

## **Revolutionizing the world of small business**

Welcome to the extraordinary power of franchising! Generating \$2.3 trillion in annual sales, 2,900 franchise organizations in the U.S. economy span a vast, commercial landscape of 75 industries. Currently, franchising contributes more than 10 percent of our nation's Gross Domestic Product, with a new franchise opening every 8 minutes each business day.

Franchising is the champion of small business expansion worldwide. In the United States alone, 41 cents of every retail dollar is spent at a franchise operation. This is quite astounding when you consider that fewer than 5 percent of all small businesses are franchised!

Studies claim that franchised businesses enjoy a success rate up to three times greater than that of independent businesses. Whatever the true number, this is certain: franchising affords significant benefits that provide greater business advantages to owners of franchised businesses. Independent small businesses too often can't deliver the corporate training and support, group purchasing power, advertising clout, and brand strength enjoyed by good franchise systems.

## **If you can't grow now, you never will!**

In this first decade of the 21st century, we are experiencing a franchise renaissance! This rings clear in spite of fluctuations in the general economy. Record numbers of aspiring business owners are reaching out for the American Dream, investing their life's savings and leveraging their homes to do so. They are attracted to the successes of franchised businesses, which combine the best of both worlds: the independence of entrepreneurialism, and the support and proven systems of Corporate America.

Just ask franchise veterans who have been around during the past few decades. Buyers for franchises are more abundant than ever! Stock market uncertainties, job layoffs, and "Enron syndrome" have turned American employees and entrepreneurs away from the once-sacred safeguards of corporate security... and toward the personal empowerment, freedoms, and financial opportunities of owning

their own businesses. Franchise concepts have become a safety net for many Americans, reducing their entrepreneurial risks by providing the systems and support that can help ensure their future success.

Extraordinary opportunities await both established and emerging franchisors. But as this book is about to explore with you, how can you optimize best practices to ensure the successful expansion of your franchise organization?

## **How to profit from this book**

*“Grow to Greatness”* captures the Five Success Drivers for extraordinary franchise growth. It is written to guide you through the “do’s and don’ts” for expanding your system, and to avoid the pitfalls that often sidetrack well-meaning development executives. It challenges the thinking of veteran franchisors and will arrest the minds of franchise start-ups. It even provides insights for franchise suppliers, who can gain a better understanding of growth services that can benefit franchise organizations.

This book is probably the first that focuses on the “business” of building a franchise business. It embraces a monumental subject, encompassing business practices applicable to the 75 categories of business that have been franchised. The book recognizes and offers best practices of hundreds of franchise professionals in retail and service businesses who have achieved successes on both individual and industry levels.

The book can help you in two primary areas: 1) for corporate planning and development, you’ll discover a system-wide, strategic approach that can accelerate your franchise growth; and 2) for sales, marketing, and operational implementation, you can immediately adopt “how to’s” and step-by-step processes that can improve your performance results in specific development areas.

## **How to get the most out of this guide**

At times, you may take issue with specific development approaches in the book. This certainly is understandable. Even franchisors within the same business require variations in development execution, owing to differences in their ownership, corporate ideologies, franchise program structure, brand strength, expansion goals, and buyer profiles. The detailed processes and tutorials that follow are general guides that can be successfully incorporated in many franchise systems. But keep in mind, they can require modification to be more effective for your franchise growth.

What stands sacred within these pages are the Five Success Drivers for exceptional franchise expansion. They are the foundation for best practices in development and, in one way or another, are part of every professional franchise executive's reason for success. Savvy companies employing these truths have catapulted to glory. "*Grow to Greatness*" is a tribute to these leaders and innovators in the world of franchising.

## **Growth is the fuel of franchise success**

Sometimes there is confusion about what franchising really is. Clarity on this point is key to understanding its business model. "Franchising" is a way of doing business. In its simplest definition, it is a distribution system for products and services that allows a franchisor to expand their brand concept to additional markets without the initial outlay of capital and staffing requirements.

Franchising is an American innovation that is embraced throughout the world. It has contributed to international economies, helping their entrepreneurs profit from the franchise partnership model. Golden arches, sandwiches, postal franchises, and more have created healthy global partnerships, expanding their products to consumers in both industrialized and developing countries.

Growth is the primary reason for franchising a business. It is achieved by partnering with qualified franchisees who, together with the franchisor, can realize business rewards not possible through either one's individual efforts. Without franchise expansion, most franchise systems will not achieve their development goals; without franchise expansion, start-up systems will fail.

## **Should you franchise your business?**

For aspiring franchisors, take a reality check: "*Is franchising really right for you?*" For 28 years, I've seen hundreds of emerging and established franchise companies enjoy great successes. I met Subway founder Fred DeLuca when he had a few hundred franchises. Today he boasts more than 29,000! But I've also witnessed those who needlessly fail in their expansion efforts, not knowing or willing to do what it takes to build a franchise system. Start-up franchisors can be especially vulnerable. Too often, spirited entrepreneurs recklessly launch their successful business concepts into the complex world of franchising, not knowing they lack 50 percent of the core competencies necessary to grow a franchise organization.

Successful franchising is more than slapping together a legal document and hanging a “franchise for sale” shingle on the door. Doing it right requires implementing time-tested strategies, infrastructure, and development practices from the start. You are now entering the business of franchising. The opportunity you offer is not the key to your brand growth and fame—it’s whether you have what it takes to succeed as a franchisor. Get your ducks lined up and proceed with caution.

I’ll never forget the desperation of a new pet service franchisor who lost \$150,000 in four short months, and then called for help. The innocent owners handsomely paid a “packaging firm” to produce boilerplate franchise documents and operations manuals, along with some big and shiny brochures.

“*What was your growth plan, marketing strategy, and sales process?*” I asked. After a painful pause, the couple confessed: it was to invest \$5,000 in local newspapers, which would magically produce at least five dynamic franchises in their first year of operation. This was their recruiting formula for success.

## **How to safeguard your franchise expansion**

This is exactly why I wrote this book. Not to save the world, but as a ready reference that can help start-up and growing franchisors better succeed, without wasting hundreds of thousands of dollars.

To help you further, there certainly are other industry resources for professional guidance. Franchise consultants, seminars, workshops, and conferences are available to companies seeking development expertise. Franchise Update Media Group, the International Franchise Association, *Franchise Times*, *Entrepreneur* magazine, and the *Wall Street Journal* are just a few of several high-quality information providers that can assist you with their franchise publications and conferences.

There also are noteworthy books available on the core mechanics of how to create a franchise, which focus on the legal, operational, and systems development of the business. They are great guides that will provide the tools and foundation to build a better car. This book, “*Grow to Greatness*,” shows you how to kick-start the engine and drive!

## **My personal motivation**

Writing a book at this time is most meaningful for me. You see, I’m not a famous business guru, nor am I a consultant simply observing what it takes to be a winner.

And I'm not yet a "has-been," out of touch with today's best practices. I'm still a player and coach, deeply immersed in business with the scars and stripes to prove it. I've lived the moments: the pain, obstacles, sleepless nights, frustrations, joy, pride, motivation, enthusiasm, exhilaration, and extraordinary achievements of contributing to fast-growth, first-class franchise systems.

I've witnessed "no-name" franchisors surge to fame alongside established national brands. Then again, I've also personally experienced disaster, watching my former franchise system, American Advertising Distributors, dissolve from a healthy 125-franchise network to a pile of vacant printing presses and lawsuits. Franchising is a rewarding journey, but it can never be taken for granted.

I've always appreciated the proverb, "*Teaching is the process of learning twice.*" Writing while I'm still in the game certainly is business therapy, and it helps keep me self-motivated in my stubborn quest for excellence. Still in the hunt, I'll sleep very comfortably knowing you'll get your money's worth from this book, whether from a consulting, management, or development executive's standpoint.

## **How are you going to grow?**

Only you know where you aspire to take your business. Whether you are a franchisor, area developer, master franchisee, or franchise supplier, each of us has our own motivations and goals, both professionally and personally. It's up to you to set the direction for your path to achievement.

I hope "*Grow to Greatness*" can make a difference in helping you get there. Let me know if it does... it will make writing this book so very worthwhile.

