

A Work Project, presented as part of the requirements for the Award of a Master's degree in Management & Finance from the Nova School of Business and Economics.

# **Success Factors in Fast Food Business Franchising - a Case of La Chica Panini**

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## **Abstract**

This work project explores the factors that could aid the successful scaling of a fast-casual food franchise. Acknowledging the high failure rates of food businesses, the research identifies key financial metrics used by successful franchises.

Focusing on La Chica Panini, a franchise concept set to launch in Mexico, this study provides actionable insights to assist entrepreneurs in developing scalable franchise business models. By analyzing factors contributing to franchise success, the project aims to offer practical recommendations for La Chica Panini and similar ventures in the food industry.

## **Key Words:**

Key Financial Metrics, Franchise, Strategy, Scalable Growth, Fast-Food Restaurant Business, Decision Making, Entrepreneurial Strategy

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## **Introduction**

La Chica Panini is a business based in Tampico, Mexico. The concept behind La Chica Panini brand is more than just a baguette and salad restaurant; it is a place where people can have a unique experience, feel comfortable, and appreciate the art of food, music, and paintings. The idea is to sell high-quality baguettes and salads at reasonable prices to compete with fast-food establishments. It offers healthier eating options at a slightly higher cost than places like McDonald's. Concepts similar to La Chica Panini are not new; establishments like CAVA and Sweetgreen already present themselves as fast-casual food franchises. People are increasingly looking for healthier dining options, which is where this concept fits in.

Many fast food restaurants offer healthy options and more elaborate menus targeting different market segments while being positioned in more exclusive areas. However, for La Chica Panini, meeting the basic expectations of a restaurant is fundamental. A significant differentiator for this venture is the experience provided inside the establishment. From the purchasing process to the atmosphere created by a DJ playing music from various eras and genres, customers should feel drawn to the space due to its strategic design. This concept explicitly targets individuals aged 21 to 48.

For a company to grow exponentially—which is the goal of La Chica Panini—a substantial investment is necessary to execute the project effectively and allocate resources responsibly across all aspects of the business to ensure growth. Securing investment is one of the easier steps for a company; the more challenging task lies in maintaining positive performance and growing within that framework.

La Chica Panini project has significant growth potential due to its name, brand identity, menu, and overall status. Franchising could be ideal; however, it is recognizable that the investment required for a franchise is substantial and must be managed effectively for growth. The goal is to understand how franchises sustain expenses while simultaneously generating profit. Conducting a study on franchises in the current area where La Chica Panini operates will help it grasp the financial and other factors that managers or owners focus on to ensure their establishments succeed. This understanding is crucial for executing the project and yielding an effective return on investment.

The franchise model may seem ambitious; however, several factors can lead to successful franchise operations. Therefore, it is essential to study and understand the intricacies of franchising and identify the financial strategies that must be prioritized for success in both the short and long term.

## **Literature Review**

“Gates (2000) argued that franchising is not a business itself, but a way of doing business.” (Ayopo. O, 2011).

The fast food franchise industry has been one of the most dynamic and resilient sectors in the global economy. From its origin in the middle of the 19th century by Albert Singer, this business model has expanded exponentially, adapting to the needs and wants of a society in constant evolution. “The industry has long experienced rapid growth. The quick-service restaurant industry alone has seen an approximate 28% increase in revenue, from \$159.2 billion in 2002 to \$203.2 billion in 2015” (Awad, M., & Florenthal, B. 2018). This remarkable growth highlights the importance of understanding the financial metrics that contribute to the success of

franchise businesses. Introducing La Chica Panini, an entrepreneurship project aiming to become a franchise, underscores the necessity of implementing a study to identify key financial metrics essential for success. Understanding that “most financial institutions consider the overall restaurant industry to be in a category of substantial business risk” (Honisch & Ottenbacher, 2017) is crucial for aspiring franchise owners. This perception stems from the often-cited high failure rate of 70-80% during the first year and a median lifetime of only 4.5 years (Honisch & Ottenbacher, 2017; Luo & Stark, 2015). Consequently, the high failure rate has led food business owners to repeatedly review their ideas and strategies to avoid falling into that failure percentage. This ongoing evaluation is essential for fostering resilience and adaptability in an ever-changing market.

The industry has experienced significant transformation driven by rapid changes in consumer preferences and the demand for healthier, more sustainable, and personalized options. The emergence of concepts such as “fast-casual” and gourmet fast food has redefined the sector's paradigm. Many companies have combined high-quality ingredients with fast-food convenience to launch this trend, including restaurant brands like Chipotle (CMG), Shake Shack (SHAK), and Panera (Nath, T. I. 2022). These brands have successfully tapped into consumer desires for transparency in sourcing and preparation while maintaining speed and affordability. Managers and decision-makers in franchise restaurants face the challenge of making strategic decisions at the right time in a fast-changing environment. Utilizing efficient financial metrics has become an essential tool for the success and growth expansion of these businesses. The ability to analyze performance indicators not only aids in day-to-day operations but also informs long-term strategic planning.

Despite growth and innovation within the sector, many companies struggle to define the financial metrics that lead to success. “In business and economics, many metrics are complex and difficult to master. Some are highly specialized and best suited to specific analyses” (Farris et al., 2015). The lack of clarity regarding which indicators to prioritize can lead to erroneous strategic decisions that may hinder long-term success. For instance, focusing too heavily on short-term sales figures without considering customer retention rates or operational efficiency can result in misguided strategies that fail to sustain growth over time.

Franchising as a growth model has been applied not only in the food industry but across various sectors. “From clothes (Gap, Foot Locker) to real estate (Caldwell-Banker) to toys (Toys R Us) to office supplies (Staples), independent businesses have been replaced by franchised chain stores” (DeMaria, A, 2003). As pointed out by Schlosser, even health care (Columbia/HCA maternity wards) and funeral services (Service Corporation International with over 3,500 funeral homes) have adopted this fast-food approach. This widespread adoption underscores the versatility of franchising as a business model capable of thriving across diverse industries. The franchise model does not yield outstanding results by accident; rather, its positive outcomes are primarily due to systematization, uniformity, and mass production of products or services. “Providing an identical product at multiple locations has created familiarity and induced confidence regarding quality among customers” (DeMaria, A, 2003). This consistency is vital for building brand loyalty and ensuring customer satisfaction across different markets.

Choosing franchising offers significant advantages for business growth strategies. Initially, franchises provide the capital required, reducing the financial burden on franchisors while allowing them to focus on strategic initiatives rather than day-to-day operations. Furthermore, franchises foster a motivated management culture and well-developed training

programs, which are fundamental steps for the success within the franchising model. “Franchise units tend to be better run; therefore more efficient and profitable than company-owned units” (Ayopo, O, 2011). The strategy concerning location numbers and expansion around desired markets allows profits to scale significantly. By doing so, franchisees gain purchasing power over suppliers due to increased product demand, leading to considerable savings for individual franchisees while improving profit margins.

The power of franchising is evident in the mutually beneficial relationship between franchisors and franchisees. “From the perspective of organizational learning, Gorovaia and Windsperger argue that the success of a franchise chain can be attributed to the franchisor’s capacity to transfer knowledge” (Esther Calderon-Monge, E., 2017). By leveraging the capital and efforts of franchisees, franchisors can scale their businesses efficiently while simultaneously increasing brand recognition and market presence. Conversely, franchisees benefit from this partnership as they reduce their risks compared to starting an independent business from scratch. For recognizable brands, franchises present a higher likelihood of success when compared to launching independent ventures due to established brand equity and customer loyalty.

“Franchise businesses are undoubtedly profitable but depend significantly on brand quality and management effectiveness” (Hanafiah & Abdul Ghani, 2023). The relationship between franchisor and franchisee holds substantial value in shaping internal operations that result in positive financial outcomes. Proactive conflict resolution and open communication are key components for sustaining productive and long-lasting business partnerships; conflicts can undermine operations if not addressed promptly. Establishing clear channels for communication can enhance collaboration between parties while fostering a culture of mutual respect.

This problem is magnified within franchise models where standardization and consistency are critical for ensuring large-scale success. “The specific problem was that some FCR leaders do not understand and cannot identify innovation strategies for business sustainability” (Zackfia, 2016). La Chica Panini strives for success while facing challenges such as identifying relevant financial metrics in a highly competitive environment, adapting to fast-changing customer preferences, and regulatory pressures, and balancing innovation with profitability. These challenges underscore the importance of strategic planning within this dynamic industry landscape. Addressing these issues will require La Chica Panini not only to leverage existing industry knowledge but also to innovate continuously in response to emerging trends.

In conclusion, as La Chica Panini embarks on its journey toward becoming a successful franchise operation, understanding these multifaceted dynamics will be crucial for navigating both opportunities and challenges within the fast food franchise sector.

## **Research Method**

The vision of La Chica Panini is to establish its business model as a franchise. To do so, it is necessary to understand in depth the basic concepts in the financial area, particularly which metrics require more attention to make strategic decisions for the sustainability of the establishment.

The objective of this work project is to find and analyze the top financial metrics utilized in the growth and success of fast-casual franchise businesses. This work project is especially relevant; based on the results obtained, these strategies could be applied to the development of La Chica Panini, a baguette brand with the goal of growing the business through a fast-casual

franchise model. An interview with franchise owners has been conducted (Appendix 1). The questions focused on various metrics and their importance within each business. The aim is to discover which metrics they prioritize, the frequency with which they monitor them, and the value these metrics bring to their operations.

The interview was based on several factors that helped identify trends and best practices in managing franchise operations: financial metrics, frequency of financial metrics, cost control management, pricing and profit margin strategies, reinvestments, and challenges. I opted to conduct interviews to gain in-depth insights into the entrepreneurial aspirations and experiences of current franchises. The interviews allow for a unique understanding of individual motivations, challenges, and perceptions that quantitative methods may not capture. This qualitative approach facilitates a richer exploration of the success of these franchises by engaging directly with managers or owners.

Decision-makers who effectively use financial metrics can not only boost business profitability but also identify growth opportunities, particularly within the franchise model. By analyzing successful chain businesses and academic studies on franchise success factors, the goal is to uncover best practices and strategies for developing La Chica Panini. Ultimately, this work project aims to provide a strategic guide on using metrics to drive success and growth, shaping a successful franchise model for La Chica Panini. “Just as these past innovators started small but had a vision and big dreams, there are no doubt many enterprising people right now who have the capabilities to create the next generation of fast food giants” (Lichtenberg, A. L., 2012).

Ten franchise businesses were interviewed in the Tampico area of Mexico, where La Chica Panini is currently located. The studies were conducted with owners or general managers of these businesses from which valuable information was collected. The information gathered

from businesses in the local area provides solid, updated, and accurate insights that form an essential foundation for operating a franchise model. The businesses are Degas Café, Zumba, Church's Fried Chicken, Tim Hortons, Pollo Loco, Dairy Queen, Remax Centurion, Starbucks, Chicken Paley, and Little Caesars. The interviews included questions that allowed for introspection into each business's organizational roles, financial operations, performance standards, and success metrics. This provided substantial data for analysis and laid recommendations for La Chica Panini and any future franchise businesses that may open.

### **Results:**

The questionnaire results are as follows: Please guide yourself to Appendix 1 to read the complete questions and understand the results shown below. Appendix 2 shows all the scanned interviews.

Questions:

1. Which financial metrics do you consider most important for measuring the success of your franchise business?
2. How often do you review these financial metrics?
3. What is your approach to managing cost control in your franchise?
4. On a scale from 1 to 5, how effective are your pricing strategies in achieving profitability? (1=not effective, 5= very effective)
5. What percentage of your revenue is reinvested into the business
6. What strategies have been most effective in maintaining or increasing profit?
7. How do you evaluate the ROI of significant investments?

8. What are your franchise's most significant financial challenges, and how have you addressed them?
9. What financial practices or metrics are essential for ensuring long-term success in a franchise business?

<b>Degas Cafe</b>		<b>Little Ceasars</b>	
1	Important metrics: profit margins, COGS, operating expenses	1	Important metrics: Revenue growth, profit margins, cash flow
2	Review frequency: Weekly	2	Review frequency: daily
3	Cost control: inventory management systems, supplier negotiations	3	Cost control: centralized dough production and limited toppings
4	Pricing effectiveness: %	4	Price effectiveness 5/5
5	Reinvestment: 11%-15%	5	Reinvestment 11%-15%
6	Strategies for Profit Margins: Upselling specialty coffee and desserts	6	Strategies for Profit Margins: streamlined menu and large volume sales
7	ROI evaluation: ROI calculated pre-investment	7	RIO evaluation: ROI calculated pre-investment
8	Challenges: Rising coffee bean prices, addressed with bulk pricing	8	Challenges: rising cheese prices, addressed with bulk purchasing
9	Essential Practices: Managing supplier relationships, focusing on premium product sales.	9	Essential practices: cost efficiency and streamlined operations
<b>Zumba Juice Bar</b>		<b>Chicken Paley</b>	
1	Important Metrics: Revenue growth, ROI, cash flow	1	Important metrics: Profit margins, operating expenses, cash flow
2	Review Frequency: monthly	2	Review Frequency: Weekly
3	Cost Control: Standardized measurement of goods per menu item.	3	Cost Control: limiting unnecessary ingredients and reducing waste
4	Pricing Effectiveness 4/5	4	Pricing effectiveness %
5	Reinvestment: Less than 5%	5	Reinvestment 5%-10%
6	Strategies for Profit Margins: Adding healthy bakery options and upselling.	6	Strategies for profit margins: building promotions
7	ROI evaluation: no formal evaluation process	7	ROI evaluation: nonformal evaluation process
8	Challenges: Personnel expect higher pay, addressed with bonus on performance basis..	8	Challenges: high competitors, addressed with unique home taste menu offerings
9	Essential Practices: Maintaining the same menu for over 10 years, focusing on customer base retention.	9	Essential practices: focused marketing and customer retention

	<b>Church's Fried Chicken</b>		<b>Starbucks</b>
1	Important metrics: Profit margins, COGS, revenue growth	1	Important metrics: revenue growth, profit margins, COGS
2	Review Frequency: Daily	2	Review frequency: daily
3	Cost Control: Standardization of recipes and portioning	3	Cost Control: energy-saving measures, inventory automation
4	Pricing effectiveness: %	4	Pricing effectiveness %
5	Reinvestment: 16%-20%	5	Reinvestment: More than 20%
6	Strategies for profit margins: Simplifying menu offerings to control costs	6	Strategies for Profit Margins: upselling premium beverages
7	ROI evaluation: No formal evaluation process	7	ROI evaluation: ROI tracked post-investment
8	Challenges: High staff turnover, addressed with competitive wages and training	8	Challenged: rising operational costs, addressed with digital ordering to increase efficiency
9	Essential practices: maintaining simplicity in operations and consistent quality	9	Essential practices: leveraging technology and premium product offerings
	<b>Tim Hortons</b>		<b>Remax Centurion</b>
1	Important metrics: revenue growth, cash flow, profit margins	1	Important metrics: ROI, Cash flow, operating expenses
2	Review frequency: weekly	2	Review Frequency: Monthly
3	Cost control: energy efficient equipment, supplier contracts	3	Cost Control: limiting office overhead
4	Pricing effectiveness %	4	Pricing effectiveness 5/5
5	Reinvestment 11%- 15%	5	Reinvestment: Less than 5%
6	Strategies for Profit Margins: promoting seasonal beverages and snacks	6	Strategies for Profit Margins: Focus on high value real estate transactions
7	ROI evaluation: ROI tracked post-investment	7	ROI evaluation: ROI calculated pre-investment
8	Challenges: competing with local coffee shops, addressed with aggressive marketing	8	Challenges: Economic downturns, addressed by diversifying property listings
9	Essential practices: continuous innovation and seasonal product launches	9	Essential practices: adapting to market trends and minimizing overhead
	<b>Pollo Loco</b>		<b>Dairy Queen</b>
1	Important metrics: profit margins, cash flow, operating expenses	1	Important metrics: revenue growth, profit margins, operating expenses
2	Review frequency: weekly	2	Review frequency: monthly
3	Cost control: streamlined supplier chain for chicken	3	Cost control: standardization of recipe usage and

			inventory checks
4	Pricing effectiveness 5/5	4	Pricing effectiveness %
5	Reinvestment 11%-15%	5	Reinvestment 11%-15%
6	Strategies for profit margins: leveraging economies of scale	6	Strategies for profit margins: focusing on high-margin desserts
7	ROI evaluation: ROI calculated pre-investment	7	ROI evaluation: ROI tracked post-investment
8	Challenges: fluctuating poultry prices, addressed with locked-in contracts	8	Challenges: innovative menu options due to the simple menu, addressed with new topping categories.
9	Essential practices: efficient supply chain and consistent portion sizes	9	Essential Practices: seasonal adaptability and consistent branding

**Result Analysis**

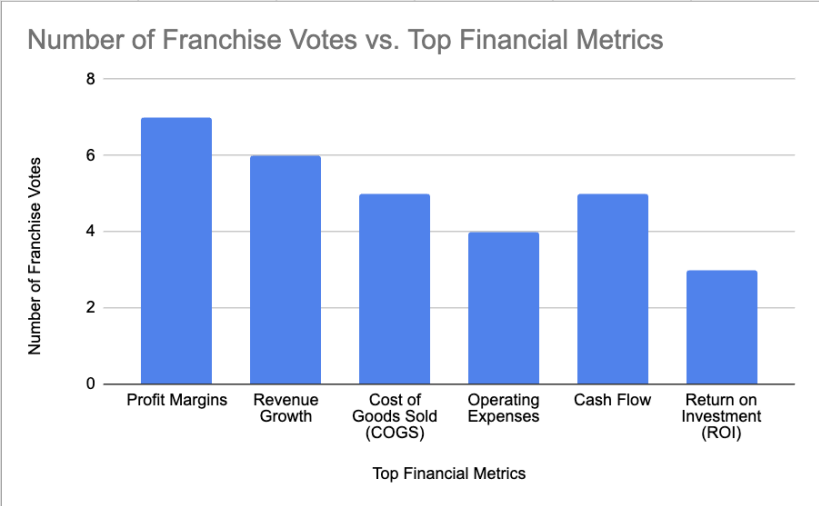
The interview results reveal critical insights into the financial practices of franchise business owners and managers. These insights provide a foundation for analyzing strategic methods to implement for La Chica Panini. During conversations with the owners and managers, interesting data was uncovered. Owners primarily focus on strategies related to long-term goals and how to allocate investments to drive profitability and growth within their businesses. Conversely, managers play a significant role in day-to-day operations, ensuring that everything runs efficiently during operating hours and that these efficiencies align with the franchise's goals. When the owner and manager are the same individuals, their responsibilities increase regarding daily operations and how these will be implemented and analyzed for the company's long-term growth. Although this arrangement brings the unique advantage of comprehensive oversight, it can complicate strategic decision-making and be time-consuming.

Financial Operations and Financial Management

Profit margins, cash flow, and revenue growth were highlighted as key metrics among all interviewed franchises. These three metrics were identified as the most critical financial

indicators, with COGS (Cost of Goods Sold) also ranking in the top four but receiving slightly less emphasis. The top metrics highlighted by franchise owners form a solid foundation for determining the financial health of any business. “By tracking key metrics over time, organizations can evaluate the effectiveness of their current strategies, identify areas for improvement, and make adjustments as needed” (Sharma, Dr. Rohit). These results emphasize balancing immediate profitability (profit margins) with operational liquidity (cash flow) and long-term sustainability (revenue growth). High transaction volume businesses such as Starbucks and Dairy Queen emphasized real-time tracking of these metrics to maintain consistent performance.

Graph 1: Number of Franchises and their Top 3 Financial Metrics.

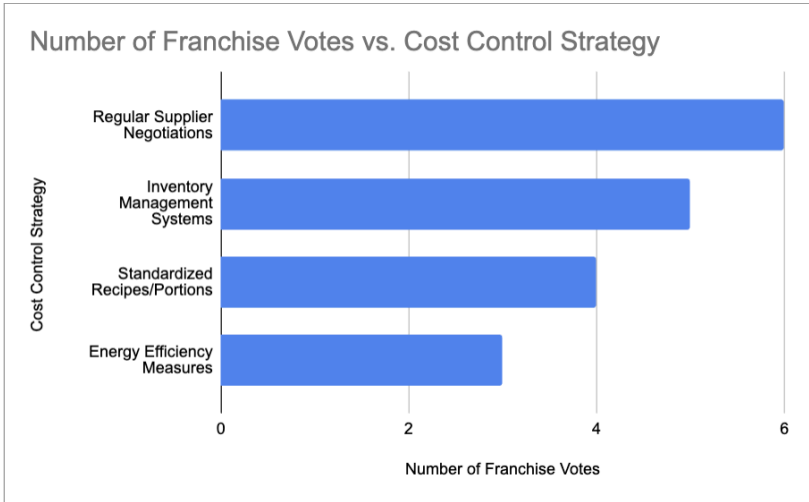


Examining the frequency of metrics utilized by these companies reveals a drastic variation. This variation suggests that franchise businesses have their own internal goals and objectives, requiring data at different intervals. Church's Chicken and Starbucks mentioned that they conducted daily reporting and reviews to manage inventory turnover, staffing, and sales. In contrast, more locally based franchises (not known nationally or internationally) opted for monthly reviews due to less fluctuation in their business operations. The diversity in the

frequency of these financial metrics reflects how operational intensity directly impacts the need for financial scrutiny. Addressing customer demands while optimizing ingredient costs is directly analyzed through real-time data from food franchises.

Cost Control Practices

According to the results provided by the ten franchises interviewed, profitability is highly correlated with the cost control strategies implemented within their businesses. Fransors addressed a range of cost strategies, including supplier negotiation, energy efficiency initiatives (for international franchises such as Starbucks and Tim Hortons), and efficient inventory management. For example, Little Caesars and Pollo Loco franchises focus on streamlining their menus while keeping portions and ingredients standardized to reduce waste and optimize all available ingredients efficiently. Furthermore, maintaining a healthy relationship with suppliers is a significant advantage; ingredient prices fluctuate daily, so securing favorable negotiations with suppliers can positively impact profitability.



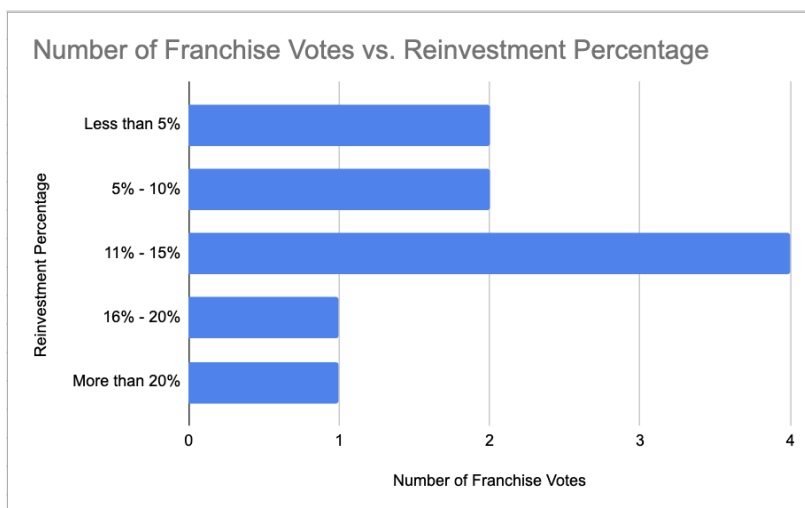
Graph 2: Cost Control Strategies

However, locking down suppliers can also be challenging and limit future offers from other potential suppliers in terms of pricing, quality of product, and delivery reliability. These strategies underline the importance of aligning cost management practices with operational realities in the market.

### Pricing Strategies & Effectiveness

Most franchises - except for two - rated their pricing strategies with a 4 out of 5, indicating highly effective pricing strategies. Little Caesars, recognized as one of the high performers, attributed its success to streamlined pricing models emphasizing value and convenience. Others, such as Tim Hortons, reported challenges regarding perceived customer value aligned with prices offered—especially in a highly competitive market. A clear understanding of the target market's willingness to pay significantly affects how effectively pricing strategies can be implemented. Upselling, bundling, and seasonal promotions emerged as key tactics to enhance pricing effectiveness and longevity.

### Reinvestment Levels



### Graph 3: Reinvestment % Level

Allocating 11% to 15% of business revenue was an average percentage among interviewed franchises. Starbucks stood out by reinvesting over 20% into innovation, branding, and technology—reflecting its aggressive growth strategy. The results indicate that reinvestment is essential for maintaining a competitive advantage or standing out in industries characterized by rapidly evolving customer preferences. From the interviews, it is evident that Starbucks is significantly larger than most other companies interviewed; its reinvestment levels exceed those of its competitors. The correlation between reinvestment and market leadership underscores the necessity for franchises to allocate sufficient resources toward innovation and expansion. “A data-driven approach enabled the company to allocate resources effectively, prioritize investment, and drive sustainable growth in both existing and new markets” (Sharma Dr. Rohit). This is particularly important since these business models aim to continually increase revenue compared to locally owned or family-owned businesses where growth may be limited.

### Strategies for Maintaining Profit Margins

Leveraging economies of scale, cost reduction, and upselling high-margin products are common strategies employed to sustain profit margins within franchises. Depending on market dynamics, franchises adjust their emphasis on avoiding profit margin fluctuations accordingly. For example, Pollo Loco focuses on bulk purchasing from suppliers, while others, like Dairy Queen, utilize premium seasonal toppings to balance costs effectively. Other businesses with different strategies—such as Little Caesars—primarily maintain streamlined internal operations to maximize profitability. Product mix optimization alongside operational efficiency illustrates the importance of adjusting strategies according to customer needs and cost structures; keeping

these two elements correlated while remaining flexible is essential for maintaining maximum profit margins.

### Financial Challenges & Mitigation Strategies

While most franchise businesses in this sample exhibit certain financial stability levels, they face various challenges due to an evolving business ecosystem and rapid technological advancements. Common challenges mentioned include market competition, rising operational costs, and demand fluctuations based on seasonal trends. To mitigate these challenges, food franchises focus on three main areas: menu optimization allows for flexibility in meeting customer preferences; promotions help maintain sales revenue during downturns; and bulk purchasing enables leveraging pricing when necessary.

Proactive measures such as adaptability are crucial for stabilizing financial health within these businesses. Franchises must think outside the box to anticipate upcoming challenges while strategically taking action to mitigate adverse effects. “By continuously refining and evolving their mitigation strategies in response to changing risk dynamics, organizations can fortify their resilience and maintain a competitive edge in today’s unpredictable business environment.” (Abbas, A., 2023).

### **Recommendations**

La Chica Panini, as a rising franchise business model, can derive valuable insights from the financial strategies of current franchise businesses. To sustain a competitive advantage and promote profit growth, La Chica Panini must establish a robust alignment that integrates strategic financial judgment with innovative solutions.

### Tracking Critical Financial Metrics

As an essential tactic, prioritizing the tracking of critical financial metrics such as revenue growth, cash flow, and profit margins will form the foundation of decision-making. Weekly analysis of these metrics may reveal essential data that can inform future strategic decisions for the company's growth. Investing in technology, such as effective point-of-sale (POS) systems along with robust accounting software, will provide real-time analysis of the business, fostering informed decision-making. These foundations can effectively drive a balance between short-term operational efficiency and long-term company objectives. Furthermore, incorporating dashboard tools that visualize key performance indicators (KPIs) can enhance understanding and facilitate quicker responses to emerging trends.

### Cost Control Practices

As one of the primary pain points for food franchise businesses, cost control should be at the forefront of La Chica Panini's financial planning. This is especially crucial since La Chica Panini focuses on high-quality ingredients, which pose challenges to profit margins due to their elevated costs. Streamlining the menu and maintaining robust inventory management can help optimize ingredient usage. Also, cultivating strong supplier relationships should be prioritized to secure favorable pricing and quantity terms, stabilizing profit margins. Regularly reviewing supplier contracts and exploring alternative suppliers can also ensure that La Chica Panini remains competitive in pricing while maintaining quality.

### Pricing Strategies

Pricing strategies must resonate with the target customer base. La Chica Panini should conduct thorough market research to understand price sensitivities and preferences among its customers. The franchise can attract a diverse customer segment by offering bundle packages and promotions, allowing the business to maximize its profitability. Given La Chica Panini's business approach prioritizing quality over quantity, consistency and transparency in pricing will be critical for retaining customer loyalty. Additionally, experimenting with dynamic pricing strategies—where prices are adjusted based on demand fluctuations—could further enhance revenue during peak periods while still appealing to budget-conscious customers during slower times.

### Reinvestment Levels

Reinvestment is an essential growth strategy for franchise businesses. The average allocation of revenues for reinvestment typically falls within the 11%-15% range; however, for La Chica Panini, a recommended amount of 20% or more would be ideal. Starbucks emerged as a significant outlier during interviews regarding reinvestment levels. Their high reinvestment percentage compared to other businesses is a visible differentiation contributing to their immense success. Reinvesting innovative technologies, marketing initiatives, and infrastructure updates will keep La Chica Panini competitive in rapidly changing markets. Additionally, establishing a dedicated innovation fund could encourage experimentation with new menu items or services that align with evolving consumer preferences.

### Automation of Processes

Automation of processes is another fundamental principle in successful franchises. "Understanding the difference between cash flow and profit can mean surviving and failing.

Likewise, with reinvesting in the business—a failure to do so progressively could eventually result in massive reinvestment works that can lead to franchisee failure” (Mohd, Z. B., 2017). Automated inventory systems, customer relationship management (CRM) software, and ordering platforms are essential for streamlining operations and enhancing overall efficiency. This leads to high customer satisfaction while reducing operational errors. These streamlined standards will position La Chica Panini as a modern, tech-savvy franchise.

### Maintaining Financial Agility

Maintaining financial agility will help La Chica Panini address challenges like high market competition and cost fluctuations. Regularly updating financial statements and reports while developing contingency plans will provide support against uncertain situations—essentially functioning as a risk management strategy. For example, securing locked negotiations with suppliers can help stabilize cost margins during low-revenue seasons. Additionally, scenario planning exercises can prepare La Chica Panini for various market conditions and help identify proactive strategies to mitigate potential risks.

### Fostering a Culture of Innovation

La Chica Panini must foster a culture of innovation to differentiate itself from established food franchises. By blending these financial strategies into a solid operational model, La Chica Panini will build a strong reputation for both quality and financial robustness. “The success of retaining the customer is determined by the value that the customer received” (Chuah et al., 2017; Yeh et al., 2016; Kim et al., 2016; Lim & Shankar, 2014). Encouraging employee input on

new ideas and providing avenues for experimentation can lead to innovative solutions that resonate with customers while enhancing overall operational efficiency.

### **Limitations**

One significant limitation of this research is its reliance on qualitative data, which may introduce subjectivity and personal bias into the findings. Insights gathered from interviews or surveys with franchisees can vary widely based on individual experience and perspectives, potentially affecting the reliability of the conclusion drawn. Additionally, the study's sample size may be limited, which could hinder the representativeness of the data. A small sample may not adequately reflect the broader population of aspiring franchise owners, thereby reducing the robustness of the analysis.

The research focuses specifically on La Chica Panini within the Tampico, Mexico market, which may limit the applicability of the finding to other regions or franchise concepts. Different markets may exhibit unique consumer behaviors, regulatory environments, and competitive dynamics that could influence franchise success, making it challenging to generalize the results beyond the specific context examined.

### **Conclusion**

The findings of this work project highlight the significance of both internal and external factors that influence the focus and approach of franchise businesses. Given the high percentage of food franchise failures, this study emphasizes the necessity of strategically measuring financial metrics to ensure the sustainability of the business. By examining the best practices of ten diverse franchises in Mexico, this research demonstrates that an effective approach to financial metrics is indispensable for identifying business opportunities and enhancing performance. Importantly, success is not solely dependent on financial metrics; it also aligns with

other performance indicators. However, it is crucial to recognize that healthy financial metrics are the foundation for all other metrics, as they represent the ultimate outcomes of business operations. As Sharma (Dr. R.) states, “Financial performance metrics play a significant role in facilitating informed decision-making.”

In conclusion, every franchise operates within its market, making it essential to select appropriate metrics tailored to its target audience. Decisions must be based on market demand to analyze areas for improvement and strengths accurately. The importance of aligning financial practices with operational characteristics underscores that a one-size-fits-all approach is inadequate in franchise management. As Mohd (Z. B., 2017) notes, “It is important to recognize that all franchises are not the same, any more than all shops are the same. Even within the same industry, each franchise will be set up differently.” The financial challenges faced by food franchise businesses can be effectively addressed by wisely allocating reinvestment toward innovative solutions that differentiate one business from another and by implementing proactive internal solutions to enhance operational efficiencies.

La Chica Panini and other future franchise businesses have gained significant insights from this work project. The recommendations - prioritizing critical financial metrics, adopting robust cost control measures, implementing effective pricing strategies, reinvesting strategically, and fostering a culture of continuous innovation - provide a comprehensive guideline for success in the franchise landscape. It is essential to understand that transforming a food business into a franchise model requires substantial initial investment; however, the focus should not solely be on this investment but rather on how current franchises sustain profitability over time. Despite having a strong brand identity and product offering, La Chica Panini could face challenges if

strategic decisions are not made promptly. The timing of these decisions is critical for growth within the franchise model.

We can summarize that franchise businesses operate in a highly competitive environment where financial mismanagement can quickly jeopardize sustainability. “Executives, investors, and other stakeholders rely on financial metrics to assess the financial health of a company and make strategic decisions.” (Sharma, 2022) This work project clarifies which financial metrics should be strategically monitored for a solid business foundation and outlines tactical strategies to avoid pitfalls that have led many franchises to fail.

By adopting a data-driven approach and fostering adaptability within the organization, franchisors can build a profitable business for both the short and long term. “Without accurate and reliable financial data, organizations risk making decisions based on incomplete information, leading to suboptimal outcomes and potential financial losses.” (Sharma, 2022).

# Appendix

## 1. Interview Questionnaire:

### Questionnaire

To be Completed by a Manager or Owner/Manager

The primary aim of this interview is to explore the financial metrics and strategies franchise owners and managers to measure and enhance their business success. By insights from industry professionals, this research seeks to identify best practices in the development of La Chica Panini and contribute to sustainable growth in the fast dining sector. This introduction clearly states the purpose of the interviews while in a formal tone suitable for your thesis.

Is your business part of a franchise?

Are you the owner or manager or both?

Number of Employees

Business Name:

Job title of person who completed this questionnaire:

1. Which financial metrics do you consider most important for measuring the success of your franchise business? (Multiple choice or rank the following). The purpose is to understand which metrics are prioritized across businesses.
  - Profit margins
  - Revenue Growth
  - Cost of Goods Sold
  - Operating expenses
  - Cash Flow
  - Return on Investment
  - Other (Please Specify)
2. How often do you review these financial metrics? (On each write) The purpose is to identify the frequency of the financial performance tracking and its impact on decision-making.
  - Daily
  - Weekly
  - monthly
  - quarterly
  - annually
3. What is your approach to managing cost control in your franchise? (Open-ended, multiple choice). The purpose is to determine cost management strategies and their effectiveness.
  - Regular supplier negotiations
  - Inventory management systems
  - Standardized recipes/portions
  - Energy efficiency measures
  - Other (Please Specify)
4. On a scale from 1 to 5, how effective are your pricing strategies in achieving profitability? (1=not effective, 5= very effective). The purpose is to evaluate how pricing contributes to financial success.
5. What percentage of your revenue is reinvested into the business (Example: marketing, equipment upgrades, staff training)? (Ranges) Purpose to gauge reinvestment levels and their role in long-term growth.
  - Less than 5%
  - 5%-10%
  - 11%-15%
  - 16%-20%
  - more than 20%
6. What strategies have been most effective in maintaining or increasing profit? (Open-ended or multiple choice) The purpose is to identify trends in profit margin optimization.
  - Reducing operational costs
  - increasing prices
  - expanding menu or service offerings
  - upselling and cross-selling
  - other (please specify)
7. How do you evaluate the ROI of major investments (Ex. New equipment, marketing campaigns)? Purpose to assess how ROI influences investment decisions.
  - ROI calculated pre-investment
  - ROI calculated post-investment
  - No formal evaluation process
8. What are the most significant financial challenges your franchise has faced and how have you addressed them? (Open ended) The purpose is to uncover common challenges and successful responses.
9. In your opinion, what financial practices or metrics are essential for ensuring long-term success in a franchise business? (Open ended) The purpose is to capture final thoughts and best practices for success.

Thanks,  
Signature by Respondent:

## 2. Interviews Scanned - from each of the respondents:

## Questionnaire

### To be Completed by a Manager or Owner/Manager

The primary aim of this interview is to explore the financial metrics and strategies employed by franchise owners and managers to measure and enhance their business success. By gathering insights from industry professionals, this research seeks to identify best practices that can inform the development of La Chica Panini and contribute to sustainable growth in the fast-casual dining sector. This introduction clearly states the purpose of the interviews while maintaining a formal tone suitable for your thesis.

Is your business part of a franchise? *yes*  
Are you the owner or manager or both? *manager at store*  
Number of Employees *15*  
Business Name: *little cajus*  
Job title of person who completed this questionnaire: *manager at store*

1. Which financial metrics do you consider most important for measuring the success of your franchise business? (Multiple choice or rank the following). The purpose is to understand which metrics are prioritized across businesses.

- Profit margins *2*
- Revenue Growth *1*
  - Cost of Goods Sold
  - Operating expenses
- Cash Flow *3*
  - Return on Investment
  - Other (Please Specify)

2. How often do you review these financial metrics? (On each write) The purpose is to identify the frequency of the financial performance tracking and its impact on decision-making.

- Daily
  - Weekly
  - monthly
  - quarterly
  - annually

3. What is your approach to managing cost control in your franchise? (Open-ended or multiple choice). The purpose is to determine cost management strategies and their effectiveness.

- Regular supplier negotiations
- Inventory management systems
- Standardized recipes/portions
- Energy efficiency measures

*— centralized dough production  
2 limited trapping*

- Other (Please Specify)

4. On a scale from 1 to 5, how effective are your pricing strategies in achieving profitability? (1=not effective, 5= very effective). The purpose is to evaluate how pricing contributes to financial success. *4/5*

5. What percentage of your revenue is reinvested into the business (Example: marketing, equipment upgrades, staff training)? (Ranges) Purpose to gauge reinvestment levels and their role in long-term growth.

- Less than 5%
- 5%-10%
- 11%-15%
- 16%-20%
- more than 20%

6. What strategies have been most effective in maintaining or increasing profit? (Open ended or multiple choice) The purpose is to identify trends in profit margin optimization.

- Reducing operational costs
- increasing prices
- expanding menu or service offerings
- upselling and cross-selling — *upselling specialty coffee & desserts.*
- other (please specify)

7. How do you evaluate the ROI of major investments (Ex. New equipment, marketing campaigns)? Purpose to assess how ROI influences investment decisions.

- ROI calculated pre-investment
- ROI calculated post-investment
- No formal evaluation process

8. What are the most significant financial challenges your franchise has faced and how have you addressed them? (Open ended) The purpose is to uncover common challenges and successful responses.

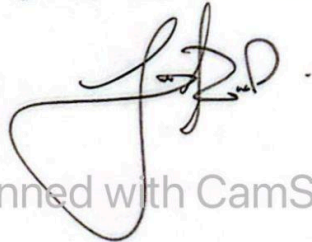
*Rising coffee bean prices.  
↳ Bulk pricing purchasing*

9. In your opinion, what financial practices or metrics are essential for ensuring long-term success in a franchise business? (Open ended) The purpose is to capture final thoughts and best practices for success.

*Managing supplier negotiations & focusing on Premium product sales.*

Thanks,  
Signature by Respondent:

*Jose Ramon Rodriguez*



## Questionnaire

### To be Completed by a Manager or Owner/Manager

The primary aim of this interview is to explore the financial metrics and strategies employed by franchise owners and managers to measure and enhance their business success. By gathering insights from industry professionals, this research seeks to identify best practices that can inform the development of La Chica Panini and contribute to sustainable growth in the fast-casual dining sector. This introduction clearly states the purpose of the interviews while maintaining a formal tone suitable for your thesis.

Is your business part of a franchise? *Yes*

Are you the owner or manager or both? *manager*

Number of Employees *40*

Business Name: *Degas Cafe*

Job title of person who completed this questionnaire: *Regional Manager*

1. Which financial metrics do you consider most important for measuring the success of your franchise business? (Multiple choice or rank the following). The purpose is to understand which metrics are prioritized across businesses.
  - Profit margins *1*
  - Revenue Growth
  - Cost of Goods Sold *2*
  - Operating expenses *3*
  - Cash Flow
  - Return on Investment
  - Other (Please Specify)
2. How often do you review these financial metrics? (On each write) The purpose is to identify the frequency of the financial performance tracking and its impact on decision-making.
  - Daily
  - Weekly
  - monthly
  - quarterly
  - annually
3. What is your approach to managing cost control in your franchise? (Open-ended or multiple choice). The purpose is to determine cost management strategies and their effectiveness.
  - Regular supplier negotiations
  - Inventory management systems
  - Standardized recipes/portions
  - Energy efficiency measures



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- Other (Please Specify)

4. On a scale from 1 to 5, how effective are your pricing strategies in achieving profitability? (1=not effective, 5= very effective). The purpose is to evaluate how pricing contributes to financial success. **4**

5. What percentage of your revenue is reinvested into the business (Example: marketing, equipment upgrades, staff training)? (Ranges) Purpose to gauge reinvestment levels and their role in long-term growth.

- Less than 5%
- 5%-10%
- 11%-15%
- 16%-20%
- more than 20%

6. What strategies have been most effective in maintaining or increasing profit? (Open ended or multiple choice) The purpose is to identify trends in profit margin optimization.

- Reducing operational costs
- increasing prices
- expanding menu or service offerings
- upselling and cross-selling
- other (please specify)

*adding healthy bakery options*

7. How do you evaluate the ROI of major investments (Ex. New equipment, marketing campaigns)? Purpose to assess how ROI influences investment decisions.

- ROI calculated pre-investment
- ROI calculated post-investment
- No formal evaluation process

8. What are the most significant financial challenges your franchise has faced and how have you addressed them? (Open ended) The purpose is to uncover common challenges and successful responses.

*Personnel expecting higher pay, addressed with bonus on performance based.*

9. In your opinion, what financial practices or metrics are essential for ensuring long-term success in a franchise business? (Open ended) The purpose is to capture final thoughts and best practices for success.

*keeping same menu for over 10 years, focus on customer base retention.*

Thanks,  
Signature by Respondent:

*Monica Geraldine Kuri.*



### Questionnaire

#### To be Completed by a Manager or Owner/Manager

The primary aim of this interview is to explore the financial metrics and strategies employed by franchise owners and managers to measure and enhance their business success. By gathering insights from industry professionals, this research seeks to identify best practices that can inform the development of La Chica Panini and contribute to sustainable growth in the fast-casual dining sector. This introduction clearly states the purpose of the interviews while maintaining a formal tone suitable for your thesis.

Is your business part of a franchise? *Yes*  
Are you the owner or manager or both? *owner*  
Number of Employees *35-45*  
Business Name: *Zumba Juice Bar*  
Job title of person who completed this questionnaire: *Owner*

1. Which financial metrics do you consider most important for measuring the success of your franchise business? (Multiple choice or rank the following). The purpose is to understand which metrics are prioritized across businesses.
  - Profit margins
  - Revenue Growth *1*
  - Cost of Goods Sold
  - Operating expenses
  - Cash Flow *3*
  - Return on Investment *2*
  - Other (Please Specify)
2. How often do you review these financial metrics? (On each write) The purpose is to identify the frequency of the financial performance tracking and its impact on decision-making.
  - Daily
  - Weekly
  - monthly
  - quarterly
  - annually
3. What is your approach to managing cost control in your franchise? (Open-ended or multiple choice). The purpose is to determine cost management strategies and their effectiveness.
  - Regular supplier negotiations
  - Inventory management systems
  - Standardized recipes/portions
  - Energy efficiency measures

- Other (Please Specify)

4. On a scale from 1 to 5, how effective are your pricing strategies in achieving profitability? (1=not effective, 5= very effective). The purpose is to evaluate how pricing contributes to financial success. *4/5.*

5. What percentage of your revenue is reinvested into the business (Example: marketing, equipment upgrades, staff training)? (Ranges) Purpose to gauge reinvestment levels and their role in long-term growth.

- Less than 5%
- 5%-10%
- 11%-15%
- 16%-20%
- more than 20%

6. What strategies have been most effective in maintaining or increasing profit? (Open ended or multiple choice) The purpose is to identify trends in profit margin optimization.

- Reducing operational costs
- increasing prices
- expanding menu or service offerings — *simplifying menu offerings to control costs.*
- upselling and cross-selling
- other (please specify)

7. How do you evaluate the ROI of major investments (Ex. New equipment, marketing campaigns)? Purpose to assess how ROI influences investment decisions.

- ROI calculated pre-investment
- ROI calculated post-investment
- No formal evaluation process

8. What are the most significant financial challenges your franchise has faced and how have you addressed them? (Open ended) The purpose is to uncover common challenges and successful responses.


*- high staff turnover.  
↳ competitive wages & training*

9. In your opinion, what financial practices or metrics are essential for ensuring long-term success in a franchise business? (Open ended) The purpose is to capture final thoughts and best practices for success.

*maintaining simplicity in operations & consistent quality.*

Thanks,  
Signature by Respondent:

*JORGE SABATTINI*



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## Questionnaire

### To be Completed by a Manager or Owner/Manager

The primary aim of this interview is to explore the financial metrics and strategies employed by franchise owners and managers to measure and enhance their business success. By gathering insights from industry professionals, this research seeks to identify best practices that can inform the development of La Chica Panini and contribute to sustainable growth in the fast-casual dining sector. This introduction clearly states the purpose of the interviews while maintaining a formal tone suitable for your thesis.

Is your business part of a franchise? *Yes*

Are you the owner or manager or both? *manager*

Number of Employees *90*

Business Name: *Chicks Fried Chicken*

Job title of person who completed this questionnaire: *Reg. Manager*

1. Which financial metrics do you consider most important for measuring the success of your franchise business? (Multiple choice or rank the following). The purpose is to understand which metrics are prioritized across businesses.

- Profit margins *1*
- Revenue Growth *3*
- Cost of Goods Sold *2*
- Operating expenses
- Cash Flow
- Return on Investment
- Other (Please Specify)

2. How often do you review these financial metrics? (On each write) The purpose is to identify the frequency of the financial performance tracking and its impact on decision-making.

- Daily
- Weekly
- monthly
- quarterly
- annually

3. What is your approach to managing cost control in your franchise? (Open-ended or multiple choice). The purpose is to determine cost management strategies and their effectiveness.

- Regular supplier negotiations
- Inventory management systems
- Standardized recipes/portions
- Energy efficiency measures

- Other (Please Specify)

4. On a scale from 1 to 5, how effective are your pricing strategies in achieving profitability? (1=not effective, 5= very effective). The purpose is to evaluate how pricing contributes to financial success.

5. What percentage of your revenue is reinvested into the business (Example: marketing, equipment upgrades, staff training)? (Ranges) Purpose to gauge reinvestment levels and their role in long-term growth.

- Less than 5%
- 5%-10%
- 11%-15%
- 16%-20%
- more than 20%

6. What strategies have been most effective in maintaining or increasing profit? (Open ended or multiple choice) The purpose is to identify trends in profit margin optimization.

- Reducing operational costs
- increasing prices
- expanding menu or service offerings — promoting seasonal beverages
- upselling and cross-selling
- other (please specify)

7. How do you evaluate the ROI of major investments (Ex. New equipment, marketing campaigns)? Purpose to assess how ROI influences investment decisions.

- ROI calculated pre-investment
- ROI calculated post-investment
- No formal evaluation process

8. What are the most significant financial challenges your franchise has faced and how have you addressed them? (Open ended) The purpose is to uncover common challenges and successful responses.

competition with other local coffee shops  
but they do aggressive marketing.

9. In your opinion, what financial practices or metrics are essential for ensuring long-term success in a franchise business? (Open ended) The purpose is to capture final thoughts and best practices for success.

continuous innovation &  
seasonal product launches

Thanks,  
Signature by Respondent:

Manuel Heredia



## Questionnaire

### To be Completed by a Manager or Owner/Manager

The primary aim of this interview is to explore the financial metrics and strategies employed by franchise owners and managers to measure and enhance their business success. By gathering insights from industry professionals, this research seeks to identify best practices that can inform the development of La Chica Panini and contribute to sustainable growth in the fast-casual dining sector. This introduction clearly states the purpose of the interviews while maintaining a formal tone suitable for your thesis.

Is your business part of a franchise? *yes*

Are you the owner or manager or both? *manager*

Number of Employees *45-60*

Business Name: *Tim Hortons*

Job title of person who completed this questionnaire: *Manager*

1. Which financial metrics do you consider most important for measuring the success of your franchise business? (Multiple choice or rank the following). The purpose is to understand which metrics are prioritized across businesses.

- Profit margins *5*
- Revenue Growth *1*
  - Cost of Goods Sold
  - Operating expenses
- Cash Flow *2*
  - Return on Investment
  - Other (Please Specify)

2. How often do you review these financial metrics? (On each write) The purpose is to identify the frequency of the financial performance tracking and its impact on decision-making.

- Daily
- Weekly
- monthly
- quarterly
- annually

3. What is your approach to managing cost control in your franchise? (Open-ended or multiple choice). The purpose is to determine cost management strategies and their effectiveness.

- Regular supplier negotiations *— supplier contracts*
- Inventory management systems
- Standardized recipes/portions
- Energy efficiency measures

- Other (Please Specify)

4. On a scale from 1 to 5, how effective are your pricing strategies in achieving profitability? (1=not effective, 5= very effective). The purpose is to evaluate how pricing contributes to financial success. *5/5*

5. What percentage of your revenue is reinvested into the business (Example: marketing, equipment upgrades, staff training)? (Ranges) Purpose to gauge reinvestment levels and their role in long-term growth.

- Less than 5%
- 5%-10%
- 11%-15%
- 16%-20%
- more than 20%

6. What strategies have been most effective in maintaining or increasing profit? (Open ended or multiple choice) The purpose is to identify trends in profit margin optimization.

- Reducing operational costs
- increasing prices -
- expanding menu or service offerings
- upselling and cross-selling
- other (please specify) — *leveraging economies of scale.*

7. How do you evaluate the ROI of major investments (Ex. New equipment, marketing campaigns)? Purpose to assess how ROI influences investment decisions.

- ROI calculated pre-investment
- ROI calculated post-investment
- No formal evaluation process

8. What are the most significant financial challenges your franchise has faced and how have you addressed them? (Open ended) The purpose is to uncover common challenges and successful responses.

*fluctuating poultry prices,  
— used locked in contracts.*

9. In your opinion, what financial practices or metrics are essential for ensuring long-term success in a franchise business? (Open ended) The purpose is to capture final thoughts and best practices for success.

*efficient supply chain & consistent portion size.*

Thanks,  
Signature by Respondent:

JOSE LUIS TERAN



## Questionnaire

### To be Completed by a Manager or Owner/Manager

The primary aim of this interview is to explore the financial metrics and strategies employed by franchise owners and managers to measure and enhance their business success. By gathering insights from industry professionals, this research seeks to identify best practices that can inform the development of La Chica Panini and contribute to sustainable growth in the fast-casual dining sector. This introduction clearly states the purpose of the interviews while maintaining a formal tone suitable for your thesis.

Is your business part of a franchise? *yes*

Are you the owner or manager or both? *owner/manager*

Number of Employees *55*

Business Name: *Pollo Loco*

Job title of person who completed this questionnaire: *owner/manager*

1. Which financial metrics do you consider most important for measuring the success of your franchise business? (Multiple choice or rank the following). The purpose is to understand which metrics are prioritized across businesses.

- Profit margins *1*
  - Revenue Growth
  - Cost of Goods Sold
- Operating expenses *3*
- Cash Flow *2*
  - Return on Investment
  - Other (Please Specify)

2. How often do you review these financial metrics? (On each write) The purpose is to identify the frequency of the financial performance tracking and its impact on decision-making.

- Daily
- Weekly
- monthly
- quarterly
- annually

3. What is your approach to managing cost control in your franchise? (Open-ended or multiple choice). The purpose is to determine cost management strategies and their effectiveness.

- Regular supplier negotiations
- Inventory management systems
- Standardized recipes/portions
- Energy efficiency measures

*— streamline supply chain for kitchen.*

- Other (Please Specify)

4. On a scale from 1 to 5, how effective are your pricing strategies in achieving profitability? (1=not effective, 5= very effective). The purpose is to evaluate how pricing contributes to financial success. **4**

5. What percentage of your revenue is reinvested into the business (Example: marketing, equipment upgrades, staff training)? (Ranges) Purpose to gauge reinvestment levels and their role in long-term growth.

- Less than 5%
- 5%-10%
- 11%-15%
- 16%-20%
- more than 20%

6. What strategies have been most effective in maintaining or increasing profit? (Open ended or multiple choice) The purpose is to identify trends in profit margin optimization.

- Reducing operational costs
- increasing prices — *high margin desserts*
- expanding menu or service offerings
- upselling and cross-selling
- other (please specify)

7. How do you evaluate the ROI of major investments (Ex. New equipment, marketing campaigns)? Purpose to assess how ROI influences investment decisions.

- ROI calculated pre-investment
- ROI calculated post-investment
- No formal evaluation process

8. What are the most significant financial challenges your franchise has faced and how have you addressed them? (Open ended) The purpose is to uncover common challenges and successful responses.

*innovative menu options due to simple menu addressed by new topping categories.*

9. In your opinion, what financial practices or metrics are essential for ensuring long-term success in a franchise business? (Open ended) The purpose is to capture final thoughts and best practices for success.

*seasonal adaptability & consistent pricing.*

Thanks,  
Signature by Respondent:

Sofia Monica Esteve

*Sofia Esteve*

## Questionnaire

### To be Completed by a Manager or Owner/Manager

The primary aim of this interview is to explore the financial metrics and strategies employed by franchise owners and managers to measure and enhance their business success. By gathering insights from industry professionals, this research seeks to identify best practices that can inform the development of La Chica Panini and contribute to sustainable growth in the fast-casual dining sector. This introduction clearly states the purpose of the interviews while maintaining a formal tone suitable for your thesis.

Is your business part of a franchise? *yes*  
Are you the owner or manager or both? *manager*  
Number of Employees *02*  
Business Name: *Dairy Queen*  
Job title of person who completed this questionnaire: *manager*

1. Which financial metrics do you consider most important for measuring the success of your franchise business? (Multiple choice or rank the following). The purpose is to understand which metrics are prioritized across businesses.
  - Profit margins *2*
  - Revenue Growth *1*
  - Cost of Goods Sold
  - Operating expenses *3*
  - Cash Flow
  - Return on Investment
  - Other (Please Specify)
2. How often do you review these financial metrics? (On each write) The purpose is to identify the frequency of the financial performance tracking and its impact on decision-making.
  - Daily
  - Weekly
  - monthly
  - quarterly
  - annually
3. What is your approach to managing cost control in your franchise? (Open-ended or multiple choice). The purpose is to determine cost management strategies and their effectiveness.
  - Regular supplier negotiations
  - Inventory management systems
  - Standardized recipes/portions
  - Energy efficiency measures

- Other (Please Specify)

4. On a scale from 1 to 5, how effective are your pricing strategies in achieving profitability? (1=not effective, 5= very effective). The purpose is to evaluate how pricing contributes to financial success. **5**

5. What percentage of your revenue is reinvested into the business (Example: marketing, equipment upgrades, staff training)? (Ranges) Purpose to gauge reinvestment levels and their role in long-term growth.

- Less than 5%
- 5%-10%
- 11%-15%
- 16%-20%
- more than 20%

6. What strategies have been most effective in maintaining or increasing profit? (Open ended or multiple choice) The purpose is to identify trends in profit margin optimization.

- Reducing operational costs
- increasing prices
- expanding menu or service offerings
- upselling and cross-selling

other (please specify) — high value real estate transactions.

7. How do you evaluate the ROI of major investments (Ex. New equipment, marketing campaigns)? Purpose to assess how ROI influences investment decisions.

- ROI calculated pre-investment
- ROI calculated post-investment
- No formal evaluation process

8. What are the most significant financial challenges your franchise has faced and how have you addressed them? (Open ended) The purpose is to uncover common challenges and successful responses.

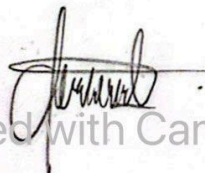
economic downturns  
— diversify property listings

9. In your opinion, what financial practices or metrics are essential for ensuring long-term success in a franchise business? (Open ended) The purpose is to capture final thoughts and best practices for success.

adapting to market trends &  
minimizing overhead.

Thanks,  
Signature by Respondent:

Felipe Attamirano



### Questionnaire

#### To be Completed by a Manager or Owner/Manager

The primary aim of this interview is to explore the financial metrics and strategies employed by franchise owners and managers to measure and enhance their business success. By gathering insights from industry professionals, this research seeks to identify best practices that can inform the development of La Chica Panini and contribute to sustainable growth in the fast-casual dining sector. This introduction clearly states the purpose of the interviews while maintaining a formal tone suitable for your thesis.

Is your business part of a franchise? *yes*  
Are you the owner or manager or both? *owner/manager*  
Number of Employees *15*  
Business Name: *Pernick Center*  
Job title of person who completed this questionnaire: *owner manager*

1. Which financial metrics do you consider most important for measuring the success of your franchise business? (Multiple choice or rank the following). The purpose is to understand which metrics are prioritized across businesses.
  - Profit margins
  - Revenue Growth
  - Cost of Goods Sold
  - Operating expenses *3*
  - Cash Flow *2*
  - Return on Investment *1*
  - Other (Please Specify)
2. How often do you review these financial metrics? (On each write) The purpose is to identify the frequency of the financial performance tracking and its impact on decision-making.
  - Daily
  - Weekly
  - monthly
  - quarterly
  - annually
3. What is your approach to managing cost control in your franchise? (Open-ended or multiple choice). The purpose is to determine cost management strategies and their effectiveness.
  - Regular supplier negotiations
  - Inventory management systems
  - Standardized recipes/portions
  - Energy efficiency measures

*— limited office overhead.*

• Other (Please Specify)

4. On a scale from 1 to 5, how effective are your pricing strategies in achieving profitability? (1=not effective, 5= very effective). The purpose is to evaluate how pricing contributes to financial success. **4**

5. What percentage of your revenue is reinvested into the business (Example: marketing, equipment upgrades, staff training)? (Ranges) Purpose to gauge reinvestment levels and their role in long-term growth.

- Less than 5%
- 5%-10%
- 11%-15%
- 16%-20%

more than 20% **★!!**

6. What strategies have been most effective in maintaining or increasing profit? (Open ended or multiple choice) The purpose is to identify trends in profit margin optimization.

- Reducing operational costs
- increasing prices
- expanding menu or service offerings

upselling and cross-selling — **upsell premium beverages & merch.**

- other (please specify)

7. How do you evaluate the ROI of major investments (Ex. New equipment, marketing campaigns)? Purpose to assess how ROI influences investment decisions.

- ROI calculated pre-investment
- ROI calculated post-investment
- No formal evaluation process

8. What are the most significant financial challenges your franchise has faced and how have you addressed them? (Open ended) The purpose is to uncover common challenges and successful responses.

**High operational costs, addressed with digital ordering for efficiency.**

9. In your opinion, what financial practices or metrics are essential for ensuring long-term success in a franchise business? (Open ended) The purpose is to capture final thoughts and best practices for success.

**leveraging technology & premium product offerings**

Thanks,  
Signature by Respondent:

**Roberto Azcaraga.**

## Questionnaire

To be Completed by a Manager or Owner/Manager

The primary aim of this interview is to explore the financial metrics and strategies employed by franchise owners and managers to measure and enhance their business success. By gathering insights from industry professionals, this research seeks to identify best practices that can inform the development of La Chica Panini and contribute to sustainable growth in the fast-casual dining sector. This introduction clearly states the purpose of the interviews while maintaining a formal tone suitable for your thesis.

Is your business part of a franchise? *yes*

Are you the owner or manager or both? *manager*

Number of Employees *25*

Business Name: *Bunbunks*

Job title of person who completed this questionnaire: *manager store*

1. Which financial metrics do you consider most important for measuring the success of your franchise business? (Multiple choice or rank the following). The purpose is to understand which metrics are prioritized across businesses.

- Profit margins *2*
- Revenue Growth *7*
- Cost of Goods Sold *3*
- Operating expenses
- Cash Flow
- Return on Investment
- Other (Please Specify)

2. How often do you review these financial metrics? (On each write) The purpose is to identify the frequency of the financial performance tracking and its impact on decision-making.

- Daily
- Weekly
- monthly
- quarterly
- annually

3. What is your approach to managing cost control in your franchise? (Open-ended or multiple choice). The purpose is to determine cost management strategies and their effectiveness.

- Regular supplier negotiations
- Inventory management systems *— automation.*
- Standardized recipes/portions
- Energy efficiency measures

- Other (Please Specify)

4. On a scale from 1 to 5, how effective are your pricing strategies in achieving profitability? (1=not effective, 5= very effective). The purpose is to evaluate how pricing contributes to financial success.

3

5. What percentage of your revenue is reinvested into the business (Example: marketing, equipment upgrades, staff training)? (Ranges) Purpose to gauge reinvestment levels and their role in long-term growth.

- Less than 5%
- 5%-10%
- 11%-15%
- 16%-20%
- more than 20%

6. What strategies have been most effective in maintaining or increasing profit? (Open ended or multiple choice) The purpose is to identify trends in profit margin optimization.

- Reducing operational costs
- increasing prices
- expanding menu or service offerings
- upselling and cross-selling
- other (please specify) — building promotion

7. How do you evaluate the ROI of major investments (Ex. New equipment, marketing campaigns)? Purpose to assess how ROI influences investment decisions.

- ROI calculated pre-investment
- ROI calculated post-investment
- No formal evaluation process

8. What are the most significant financial challenges your franchise has faced and how have you addressed them? (Open ended) The purpose is to uncover common challenges and successful responses.

high competitors.  
unique home taste offering

9. In your opinion, what financial practices or metrics are essential for ensuring long-term success in a franchise business? (Open ended) The purpose is to capture final thoughts and best practices for success.

Focused marketing & customer retention.

Thanks,  
Signature by Respondent:

elisa rodriguez manzur

## Questionnaire

To be Completed by a Manager or Owner/Manager

The primary aim of this interview is to explore the financial metrics and strategies employed by franchise owners and managers to measure and enhance their business success. By gathering insights from industry professionals, this research seeks to identify best practices that can inform the development of La Chica Panini and contribute to sustainable growth in the fast-casual dining sector. This introduction clearly states the purpose of the interviews while maintaining a formal tone suitable for your thesis.

Is your business part of a franchise? *yes*

Are you the owner or manager or both? *owner*

Number of Employees *32*

Business Name: *Chicken Peley*

Job title of person who completed this questionnaire: *owner*

1. Which financial metrics do you consider most important for measuring the success of your franchise business? (Multiple choice or rank the following). The purpose is to understand which metrics are prioritized across businesses.

- Profit margins 1
- Revenue Growth
- Cost of Goods Sold
- Operating expenses 2
- Cash Flow 3
- Return on Investment
- Other (Please Specify)

2. How often do you review these financial metrics? (On each write) The purpose is to identify the frequency of the financial performance tracking and its impact on decision-making.

- Daily
- Weekly
- monthly
- quarterly
- annually

3. What is your approach to managing cost control in your franchise? (Open-ended or multiple choice). The purpose is to determine cost management strategies and their effectiveness.

- Regular supplier negotiations
- Inventory management systems
- Standardized recipes/portions
- Energy efficiency measures

*Limiting unnecessary ingredients & reducing waste.*

- Other (Please Specify)

4. On a scale from 1 to 5, how effective are your pricing strategies in achieving profitability? (1=not effective, 5= very effective). The purpose is to evaluate how pricing contributes to financial success. **5**

5. What percentage of your revenue is reinvested into the business (Example: marketing, equipment upgrades, staff training)? (Ranges) Purpose to gauge reinvestment levels and their role in long-term growth.

- Less than 5%
- 5%-10%
- **11%-15%**
- 16%-20%
- more than 20%

6. What strategies have been most effective in maintaining or increasing profit? (Open ended or multiple choice) The purpose is to identify trends in profit margin optimization.

- Reducing operational costs
- increasing prices
- expanding menu or service offerings
- upselling and cross-selling
- other (please specify) ← *streamlined menu & large volume sales.*

7. How do you evaluate the ROI of major investments (Ex. New equipment, marketing campaigns)? Purpose to assess how ROI influences investment decisions.

- **ROI calculated pre-investment**
- ROI calculated post-investment
- No formal evaluation process

8. What are the most significant financial challenges your franchise has faced and how have you addressed them? (Open ended) The purpose is to uncover common challenges and successful responses.

*rising credit prices — bulk purchase.*

9. In your opinion, what financial practices or metrics are essential for ensuring long-term success in a franchise business? (Open ended) The purpose is to capture final thoughts and best practices for success.

*cost efficiency & streamlined operation.*

Thanks,  
Signature by Respondent:

*Joaquin Mendez*

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