

IFA CEO Talks His Experience on the President's Council for Reopening

PAYCHEX
Business
Series

Coronavirus



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Full transcript

Gene Marks:

Hey, everybody. Welcome to the Paychex Business Series Podcast. I'm your host Gene Marks. I'm a certified public accountant and regular business columnist for a bunch of publications including *Forbes* and *Entrepreneur*. But more importantly, I'm a small business owner of a financial and technology management services company. I've teamed up with Paychex, the leading provider of human resources, payroll benefits, insurance services, to bring you real-life advice from real-life business owners and industry experts. That's why we've got Robert Cresanti on today. Robert is the CEO of The International Franchise Association. Robert, let me ask you for an awkward hello.

Robert Cresanti:

Hello.

Gene Marks:

Right. That's actually not so bad and not as awkward as that was expecting. Sometimes they can be really, really awkward. Robert, first of all, let's start with you want to talk about reopening in the wake of the coronavirus pandemic, where we're here talking at the very beginning of June. But before we do, The International Franchise Association, you're the CEO of the organization, tell us a little bit about the association.

Robert Cresanti:

Well, we represent over 300 different SIC codes in the U.S. Department of Commerce classification of businesses ranging from doggy daycare to some of the fast food brands that you would know very well around the United States, the hotel and lodging brands and everything sophisticated as companies like Any Lab Test Now, where they do lab testing for hospitals and for patients. We even have a doggy daycare, so a very, very diverse group of businesses that use the franchise business model. We are responsible for nearly 8 million direct jobs in the United States. We have 733,000 franchised locations throughout the United States, and we are a major part of the U.S. economy, almost 3%.

Gene Marks:

No doubt you are, which is why I think you were asked to sit on the President's Council. You worked on a blueprint for reopening. Tell us about that.

Robert Cresanti:

Thank you. Yes, I was honored to be named to the President's Council to revitalize the United States economy and stand us back up again. And as part of that work for the President's Council, we pulled together information on our franchise systems and what challenges they were facing in the field and what they needed to do in order to stand up. And prior to the emergency, we worked very diligently to get a number of these businesses categorized as essential.

They range from things like auto parts stores, which you wouldn't initially think about as being essential, and auto automotive repair, all the way to things that might come more naturally to you, especially if you have an elderly parent. We had some daycare centers that were for emergency responders that were open. And then the people who take care of grandma and grandpa and parents sometimes at home, to make sure that they were up and operating and were allowed to move around and make sure that they were facilitated to take care of their customers. So a lot of early activity in this process.

Gene Marks:

So Robert, you sat on this council, you put together this blueprint for reopening, and as a lot of businesses right now are undertaking that reopening, some places are open, some places like my hometown of Philadelphia, we're still under lockdown. But this is a big, big consideration for a lot of business owners both big and small. So what's in this blueprint? What recommendations do you have? What big takeaways do you have for a business owner or even a franchise owner as they get their business ready to restart?

Robert Cresanti:

Thanks. Yeah, I think less than big takeaways, there are many, many, many small takeaways, and it starts with all of the things that you have to do to open and that you have to think about in order to reopen. Everything from now, acquiring PPE, personal protective equipment, for your staff, for your customers. How to ... in some cases, people walked out of their businesses, and they had food that they didn't take out with them or were not able to take out with them quickly enough. How do you get everything back up and running? How do you donate things that you can donate that haven't been spoiled, that are in your refrigerator?

Those kinds of things. All the way to how do you travel to and from work? What are you going to do? What are your business's processes for COVID-19 screening when you reopen? How does that interact? Well, I'm going to take everyone's temperature and write it down every day. Well, that's great. Are you going to get them to sign a waiver for some of the personal health privacy laws on the federal side? So there are literally, for a small business person, an overwhelming amount of questions, nearly overwhelming amount of questions that you have to ask yourself.

And then they vary from business to business. And we ended up breaking up into nine different business segments. So personal care and fitness was one, hotels and lodging facilities another, food quick-serve and fast-serve restaurants was another. And so we had nine of those business segments; each of them are addressed in the blueprint that we stood up.

Robert Cresanti:

Then further complications that you just alluded to appeared. For example, the fact that in Philadelphia, you guys aren't open for business yet. And so while the state of Pennsylvania may have one set of rules for businesses and locations that are reopened, Philadelphia may have a whole different set of rules that are going to be applied there. And how does the local business owner know about those? So we infused into the opening documents some of those questions and answers as well. And we tried to keep it at a level where you just spend some time asking yourself these questions. We're not dictating or mandating or saying that this is the right way or the wrong way to go about it. But we're suggesting for you these are considerations for your health—contactless payment, all of those kinds of things.

Gene Marks:

It seems to be there were a lot of questions that are raised in the document itself, but does the document also provide answers and actual action items for businesses to take?

Robert Cresanti:

It does, from the psychology of your employees to the customers that are entering. If you have a branded business, and if you're a franchise or a nonfranchise, you have a branded business whether you realize it or not. Having signage on the floor is the solution to helping people understand that they have to maintain a certain level of distance. I was with my wife doing some shopping the other day here, and some of the stores have one-way aisles now. And so because we passed by something we needed to pick up for one of the children, we ended up looping around the same aisle three different times because we couldn't double back down the aisle, and we both missed it in the first two passes.

So the kind of signage that you have, the kinds of cleaning that you do for the store, all very important signals for your customers and very important for maintaining your brand. So when we raise the questions, we have a series of solutions that you should consider regarding them. Do I need a certain quality of mask for the patients or for the customers that I'm seeing? Well, if you have patients and you're administering healthcare, the N95 mask might be a required part of your business. So we're working with our brands to make sure that they have the right considerations in for each of those business segments.

Gene Marks:

There's a lot of advice out there and a lot of documentation, a lot of reports telling business owners what to do, what not to do. The two main places that at least I've been directing my clients to are the CDC and OSHA. How does the reopening and the blueprint correlate to what the CDC is saying and what OSHA is saying?

Robert Cresanti:

So CDC and OSHA are linked to the site, and so you can move easily backwards and forwards from there. But, again, because of the state, local, and sometimes city, or even sometimes district inside of a city type rules, there are still overlays that come, and we're trying to integrate those wherever we can, as emergencies are being lifted in one part and other parts are still subjected to them.

We want to make sure that if the mayor decides that he's been convinced that a 10-foot distance between shoppers or customers is appropriate that you find a way to understand that and to accommodate that need. Or whether or not plexiglass in between each haircutting station is sufficient, for you to have to have an answer. And in some locations, they're saying that you're able to bring in 50% of the maximum amount of customers that the fire marshal would allow you to have in your location earlier. And that's another one we think is a very useful one, rather than trying to calculate per square foot and how far people have to stand apart and so forth. It can be very challenging.

Gene Marks:

Makes sense. I know that you've issued this blueprint. First of all, how long ago did you guys actually publish this?

Robert Cresanti:

So a couple of weeks ago now, I guess two weeks ago now I sent it to The White House. I've discussed it with folks inside the White House that are responsible for these areas. And this reflects not just the CDC's thinking, but the private sector's thinking, because if you're working on someone's ... if you talk to the CEOs of the car brands, you're working on someone's car, you have a special responsibility to make sure that that car is returned clean and germ-free.

And so they take that very seriously. How do you do that? How do you clean that car so that it's cleaned to within an appropriate standard but also doesn't damage the dashboard or the steering wheel or the leather inside of the car? And so all of those things are being given due consideration in order to make those customers feel better.

In addition, we also sent the report to all 50 governors and big city mayors around the United States so that they would have access to an understanding of what we're thinking about as we're opening back up again. And so that they could be informed by what these key business leaders in these different business segments have said.

Gene Marks:

Makes sense. Now, is this report publicly available? And if so where is it?

Robert Cresanti:

Yes, it's on our website, and if you go to franchise.org, the first thing that you would see at the top is the COVID center. The website is community.franchise.org.

Gene Marks:

And Robert one final question is I know you guys have published this report now—is there any expectation that you'll be updating the report as things change?

Robert Cresanti:

We are updating it every conceivable chance when we hear localities and things opening back up again. We are infusing those web links, the local mayors' guidance that may be different. One of the reasons we didn't have a static document was that we figured and we knew that there would be different requirements in different areas. We're pushing very hard for a consolidation because we understand that getting some amount of uniformity in place is very important for businessmen and women to have continuity as they open up their franchise systems. Maybe two city blocks away from one another one is subject to one set of rules and one is subject to another.

Gene Marks:

What is the website again?

Robert Cresanti:

It is community.franchise.org.

Gene Marks:

Robert Cresanti is the CEO at The International Franchise Association. For more information about what we discussed today including the blueprint for reopening that Robert has made available and other coronavirus questions and topics, please visit the Paychex COVID-19 health center. The address is paychex.com/coronavirus-resources.

Robert, thank you very much for coming on. That was great information and will help people, whether you're running a franchise or not, I think any business owner would benefit from that information. So thank you. Thanks everyone for listening. We will see you next time.