Utilizing Information Technology in Senior Care Franchises

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ABSTRACT

Franchising involves receiving business rights. In addition to the popular growth strategy for many businesses, franchising has emerged over the years as a pathway to wealth creation for entrepreneurs interested in senior care. In this article, the authors first discuss the use of information technology in senior care franchises, including franchisor/franchisee relationships and the essential indicators needed to allow a good relationship to flourish, and the inevitability of collaborative learning and innovation. This leads to the discussion of the working knowledge development among the franchisor and the fellow franchisees. Second, this paper discusses that an attention-based IT infrastructure that will enable the senior care knowledge sharing and dissemination between the franchisor and the franchisee.

KEYWORDS

Franchise Relationship, Franchisee, Franchisor, Information Technology, Senior Care

INTRODUCTION

According to United States Census Bureau (USCB, 2018), all baby boomers will be older than age 65 with 1 in every 5 residents of retirement age by 2030. Indeed, this is a tremendous big market no senior care franchises can ignore. For example, three of the top ten Forbes 2014 Best Franchises list for up to $150,000 investment are senior care franchises: BrightStar, Right at Home, and Synergy HomeCare (Tice, 2014). Franchising involves with grating and receiving business rights. The one granting the business rights is called the franchisor and the one receiving the right to operate in accordance with the rules is called the franchisee (Justis & Judd, 2002). In addition to the popular growth strategy for many businesses, franchising has emerged over the years as a pathway to wealth creation for entrepreneurs (Justis & Vincent, 2001).

Information technology (IT) has been widely used in today’s businesses. In his best seller, Business @ the Speed of Thought, Bill Gates (1999) wrote: “Information Technology and business are becoming inextricably interwoven. I don’t think anybody can talk meaningfully about one without talking about the other.” Thus, to see how IT is used in senior care franchising (Repac & Repack, 2010), one needs to know how franchising really works. The objective of this paper is to propose an attention-based IT infrastructure that is grounded in the information science of cultivating the relationship building between the franchisors and their franchisees that will ultimately lead to the success of the franchise organizations in senior care.

This paper first discusses the use of information technology in senior care franchising, including the day-to-day operations at both the franchisor headquarters and the franchise outlets; the franchisor/ franchisee relationship and the essential indicators needed to pertain and flourish the good relationship; and the inevitability of collaborative learning and innovation, which leads us to the discussion of the working knowledge development among the franchisor and the fellow franchisees (Dickey, 2003).

DOI: 10.4018/IJCCP.2018070104
Second, we discuss that the proposed attention-based IT infrastructure will enable the knowledge sharing and dissemination between the franchisor and the franchisee in senior care (Dixon & Quinn, 2004); and suggest outsourcing the initial architectural stages of the IT infrastructure to trusted applications service providers.

UNDERSTANDING THE FRANCHISOR IN SENIOR CARE

In this section, we examine the day-to-day operational activities at the franchisor headquarters in senior care. Figure 1 illustrates the interactions of the franchisor with all four of its entities: customers and business units, prospective franchisees, suppliers, and government; as well as performing relevant activities (represented by rectangles): marketing its products and services in senior care, assisting in creating distinguished brand names indispensable in attracting new customers, selling to the franchisees, and handling the diversified financing quandaries.

The franchisor headquarters is required to provide both initial and ongoing support/service to all business units in senior care (Lindblom & Tikkanen, 2010). Business units & customers here include company units, all of the start-up, established and mastered franchisees, the co-branded units, and customers & social media. Among the six different types of business units & customers, the franchisor needs to have intense concentration on supporting the start-up franchisees, since a good start is as efficient as the half way completion of any task. On the other hand, established and mastered franchisees are the ones in need of appealing incentives (e.g., having co-branded units) in order to encourage growth and expansion. Company units are typically used as role models for the franchisees. To expand the business, the franchisor ought to select and contact the prospective partners (franchisees). The partner selection process is crucial to the success of franchising and requires exceptional attention. Prospective franchisees can be contacted through leads, referrals, consumers, community and media, public services, and international contacts.

Franchise suppliers in senior care can be anywhere from products and goods distributors up to business service providers, such as real estate agents, human resources providers, uniform vendors, marketing and advertising agents, trade show and exposition organizers, accountants, information systems vendors, insurance providers, attorneys, translators, and many others. Franchisors also need to comply with regulations in senior care that govern the sales of the franchises and business transactions in the places where the business located. The overall legal landscape of franchising is complex including federal, state, and international taxes; local, regional, and global laws; insurances, such as workers compensation; possibilities of litigations from government, customers, and franchisees; and supports for international expansion.

As is seen in Figure 1, the franchisor interacts with various business entities and conducts various deeds to fulfil his/her obligations. Moreover, the franchisor goes through a learning process, composed of five stages (Justis & Judd, 2002): (1) Beginner – learning how to do it; (2) Novice – practicing doing it; (3) Advanced – doing it; (4) Master – teaching others to do it; and (5) Professional – becoming the best that you can be. Once attaining the advanced stages of development, most preceding struggles have been overcome. However, further convoluted and challenging enquiries will arise as the franchise continues the expansion. This is especially factual once the system reaches the “Professional” stage, where various unpredicted and intricate problems could arise. Bud Hadfield (1995), the founder of Kwik Kopy franchise and the International Center of Entrepreneurial Development, explained it the finest: “The more the company grows, the more it will be tested.” To capture the franchisor learning process in Figure 1, a counter-clockwise round arrow is used in describing the five stages. It depicts the increasing intensity of learning in every stage as the franchise struggles to survive and thrive. In addition, a dashed circle around the franchisor learning process denotes that the learning process is without limits. For example, as the system expands, the real estate sub-activity will become much more complex, since the quandary of territory encroachment becomes more significant and harder to manage.
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