MULTI-LOCATION BUSINESSES AND CONNECTIVITY:

Bridging the Gaps

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There are few more meaningful milestones in a small business's life cycle than the day a second location opens. It's a rite of passage for businesses that grow from single locations into franchises, even if it's just a franchise with two locations. Yet a multi-location business has more than its share of problems, thanks in large part to difficulties coordinating operations between the various branches. Thankfully, technology can make a big difference here, and, with the right tools, most of the problems a multi-location business can expect to see can be readily addressed.

WHAT ARE THE BIGGEST CHALLENGES A MULTI-LOCATION BUSINESS FACES?

Some might think that managing a multi-location business just requires the manager to do all the same things done to manage a one-location business, multiplied by the number of locations. That might work for some points, but a multi-location business often has unique challenges. These challenges run the gamut from issues of culture to issues of basic operations.

Data hoarding

One of the biggest problems a multi-location business faces is data hoarding. Also called "data siloing," this refers to the practice in which all of a branch's data is kept specifically at that branch and not shared elsewhere. This represents a serious problem in terms of visibility and can prevent the manager from knowing everything that should be known about the business's overall condition. It also limits the ability to use data analytics on the business, and, in so doing, finding actionable insights that can help the business succeed. "Actionable insights" are just points of fact that can be acted upon, from things like the busiest hours of the day to what items are purchased most frequently.

Meeting frenzy

When there's one location, only one meeting needs to take place to bring everyone up to speed. A multi-location business demands multiple meetings, and that means a lot of time lost. In the UK, meetings represent a £17 billion annual cost. With the right connectivity tools, it becomes entirely possible to scale back the number of meetings and save that time and money accordingly. Sure, if the business's locations are in different time zones, some accommodation may be necessary — no one wants to get on a 2:00 a.m. conference call because that's lunchtime in the home office's territory — but with the right connectivity, many duplicate meetings can be replaced by one videoconference or similar event.

Left-out branches

Engaging the whole team can be easy when it's all in the same office. When the team is spread out across several branches, it can be easy to feel left out, just trundling along while the head office gets all the attention, perks, and praise. Working in the branch locations can even feel like the corporate equivalent of exile, especially if it's a long drive to get from one point to another. Here, proper connectivity can allow each branch to get the personal treatment — even if it's not the face-to-face personal treatment that the main office gets.

Massive new expense

Branching off into a second location — and beyond — can mean terrific new opportunities for revenue. One anecdote illustrates this point well: The HR director of a company with around 3,000 employees — a multi-location business for sure — noted that everyone's vacation requests and expense claims were all mailed to the main office. This meant thousands of dollars annually in expenses. Not every business will be the same on this front, of course, but it's not only vacation form mailings that mean expense. Some businesses attempt to stay connected with local internet providers if enough of them can be found in the area. Others use multiprotocol label switching (MPLS) for service. These can mean a lot of expenses, and some have addressed the issue by bringing in software-defined wide-area networking (SD-WAN) service instead.

Culture clashes

It's easy to develop tribalism in office settings. Just tell the manager of one branch location to "handle it," and watch tribalism develop. That manager will believe that he or she is in charge — with vague directions like "handle it," that's not hard — and soon, a new culture will develop. It may be close to the desired corporate culture and not so much of a problem, but when the cultures vary significantly, problems can arise. Worse, if the main office steps in on the "handle it" manager, that manager may believe he or she is being punished and become difficult to work with. Prevent tribalism in advance with plenty of communication — the kind that comes from the right connectivity tools.

Security holes

When a business adds branch offices, it also adds to the number of potential points of failure. Whereas before, if a file went missing, all the business would have to do is search the building, after a multi-location effort, there are now several buildings to check. It's no different when it comes to network security; that new operation means every potential point of access has just opened up somewhere else. This is why many businesses turn to SD-WAN; its software-defined nature allows for greater security and centralization, even for a branch-office operation, because the primary servers offering the service are located with the service provider.

Workload discrepancies

When all the workload is contained under one roof, it's fairly easy to make sure it's evenly distributed or at least close to it. When the workload gets passed among several facilities, however, it's easy to make one of those facilities far too busy while others get too little work. This calls for greater connectivity as well as greater visibility and making it easier for branch managers to stay connected to the main office. No one wants the office that's doing most of the work to get fed up and lose people; that's a double-edged hit that means less work is getting done along with the greater expense of having to replace all those lost people.

Lapses in training

It's another issue that comes up when a business spreads out. When everyone's in the main office, it's comparatively simple to make sure all the new employees are properly trained and run through an onboarding process. When there are branch offices involved, however, sometimes that training isn't what it should be. Using the proper connectivity tools, meanwhile, can help standardize the process across all branches. This ensures that there is a certain basic minimum of training for all employees; it can be both measured and verified, helping to ensure that everyone is trained appropriately overall. This also allows for cross-training and the ability to better put people to work at different branches. Since the training is the same everywhere you go, an employee can step right in at a new location for a while or even transfer outright as the need requires.

Non-standard accounting

This could be one of the biggest problems because it might take the business afoul of no less than the federal government. It relates back to the common problem; when it's one accountant and one building, the accounting stays standardized. Branching off into several different buildings, each quite possibly with a different accountant can be a problem. One accountant using last-in-first-out (LIFO) and the other turning to first-in-first-out (FIFO) models could create a serious snarl and some very different cost pictures. The same tools that standardize training can standardize accounting as well across the entire business, and help keep multi-location businesses on the same ledger page.

Delayed reports

Real-time reporting can make the difference between a business that's running at its best and one that's barely running. Real-time reporting also can suffer from the addition of new branch offices, especially if the various branches use separate enterprise resource planning (ERP) systems. Turning to a system like SD-WAN can often help here by keeping the businesses more closely connected and improving the likelihood of getting reports in real-time. This helps improve operations, purchasing, staffing levels, and several other vital points, making the business run better overall as a result.

Lack of universal quality control

Even something as simple as establishing proper quality control measures can result in major costs. Businesses that establish universal quality control measures in multiple locations have saved around $355,000 in injury claims and compensation. Though this figure will vary from business to business, establishing commonality in quality control helps ensure the best customer experience. It also offers the best chance to avoid costly legal fees that might stem from accidents due to lack of knowledge regarding when facilities are cleaned, when stock is inventoried and replaced, and other similar measures.

WHERE TO GET HELP MANAGING THE MULTI-LOCATION BUSINESS

There are always challenges to managing a business; a multi-location business just has more of them and sometimes different kinds. When you need help managing your multi-location business, just reach out to us. We'll supply exactly what you need to make managing that multi-location business seem even simpler than managing one location was. All you have to do is drop us a line to get started.

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