



ORACLE

A leap forward in  
franchise management



**Fast food restaurants, convenience stores, business services—many of the world’s most profitable companies built their success upon the franchise model. While it’s true that the profit potential is high, franchise management is anything but easy, and it’s often inefficient. Now, Cognizant and Oracle offer franchises a first-of-its-kind, cloud-based solution that revolutionizes and modernizes franchise management, bringing these organizations an easier, more efficient and more profitable way to do business.**

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## Executive summary

Every large franchise organization that hasn’t yet migrated its enterprise resource planning (ERP) applications to the cloud is likely considering it. Cloud-based ERP offers a wealth of advantages over on-premises ERP, including greater productivity, lower costs, enhanced security and more actionable business intelligence. Now, there’s yet another reason to move to cloud-based ERP: the Cognizant® Franchise Collaboration Hub, built on best-in-class Oracle Fusion Cloud ERP. This solution provides all the benefits of cloud-based ERP while helping make franchise management easier and potentially more profitable.

## An opportunity to modernize franchise management

The franchise model is not an easy business—just ask any executive tasked with franchise-management responsibilities. Despite the difficulties involved, however, many of the world’s most profitable companies achieve massive success using the franchise model. Think of the most recognizable global brands, and a hefty percentage of those will likely be mega-successful franchises.

Just like any other business, franchises face considerable challenges in transforming present technological capabilities into a modernized digital foundation that supports both current and future success. But, perhaps more than most business models, franchise organizations feel the urgency of modernizing ERP capabilities most keenly. The inherent challenges of franchise management, often accompanied by the loss of both current profits and future potential, make modern, cloud-based ERP a key to long-term success for franchises. Recognizing this critical need, Cognizant and Oracle have developed a unique, cloud-based ERP solution custom-designed for supporting franchise management.

# Boosting franchise productivity and profitability by reducing franchisee management headaches

All businesses are constantly looking for ways to enhance productivity and profitability. And all businesses welcome opportunities to streamline operations and reduce management complexities. But few business models are burdened with the management complexities faced by franchises. Many of the unique challenges that franchises must navigate revolve around the critical but complex relationship between franchisor and franchisee. These challenges include:

Lack of real-time integration between corporate financial systems and franchisee networks, which results in labor-intensive, mistake-prone manual efforts in logging and tracking critical operational information

No unified, universal, single source of data and reporting, which complicates the process of collecting accurate, up-to-date performance data from franchisees and reduces insights and visibility into performance trends

Poor collaboration between franchisors and franchisees, which hampers the organization's ability to improve performance and profitability by identifying and understanding differences between store locations, developing and scaling best practices, etc.

Difficulties in validating franchisee performance against corporate requirements across a potentially vast field of KPIs

Problems with supply chain volatilities, pressures to increase operational sustainability, skyrocketing real estate prices and wages, and across-the-board costs of doing business—difficulties shared by most businesses but particularly impactful to franchise models

Ongoing operational challenges imposed by shifting business models, largely initiated by the impact of the COVID pandemic

## Revenue left on the table: Failure to modernize is costly for franchise operations

A common problem among franchise operations is the lack of real-time integration between disparate corporate financial systems. With several hundred different standalone apps commonly used by franchise operations, there's no single source of truth and no consolidated reporting.

Not coincidentally, an estimated **1% to 5% of overall revenue is lost** by franchising enterprises due to operational inefficiencies.<sup>1</sup>

<sup>1</sup> Lakshmi Raj, "Patching The Leaks: How To Spot And Limit Revenue Leakage In 2023," Forbes, February 10, 2023.



# Unique franchise business challenges demand a unique solution

The Cognizant Franchise Collaboration Hub is specifically designed to address the challenges that impede productivity and profitability for franchises. It features an intelligent data mining framework that monitors a wide range of metrics in forecasting and alerting to sales fluctuations. Serving as a collaborative hub—a portal—between franchisor and franchisees, the solution is one of only a few offering integrated infrastructure and applications that focus specifically on franchises and leverages Oracle Cloud ERP. Its benefits include:



## Real-time insights

Franchise organizations get a comprehensive view of up-to-the-minute sales data and key performance metrics, with a real-time snapshot of each franchisee's performance. The solution can also provide alerts for any metrics that stray beyond the bounds of performance expectations. It can detect underreporting of sales, for example, by continuously measuring current performance against historical data.



## Consolidated view

Monitoring the performance metrics generated by dozens to potentially thousands of franchisees is a colossal task. The solution makes it easy by consolidating all performance data into an easy-to-understand, single source of truth. It can help reduce the discrepancies and inconsistencies inherent in relying on multiple systems, replacing them with a consistently clear view of performance. And the solution maintains transparency between franchisors and franchisees at a high level.



## Performance tracking

The Cognizant Franchise Collaboration Hub makes it easy for franchises to track KPIs and financial metrics within a single system, giving them an at-a-glance ability to monitor franchisee compliance with contractual obligations. The solution can instantly detect and report any franchisee deviation from established requirements, such as making on-time payments or providing up-to-date sales reporting.



## Enhanced collaboration

The Cognizant Franchise Collaboration Hub serves both franchisors and franchisees. Franchisees are given instant access to insights and intelligence that are invaluable for monitoring and, as needed, modifying operations. The two-way flow of data provided by the solution helps franchisors better supervise franchisee performance while also helping franchisees better align their performance with franchisor expectations.

# 100+ tools and solutions designed to streamline the franchise experience

The Cognizant Franchise Collaboration Hub encompasses more than 100 Cognizant digital assets, which serve to accelerate franchises' Oracle Cloud transformation journey. The diverse collection of assets deployed by this solution provides the financial tools and process automation solutions that franchise organizations need to manage complex franchise challenges. The result? An overall 35% increase in automation, substantially boosting management efficiencies while reducing mistakes and overlooked revenue leakage.<sup>2</sup>

Designed for quick deployment, the solution includes prebuilt components—each of which may be customized as desired—that slash the time and effort required for implementation. This enables franchise organizations to deploy the Cognizant Franchise Collaboration Hub and begin reaping benefits in just a fraction of the time required for designing, configuring and implementing traditional systems.

## By-the-numbers franchise success

The Cognizant Franchise Collaboration Hub helped a global multi-brand restaurant get better control of its financial processes.

With 10,000+ restaurants and 1,000+ franchises distributed across 25+ countries, the organization needed to standardize and streamline key financial processes to better control costs and drive growth. The Cognizant Franchise Collaboration Hub was implemented to provide a single global ERP system.

Now, the organization enjoys unified global reporting across all brands, and faster and smoother integration of mergers and acquisitions. A franchisee self-service portal has improved communications and reporting, enabling enhanced restaurant planning and forecasting.

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## Complete franchise automation for one of the world's largest franchise enterprises

In just a few years, the Cognizant Franchise Collaboration Hub has paid big dividends for a top-five U.S. restaurant franchise operation. Consisting of 30,000+ restaurants and 3,000+ franchisees serving 50+ global markets, the organization implemented Cognizant's franchise solution. The custom reporting and automation of functions such as invoicing resulted in savings of US\$2.7 million per year. Additionally, the reduced demand upon internal resources yielded cost savings of 30% in IT expenditures.

<sup>2</sup> Internal Cognizant finding based on Cognizant experience implementing numerous cloud projects.



## Helping optimize the franchise experience and maximize profits

The Cognizant® Franchise Collaboration Hub, built on Oracle Fusion Cloud ERP, provides an unprecedented level of control, clarity and transparency to franchise operations, integrating data and analytics into a single intuitive, easy-to-use solution. The result is a solution that can help increase profit potential, boost franchisee accountability, and enhance communications and transparency between franchisor and franchisee.

Ultimately, the solution brings true business intelligence to franchises, enhancing operational efficiencies across the entire franchise network. And the Cognizant Franchise Collaboration Hub provides value for all parties of the franchise network. By supporting the relationship between franchisor and franchisee, the solution contributes to the benefit of all.

Learn more about the benefits available to franchises through the [Cognizant and Oracle partnership](#).

## ORACLE

### About Oracle

Oracle offers integrated suites of applications plus secure, autonomous infrastructure in the Oracle Cloud. For more information about Oracle (NYSE: ORCL), please visit us at [www.oracle.com](http://www.oracle.com).



### About Cognizant

Cognizant (Nasdaq-100: CTSH) is one of the world's leading professional services companies, transforming clients' business, operating and technology models for the digital era. Our unique industry-based, consultative approach helps clients envision, build and run more innovative and efficient businesses. Headquartered in the U.S., Cognizant is ranked 185 on the Fortune 500 and is consistently listed among the most admired companies in the world. Learn how Cognizant helps clients lead with digital at [www.cognizant.com](http://www.cognizant.com) or follow us @Cognizant.

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