisees in the new system, to keep in close personal contact with the franchisees. This allows the franchisor to more readily detect any potential disputes before they get out of hand. The franchisor in a new system is also better able to convey to the franchisees the business goals, objectives and philosophies driving the franchise expansion, with the result that franchisees are more likely to understand the franchisor's decisions and accept them. As the system grows, the need to communicate with franchisees remains the same, but the methods have to change. The franchisor must communicate with the franchisees more through the head office personnel and through correspondence, memos, intranets and newsletters. The importance of these lines of communication cannot be overstated, both to convey the right ideas to the franchisees and to obtain feedback on any developing problems within the system.

To be effective, a franchisor must have mechanisms in place to select the right employees, train them well and keep them motivated. One of the key employees for any franchisor is the field representative. The field representatives are the franchisor's apostles, investigators and disciplinarians, but perhaps more importantly, the franchisor's early warning system for disputes. The importance of the field representative is sometimes overlooked and poor quality candidates are selected or good people are improperly trained. The franchisees should be encouraged to view the field representative more as a support and confidant than as a policeman and enforcer, if the franchisor wants to enhance the field representative's job of detecting disputes early and resolving them quickly. An understandable error made by some franchisors, particularly during tough economic times, is to trim their overhead by reducing the number of field representatives, thus increasing the number of franchisees each representative is responsible for. Needless to say, this strategy can dramatically reduce the effectiveness of the field representatives as they scurry from location to location trying to cover all the franchisees under their responsibility.

When disputes erupt, the franchisor is faced with the tough decision as to how much information should be shared with other franchisees. One fear most franchisors have in a dispute situation is that other franchisees will be influenced to take similar action or, if

they cannot get the errant franchisee into line quickly, they will be perceived to be weak or vulnerable. There are two universal truths in such a situation; information about the dispute will travel throughout the system and the other franchisees will be watching very closely how the franchisor handles the dispute. Unfortunately, the information that gets out is often distorted and the franchisor's actions misunderstood. Frequently, there is a compelling argument for the franchisor to disseminate the right information and to have the actions taken viewed in the best light. To accomplish this, the franchisor must be proactive in informing the rest of the franchisees about the dispute, its origins and how it is being resolved. It is not uncommon for a franchisor to miscalculate the reactions of the other franchisees. With substantial investments in their franchises, franchisees are very concerned that the system standards are upheld by everyone and that everyone is treated the same. There have been instances where the rest of the franchisees would have dealt more harshly with a defaulting franchisee than did the franchisor.

Record keeping of communications is also important, both for business purposes and in case disputes develop. In this modern electronic age, every franchisor and their employees should understand the importance of e-mail communications and the correct protocols. All too often, e-mails are treated like conversation, but unlike conversation, which disappears almost immediately, e-mails seem to exist forever. Many a franchise battle was won or lost because of one or another poorly thought out e-mail.

5. Mechanisms For Dispute Resolution

(a) Capitulation and Intransigence

The ideal in dispute resolution is reached when all parties to the dispute realize enough of their goals and objectives to abandon the rest. Perfection is achieved when a solution is found which satisfies all the demands of all parties; a decidedly rare occurrence. These statements are certainly true for franchise disputes, but it is sometimes possible or even desirable for the franchisor only to stop the spread of harm a dispute is causing to the rest of the system, without "resolving" the dispute. For a franchisor, in certain circumstances, the best dispute resolution technique might be to stand firm and not compromise.

Sometimes, especially in the early stages of growth, franchisors are too quick to give in to franchisee demands or to capitulate when disputes arise; the negative effect being that

important aspects of the system are compromised or dangerous precedents are set which will encourage future demands and disputes. At the other end of the spectrum is the franchisor who never gives in on any point, even when such a move would end a dispute quickly and cheaply and contain the spread of any harm to the system. Therefore, intransigence and capitulation, when appropriately used can be viewed as valid dispute resolution techniques for franchisors. Knowing when to resort to one or the other or some different technique often takes the wisdom of Solomon, but no one ever said it would be easy!

(b) Negotiation

Negotiation remains the most frequently employed and often the most effective dispute resolution technique. However, problems arise and the best results are not always obtained because negotiations are often not viewed as "techniques" of dispute resolution. Also, many people consider themselves consummate negotiators who need not prepare for the negotiation or conduct it in any organized and systemized fashion. Properly done, negotiation should be approached like any other dispute resolution technique, if the best possible result is to be achieved. For example, thorough research should be done to uncover all of the facts surrounding the dispute and the needs of the various parties, as well as their real goals and objectives. Care should be taken to choose the best negotiator, based not only upon ability, but also effectiveness in the situation. A field representative, with a degree from the school of hard knocks, who has the confidence of the franchisees might be a better choice of negotiator than the director of franchising, with a string of business degrees, who is viewed with suspicion by those in the system. Each party should be given sufficient opportunity to argue their case. If it appears that a party involved in the dispute does not understand the issues, possible resolutions or consequences well enough, an effort should be made to get them proper help or representation. There are many other factors and variables which can influence the outcome of a negotiation; the time allocation and place of negotiation are but two. What is of the greatest importance to keep in mind is that successful negotiations don't just happen; they are a product of skill and planning.

(c) Mediation

Mediation is gaining in popularity in many fields, particularly labour relations. We are now witnessing its emergence and acceptance in franchising. The classic approach to the mediation process is for both parties to retain the services of a third party to conduct what is in reality a negotiation carried out under a more formalized set of agreed to procedures. A very important aspect of this dispute resolution process is that the mediator have the respect and trust of both sides and, hopefully, some understanding of the matters in dispute. It is not, strictly speaking, necessary for the mediator to be totally unconnected to the parties. There are many instances where a franchisee advisory council or franchisee association executive or committee has enough credibility with the franchisor to perform the mediative function in a dispute between the franchisor and a single franchisee. In other systems, where there is no franchisee advisory council or association, trusted franchisees (often long standing members of the system) can perform the job of a mediator. In a similar vein, some larger franchisors in the United States are experimenting with an "ombudsman" concept or "liaison officer" who is an employee of the franchisor, but whose principal job is to help to solve problems the franchisees are having with the franchisor, including mediating any disputes that may arise. There is a cost savings advantage to these mediation approaches, as well as the advantage of having a mediator who is very knowledgeable about the matters in dispute and the franchise system. However, to make them work, it is necessary to build up credibility over time, by demonstrating that the mediator(s) can be effective and objective. As mediation is a non-binding form of dispute resolution, unlike arbitration or litigation, some thought should be given to the consequences, if the process fails to achieve a resolution. Every party should sign a consent and waiver before the mediation begins, which will contain provisions such as:

- the parties are not relying on the mediator for advice, legal, financial or otherwise, and will obtain their own independent advice;
- the parties will hold the mediator harmless and waive any claim against the mediator arising out of the mediation;

- the parties will not call the mediator as a witness in a subsequent trial or subpoena the mediator for evidence;
- all discussions are being conducted on a without prejudice basis.

(d) Arbitration

Two of the benefits to resolving disputes by direct negotiations or mediation are that they are quicker and cheaper than other methods (although mediation carries with it the extra cost for the mediator). Next in line is arbitration, which, while more expensive and customarily lengthier than direct negotiations and mediation, is **usually** quicker and cheaper than litigation. Usually, but not always, because court challenges can and have been made as to such matters as the jurisdiction of the arbitrators on any one point, the bias of the arbitrators, the applicability of certain procedures and rules of law, the interpretation of the reference to arbitration, etc. These court challenges can dramatically increase the cost and length of the arbitration, sometimes even exceeding the time and cost that would have been incurred if the issues would have been decided in court.

Arbitration does have, however, other distinct advantages over litigation, including the fact that the proceedings are not public, experts in the field can be selected as arbitrators and the parties can agree in advance upon the procedures that will govern the process. While most provinces have arbitration statutes which can be called upon to govern the process, arbitration in a franchise context is a creature of contract. If the parties do not agree to arbitrate, arbitration is simply not possible. The arbitration contract or reference can be incorporated into the franchise agreement or the parties can agree to arbitrate after the dispute has arisen. Most arbitration provisions of franchise agreements prohibit the parties from resorting to the courts, otherwise there would be little point in having such clauses present in the agreement. Many franchisors, understandably, are reluctant to give up some of the powerful tools available to them under the court system, such as injunctions, to rid themselves of a serious problem in a hurry.

(e) Litigation

Even when litigation is the only option available, there are ways to lessen the cost and delay often associated with the court system. In recent years we have witnessed the

growth of private courts, which allow the parties to choose their "judges" and to have the matter heard, essentially, according to their agenda, rather than waiting in line behind hundreds of other litigants. Another approach is for the parties to agree on the facts and put a "stated case" to a judge for a declaratory judgment, thus avoiding the cost and delay of discoveries and having evidence, subject to cross examination, come out in court. Of course, these procedures require the parties to exhibit a degree of cooperation which does not always exist when disputes arise.

6. Franchisee Associations

Franchisee associations or advisory councils (as long as they are elected by the franchisees and are independent of the franchisor) can be very positive forces in minimizing and resolving disputes within the franchise system. As mentioned earlier, they can assist in mediations and arbitrations. They can be an excellent vehicle to gather and disseminate accurate information on various issues and can share some of the policing role the franchisor must play at times. Such franchisee organizations can also be very useful in helping the franchisor introduce changes to the system or react to external influences affecting the system; thus increasing franchisee cooperation generally and reducing the risk of misunderstandings and disputes. Danger lurks, however, when the franchisee association springs from franchisee discontent and coalesces around unresolved issues. It may be a better approach for a franchisor to encourage and support the formation of a franchisee association and thus have some input on its direction and focus, than to wait for problems to arise.

7. Class Actions

Franchising has been growing and changing very rapidly in Canada in recent years. This is true as much on the dispute side as on the business side of things. With the increasing number of provinces implementing franchise and class action legislation, the number and frequency of franchisee lawsuits has increased and is increasing, as well as the costs, complexity and potential damage awards from such litigation.

One of the most significant drawbacks for franchisees wanting to use class action proceedings is that the only issues that can be litigated are ones that are common to the

entire class. However, it only takes 2 franchisees to start a class action and there is no need for them to get a consensus or agreement from the rest of the franchisees. If a franchisee does not want to be counted in the class, they can simply opt out. Although, there is very little downside to a franchisee staying in the class and reaping whatever benefits that flow from it. Speaking of benefits, lawyers can, if approved by the court, receive a significant percentage of any award or settlement in a class action. Given the sizeable settlements thus far (there have been no franchise class action trials to date), you can bet there is going to be many more class actions commenced on behalf of franchisees in the future.

8. Conclusion

No matter how skilled a franchisor is in resolving disputes and managing the effects of disputes on the system, if the foundation of the franchise system is fundamentally flawed, there may be little that can be done to prevent the franchisor from being overtaken by disputes. Many factors will increase the number and intensity of franchise disputes, but none so much as the attempt to franchise a business that cannot be profitable for the franchisees. At the risk of oversimplifying the issue, every step taken to enhance the profitability of the franchisees is a step towards minimizing disputes generally and possibly eliminating the serious ones completely.

However, there are more specific things franchisors can do to lessen the risk and impact of disputes with franchisees. One of the simplest and most effective ways of detecting potential disputes before they erupt is to ask the franchisees to express their concerns and problems. This might be done during inspections by field representatives, by questionnaire, by phone canvass or at regional and national conventions. The franchisor has to foster an open and trusting relationship with the franchisees and avoid the highly destructive trench mentality and the equally negative "them and us" approach to franchisee relations. Another way franchisors can keep the system freer of disputes is to involve the franchisees, as much as is feasible, in the decisions that are made for the franchisees as a whole. This could be in the area of new products and services, changes to administrative systems and, perhaps most importantly, advertising and promotion. Certainly, franchisees will be less likely to have a problem with matters in which they

have some input and the process of consultation will be another vehicle for eliciting useful feedback.

Anticipating when disputes will or are likely to arise and what matters will be in dispute is one of the best ways a franchisor can manage disputes. By anticipating disputes, the franchisor may be able to take some action which will eliminate the need for the dispute, make its resolution easier or lessen the severity of the impact on the rest of the system. One obvious example of a time when disputes are more likely to arise is during a downturn in the economy. Even though the franchisor may not be able to do a great deal to solve the economic ills of the franchisees in those circumstances, the franchisees will nonetheless tend to hold the franchisor responsible and problems and misunderstandings will abound. To counteract this, the franchisor could offer increased assistance and advice and, perhaps more importantly, exhibit even greater than normal support and empathy for the franchisees and their problems. Other times when disputes are more likely to occur are when the franchise agreement is up for renewal, when new products, services, methods or promotions are introduced and when there are changes in the marketplace, such as new competitors or innovations by competitors. Taking greater care to explain the process, the need or reason for the change and the real (as opposed to the perceived) ramifications to the franchisees will go a long way in limiting disputes and their consequences.

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