

Franchise

BUSINESS INTELLIGENCE FOR GROWING FRANCHISORS

update

Q1 | 2015

POWERHOUSE WOMEN

RIISING TO THE TOP: Julia Stewart | Dina Dwyer-Owens | Carin Stutz | Cheryl Bachelder | Catherine Monson

MOMS IN THE C-SUITE: Shelly Sun | Barbara Moran-Goodrich | Meg Roberts

*Julia Stewart, chair and CEO of DineEquity,
franchisor of IHOP and Applebee's*

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Franchise update

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Be the Change You Want to See

Welcome to our second annual issue on Women in Franchising. Last year we profiled 24 of franchising's "leading women." This year we explore two themes: Rising to the C-Suite, and Moms in the C-Suite. We've also collected facts, figures, and ideas about the status and role of women in business. Let's look at some now.

- According to Catalyst, a nonprofit focused on expanding opportunities for women in business since 1962, women are 51 percent of the workforce—yet 95 percent of CEOs in the Fortune 500 are men. See page 36.

- Research from FRANData shows women CEOs and presidents at 15 percent of all franchisor brands, up 1 percent from last year. Franchising is also seeing a rise in the number of female CFOs, COOs, and CMOs. We *are* seeing gains for women at the top levels of franchising, but it is still slow going.

- After seeing the disparity in opportunities for men and women during her nearly 20 years in high tech and venture capital, Lisa Lambert, an Intel VP, founded UPWARD, a networking organization for professional women. She still sees those biases today, despite being a high-ranking executive at a firm ranked 53rd on the Fortune 500 list. See page 34.

- A recent *Harvard Business Review* article, "How Female CEOs Actually Get to the Top," examined the career paths of 24 women who lead Fortune 500 companies. The authors discovered that the median long stint (continuous tenure at a company before becoming CEO) for female CEOs is 23 years. Then they pulled a random sample of male Fortune 500 CEOs: for men, the median long stint is 15 years. Why the disparity? The authors report, "It is hard to parse what drives the long-tenure, insider path that so many of these women took or why their experiences differ from those of the men.... An immediate implication of the long climb is that for ambitious young women, company culture matters a lot."

- A recent Bain & Company study on women in the workforce lends more insight into this disparity. They asked more than 1,000 men and women in the U.S. at all career levels about their interest in pursuing a top management position in a large company and found that during their first two years at their job, 43 percent of women aspire to top management, compared with 34 percent of men at that stage. However, over time, Bain reports, "Women's aspiration levels drop more than 60 percent while men's stay the same. Among experienced employees, 34 percent of men are still aiming for the top, while only 16 percent of women are."

So what does all of this mean for women in franchising? Is the long climb the common path for women running franchise systems? The career paths of the CEOs profiled in this issue suggest something slightly different.

Why does franchising have 10 percent more female CEOs and presidents than the Fortune 500? With more women role models in the franchising C-suite, do women feel more confident pursuing growth opportunities in the franchise space? Most franchise systems are not as large as Fortune 500 companies. Do these smaller, entrepreneurial companies have greater agility and ability to break down the stereotypes and institute cultural infrastructures and management who enable women to ascend?

As women, we are well aware that having mentors and mentoring other women, sharing our stories, our challenges, our best practices and learning are all critical to shifting this disparity to some form of a level playing field. I believe we can cautiously say that the future looks bright for additional female leaders in the franchising C-suite. If you have the desire, motivation, skill set, and ability, the CEO office is fair game

—THERESE THILGEN, co-founder and CEO, Franchise Update Media



Franchise update IQ1

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Franchise UPDATE magazine is published
four times annually.
Annual subscription rate is \$39.95 (U.S.)

SUBSCRIPTIONS

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8 CEO Profiles: Rising to the C-Suite

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Cheryl Bachelder, Catherine Monson



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indispensable skill for women
seeking the C-suite

37 Anecdota:

Facts, figures, and ideas
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women in business

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BY KERRY PIPES

PIONEERING SUCCESS

Julia Stewart, DineEquity Chair/CEO, never stops learning

Julia Stewart knows about determination, hard work, and always learning and improving. It's what she's been doing for years, and doing it well.

Stewart's first work experience was during high school at an IHOP, beginning what she calls "a lifelong love affair with the restaurant industry." From the very start, she says, she found it fun, exciting,

and rewarding to "be part of a team that provides people with a warm, hospitable, and enjoyable place where they can find good service and good food." She had found a profession that suited her and would provide a lifetime of reward, both personally and professionally. Over the years, Stewart has worked with brands including Taco Bell, Burger King, Carl's

Jr., Black Angus/Cattle Company, and Spoons Grill & Bar, earning a reputation for making smart decisions and repositioning brands for success.

She's also been a pioneer. She was the first female CEO of IHOP, where she implemented significant strategy shifts that invigorated the brand, strengthened its franchising position, and improved the company's financial performance, more than doubling system-wide sales. She also served as president of Applebee's.

In 2007, she spearheaded the merger of Applebee's Neighborhood Grill & Bar and IHOP restaurants into a new company called DineEquity. After establishing DineEquity, she used a similarly focused, consumer-centric strategy to restore Applebee's to the leadership position in casual dining. Today DineEquity franchises and



SYSTEM-WIDE REVENUE: \$7.3 billion
(year-end 2013)

NO. OF UNITS: 3,653; 2,009 Applebee's
(1,986 franchised, 23 corporate), and 1,644
IHOP (1,634 franchised, 10 corporate), as of
9/30/14

INTERNATIONAL LOCATIONS:
Applebee's, 147; IHOP, 71

PUBLIC OR PRIVATE? Public

GROWTH PLANS (1, 3, 5 YEARS): We are focused on building on the iconic status of each of our brands through our culture, brand equity, and positioning, providing quality to our guests, and development. As the only restaurant company with two number-one brands (IHOP in family dining and Applebee's in casual dining), one of the tenets of our plan for continued growth is innovation—in our menu, guest experience, and our restaurants, domestically and abroad.

YEAR FOUNDED: IHOP 1958, Applebee's 1980. Following the acquisition of Applebee's in November 2007, the company was renamed DineEquity, Inc., effective June 2, 2008.

BEGAN FRANCHISING: IHOP 1960, Applebee's 1985

YEARS WITH COMPANY: 16-plus years with Applebee's and IHOP, the past 13 as CEO of IHOP/DineEquity

YEARS IN FRANCHISING: 30-plus

operates more than 3,600 restaurants in 18 countries under the Applebee's and IHOP brands, with more than 400 independent franchisees and 200,000 employees.

Stewart is a founding member of the Women's Foodservice Forum, an industry organization dedicated to the development and advancement of women—an important cause to her. When reflecting on her own career, she acknowledges there was “a certain amount of stereotyping,” but adds “success depends on having the most capable person in every position.”

Stewart believes women can rise to the top by believing in themselves, always improving, listening, guided by a set of values, being inclusive, and being dedicated to learning every day. “Leadership is blind to race, age, sex, and religion. If you are capable, and you help your people develop, you will not only be seen as a leader... you really will be a leader.”

How did you rise to the top? Determination, hard work, and always improving. I've learned a lot from watching people succeed, and even more from watching people fail. At DineEquity, we have an incredible team of passionate, bright leaders who are all driven to success. The way they succeed, and what propelled me to my position, is a core set of values—personal and business—that inform every decision and every action on a daily basis. Without those values, I don't believe I'd be where I am today, and I don't believe Dine would be the only company in the restaurant industry with two number-one brands.

What did your career path look like? My very first experience in the restaurant industry was a job as a server at my local IHOP during high school, which began a lifelong love affair with the restaurant industry. I found it fun, exciting, and extremely rewarding to be able to be part of a team providing so many people with a warm, hospitable and enjoyable place they could come to find good service and good food. And all these years later, I still do. One of the main elements that I liked then, and I love now, is the daily feedback from guests, our franchisees, and team members. After college, I worked my way through virtually every department and function in the industry, starting in marketing, then

operations and restaurant management, general management, and more for some of the strongest brands in the business.

Was becoming a CEO/president always part of your plan? I always knew I wanted to be a leader, to be accountable. My father used to tell stories about how I'd organize the kids on the block, so it is somewhat a part of my DNA. Loving this industry as I do, I could make a valuable contribution toward leading a company to fulfill the very best it has to offer. But I also realized I had to prepare and work at learning everything I needed to know. That's why, after many years as a marketing executive, I left and took a job as a general manager in a restaurant so I could learn the operations side of the business. Admittedly and as full disclosure, I was on the fast-track program at the time. In retrospect, while a bit of a risk and maybe not logical to some as a career move, it was invaluable to me.

Did you have a mission statement for your business life? While I can't say that I have a specific mission statement, I definitely have had a number of statements, goals, and values that guide my decision-making and how I go about my business on a daily basis. Chief among these is a set of what I call “life goals.” Since the start of my career, I've defined, recorded, and referred to a set of goals on a yearly basis. These haven't always been the same, as they have evolved along with my career. Additionally, I have a core set of values that are important to me, and even more importantly, that are in line with the values we have at DineEquity and our brands. From a “mission” perspective, it all has to do with the guest. We want to provide every guest, every day (nearly 2 million per day around the world) with the best possible experience every time they visit.

How did you prepare yourself and set goals that led you to the C-suite? I worked in all aspects of the industry to ensure that I was well prepared to lead in all areas, not just marketing, where I started, or operations, where I spent a good deal of time. I've always prided myself on learning from others, good and bad, and learning

from situations. That helped prepare me to run a company.

When and where did you gain leadership experience/knowledge? As I mentioned, leadership came to me early in life, and I've built on that throughout my career. The breadth of my experience in all facets of the restaurant business is key to my ability to lead, as is surrounding myself with the best available talent, which we have at DineEquity. I've watched and learned from some great leaders, and some who weren't so great. At times, I learned more about “what to do” from seeing “what not to do”!

What leadership examples did you learn from? I don't particularly subscribe to one philosophy or one example of leadership. Instead, I think I've learned best by watching those around me who lead by example. There have been a number of people I've encountered throughout my career who have shown me the importance of communication throughout your organization, at every level, and how critical it is to the success of your business to foster an atmosphere where people can feel empowered, valued, and involved. Those were great lessons. Most important, I'd say I never stop learning. I am fortunate to have the opportunity to be around great business and leadership minds at various conferences and through board involvement, my direct reports, and our DineEquity team members, so I keep learning every day.

How did you benefit from networking? As I mentioned, I have opportunities throughout the year to engage in discussion with some of the best business minds around, so while I wouldn't specifically say that's “networking,” it certainly is a positive in my business life. Having been associated with a number of great brands before joining Applebee's, then IHOP, and ultimately to the formation of Dine, I've been around some of the industry's best and brightest, which is always a good thing.

What role, if any, did mentors play in your career? How have they helped you? I have been fortunate to have some wonderful mentors, both male and female.

One of my main mentors in this industry was a man named Bob Leonard who started in the restaurant industry when he was 14 and spent his career at both IHOP corporate and as a franchisee, so he knew this industry backwards and forwards. Bob was a generous, kind man both in his personal life and professional life and always willing to offer his perspective and share his experience. He was very encouraging and supportive and, equally important, frank and honest with me and everyone around him. I learned a tremendous amount from him about the business and how to treat people, and I've tried to pay that forward. Bob also made time to give back to his community and support charitable organizations, and I've tried to emulate that as well. I miss him very much.

Are you now mentoring others? While not a formal mentor, I spend time with virtually every member of our leadership team on a monthly basis. What's important is that our discussions aren't just about running the business, they are about where we are taking the business—together—and how I can help them grow and develop to lead *their* teams and see them develop. I believe developing leaders is one of the most important things I do. In addition to the internal folks I'm able to help develop, I also have the opportunity, from time to time, to work with leaders from the non-profit organizations and for-profit companies where I am a board member, as well as women and men in the industry I have met through the Women's Foodservice Forum.

What communication skills helped you reach the top? Listening is probably the most important communication skill I possess, and one that I emphasize with my team. My style is inclusive, and you can't be inclusive without listening. We have bright people leading our company, and the best franchisees in the business. All of them have important, valuable things to say, so listening is key. With that said, it is equally important that I have the ability to clearly state a vision, direction, and strategy, that the audience—be they our Dine team, franchisees, shareholders, vendor partners, or the media—quickly understands, both the message and the reasoning.

What other skills were important? All of them! Seriously, the role of the CEO in today's business world is so diverse and so quick to evolve that it is hard to define a specific skill set. I've mentioned having a core set of values that drive and guide my decisions: listening, building a great team, and being inclusive. All of those are important, but the most important to me is to learn every day, whether it be a new skill, more about your people, or how to thrive in a world driven by social media.

Did you encounter stereotypes/sexism, and how did you overcome that?

While there isn't anything specific I'd point to, there was a certain amount of stereotyping in my career, and I'm sensitive to that. But while I faced that, and I'm sure others have as well, the principle that guides me is that, as CEO, my success depends on having the most capable person in every position. And with that as your standard, you will automatically have diversity, which counters any stereotyping by resulting in success.

Do you think women bring a different approach to leadership? How?

I don't think so. Leadership is blind to race, age, sex, and religion. If you are capable and you help your people develop, you will not only be seen as a leader, you really will be a leader.

What are the biggest mistakes you see female leaders make? Leaders make mistakes, be they male or female. What I would say to a female leader looking for advice is to believe in yourself and your abilities (while continuing to add to and improve them). Don't let a fear of being perceived as pushy or aggressive stop you from speaking your mind and giving your opinion (provided it's well thought-out). Conversely, don't let the fear of being perceived as passive keep you from listening, really listening.

Can you have a family and a career at the top? Absolutely, and I do, but it doesn't come without having a great partner at home (which I have in my husband) and discipline. Certainly I am fortunate to have the means to have help, and there are many times when I'm getting on a plane

that I'd much rather be at home, but it's all about "harmony," focus, and sticking to a schedule—along with having that great family support.

What does it take for a woman to become a CEO in franchising today?

All the things I've said here, and more. You have to have passion for whatever you are going to do, in franchising or any other form of business. You have to listen, you need to adhere to your values, and you always need to learn.

What's at stake if women continue to be underrepresented in the C-suite? If you see this as a problem, please explain.

There are great leaders who are already becoming the next generation of C-suite executives. Lots of them are female. As I said earlier, if companies focus on having the most capable person in the right position, it is inevitable that females will be fairly represented. With that said, I think it is incumbent on all leaders, CEOs and at other levels, to ensure that the recruitment process—internally and externally—is representative and inclusive of all groups.

Are you doing anything to help the next generation of women become franchise leaders?

I was one of the founders of the Women's Foodservice Forum, a group I think is doing more for the next generation of female leaders in our industry than any other. I'm extremely proud of my association with that group and the work they are doing.

What advice would you offer women seeking the C-suite?

Hopefully, everything I've said here clearly states what that advice would be: believe in yourself, always improve, listen, be guided by a set of values, be inclusive, and learn every day.

What would you like your legacy to be?

Certainly the creation of DineEquity and the iconic—and number one!—status of both Applebee's and IHOP will stand as a big part of the "Julia Stewart Story." But what's truly important is that the team I lead continues to grow, thrive in business, is driven by values, and takes DineEquity to the next level. ■

BY HELEN BOND

SHATTERING STEREOTYPES

Dina Dwyer-Owens, co-chair of The Dwyer Group, lives R.I.C.H.

Ask Dina Dwyer-Owens, co-chair of The Dwyer Group, about obstacles to the top for women, and she is quick with a suggestion: talk less about the proverbial glass ceiling and do more to encourage women to shatter their own

self-doubt to compete.

“We, as women, are the biggest problem—the way we think, the way we talk ourselves out of what we are capable of,” says Dwyer-Owens. “We have made the glass ceiling a problem for women, because

we keep talking about it. It drives me nuts.”

As leader of one of the world’s largest service brand franchisors, with \$1 billion in annual system-wide sales, Dwyer-Owens is doing her part to change the dialogue, break down stereotypes, and bring more women into the trades.

“What women know who join our company is that you are going to be treated with the same level of respect as men,” she says. “If you are the best person for the job, you are going to get the job.”

Dwyer-Owens didn’t have time to question her own path to the top of the Waco, Tex.-based company, founded in 1981 by her father Don Dwyer Sr. with the Rainbow International brand. At the time, she was running the group’s real estate company and working closely with her father when he died at 60 of a sudden heart attack. That was Dec. 4, 1994, and his vision ran deep through company, which he had taken public the year before. When the board needed someone to grow the business and maintain her father’s Code of Values culture, stakeholders turned to her. At 35, Dwyer-Owens, his third child and youngest daughter, was always the one most drawn to the business, which she knew from the ground up.

Like all her siblings, Dwyer-Owens grew up learning by doing. At 13, she pumped gas and sold polish waxes at the family business, the first full-service car wash in



SYSTEM-WIDE REVENUE: \$1 billion

NO. OF UNITS: 1,735 (1,700 franchised, 35 corporate)

INTERNATIONAL LOCATIONS: 250

PUBLIC OR PRIVATE? Private

GROWTH PLANS (1, 3, 5 YEARS): \$1.15 billion, \$1.35 billion, \$1.55 billion in system-wide sales

YEAR FOUNDED: 1981

BEGAN FRANCHISING: 1981

YEARS WITH COMPANY: 32

YEARS IN FRANCHISING: 32

Waco, located on I-35 between Dallas and Austin. “He raised us, training us how to be great leaders,” she says. “That is what he did really well.”

Don Dwyer also taught his daughter that she could achieve anything she believed, if she worked hard enough. She admittedly lacked experience, but knew what customers wanted because she *was* the customer. She promised to step down in six months if she couldn’t get the job done.

So when a group thought she wasn’t right for the job, Dwyer-Owens went straight to the “ringleader,” the largest Mr. Rooter franchisee. “I had to go deep within my soul and say, ‘Why do I believe I can do this—and how am I going to help this guy understand I need to be given a chance?’” she recalls. “This was my father’s baby and there were too many jobs at stake and the livelihood of too many franchisees that could be hurt,” she says. “He became my best cheerleader, a true champion of mine.”

These days, The Dwyer Group, which went private again in 2003, operates eight service-based franchise companies, including the January acquisition of Five Star Painting, a commercial and residential painting franchise with 77 locations in the U.S. and Canada.

Dwyer-Owens credits her internal team and the support and advice from franchising leaders for helping her lead the company successfully after her father’s untimely death. Since taking over, she has grown the portfolio of brands, formally cemented her father’s vision with an operational Code of Values, and even sported the tools of the trade on the CBS show, “Undercover Boss.” That experience inspired the formation of Women in the Trades, an initiative to educate and encourage women to enter service industries as owners and front-line service professionals.

In 2014, Dwyer-Owens transitioned from day-to-day operations to co-chair, to focus on acquisitions and promoting the values of the company. Her sister Debbie Wright-Wood continues to serve as chief administrative officer and secretary. Her other siblings, while not involved in operations, remain company owners.

She is passionate about her efforts to encourage all women—and men—to be the best version of themselves and is particularly inspired by her daughter Dani,

24, who successfully opened a business last year. She sees a bright future for women leaders who work hard, do their homework, and approach their lives and careers with confidence.

“Get past whatever is holding you back,” says Dwyer-Owens. “Most of that is seeking help, getting help from encouragers, and still others to give you the hard truth about what you need to do to get there.”

How did you rise to the top? Like all of my brothers and sisters, I grew up working in the business. It started with summer jobs, then jobs after school, then full-time positions in sales and training. For me, it meant ultimately serving as president and CEO, and now co-chair. We learned from the best, our father Don Dwyer Sr.

What did your career path look like? See above.

Was becoming a CEO/president always part of your plan? It wasn’t the plan for me to assume the role as early as I did. But the unfortunate death of our father put me on a fast track to learn the business at a high level, first as vice president of operations and then as leader of the company.

Did you have a mission statement for your business life? Yes. It would be the same as the company’s mission and vision statements, which I fell in love with as a young person in my 20s. I remember standing beside my father at one of our conventions when we had fewer than 50 franchisees and one franchisee approached us, almost in tears. He thanked my father for providing him the opportunity to pursue and fulfill his personal dreams. That was a direct reflection of my father’s mission for the company. Our vision is to be a world-class company admired for excellence that the customers, franchisees, and associates experience with The Dwyer Group. And our mission is to teach our principles and systems of personal and business success so that all people we touch live happier and more successful lives. Those two statements evolved to become all about my mission to “Live R.I.C.H.,” which promotes the themes of the Code of Values we follow: Respect, Integrity, Customer focus, and Having fun in the process.

How did you prepare yourself and set goals that led you to the C-suite? I am a proponent of mentoring, which includes being mentored and mentoring others. I looked to the IFA for peers and leaders I could learn from. I embraced associations like Strategic Coach to help me evolve and sharpen my executive skills. I also followed, and continue to follow, a form of goal-setting that I share with anyone who joins the company. I teach a course called Design Your Life that includes outlining professional and personal goals so you can realize your biggest dreams. That same practice led me to the C-suite and beyond. And as co-chair, I continue to set goals for myself.

When and where did you gain leadership experience/knowledge? It all began with my father telling me that I could do anything in life that I wanted to, if I was willing to put in the effort. As funny as it may seem, I had a goal to be a cheerleader in high school, and that served as a basis for leadership training to include everything from managing a team of cheerleaders to sales (fundraising projects). I have to give credit to the IFA for the peer-to-peer support, the knowledge sharing, and the ongoing best practices and workshops that benefit us as practitioners. Likewise, I have learned a great deal from Strategic Coach, which helps top executives work smarter and not necessarily harder.

What leadership examples did you learn from? I credit my father for his entrepreneurial drive and his strong belief in his Code of Values to grow a business. I credit my mother for her nurturing and love of those around her that taught me to be a compassionate and caring leader. She also grounded me in my faith. I rely on the good Lord every day to provide me with the wisdom and confidence to do what I do in any leadership capacity.

How did you benefit from networking? We are a compilation of those we interact with, and I have always benefited greatly from leaders within the franchising community, the church community, women in business organizations, and more. Together, that helped me understand how to grow and lead a franchise community, how to remain grounded in my faith as a corner-

stone for my personal strength, and where to learn from and tap into other talent that has benefited both The Dwyer Group as an organization and me as a leader. Much of what I have learned over the years has come from my own team.

What role, if any, did mentors play in your career? How have they helped you?

Mentors have played a great role in teaching me how to lead, how to grow a team, how to delegate, and how to be a constant student of business and of life. My mentors started with my late father and my mother. My father would have all his kids listen to leadership and motivational tapes, and then quiz us on the information. Little did I know at the time how important that was as a first step to all of the business lessons he would give us. My mother also continues to inspire me to this day for her unconditional love of those around her. She taught me—and all of my brothers and sisters—the strength of family and togetherness. I have also learned from others in the franchising community. For instance, Fred DeLuca, founder of Subway, became an inspiration for his ability to grow an idea by sharing that idea. There is also Ken Blanchard, author of the *One Minute Manager*, who has shown how to be true to yourself and your organization. I sit on his Lead Like Jesus board and am reminded regularly about the importance of balance for faith, family, and business.

Are you now mentoring others? I do mentor others. I teach the Design Your Life class to all associates and franchisees who join the company. I also started the Women in the Trades program at The Dwyer Group, which helps promote careers for women across the service trades. The program also gives scholarships to women wishing to pursue higher education in one of our service trades at accredited programs across the U.S.

What communication skills helped you reach the top? I've always called myself the head cheerleader of The Dwyer Group, because I love cheering on our team. I was a cheerleader in high school, and I have embraced the skills of rooting for your players (family, friends, franchisees, and more) ever since then! I also cherish

our Code of Values. And I knew that the integrity and strength of our organization across our service brands had its foundation in our values. Sharing and promoting those values has always been a top communication priority for me. That began when we evolved as a company, after the loss of our founder. His Code of Values was near and dear to him, and was integral in growing our company since its inception. Our leadership team took those values and developed them into an operationalized Code of Values, which provided clear and measurable guidelines for how we wanted to lead and to live throughout our organization. Once those goals were reworked to follow the Live R.I.C.H. theme, I made that a core message in all that I did and shared. But growing an organization makes it tough to share a message face-to-face with everyone. That's when I wrote *Live R.I.C.H.*, which has become a calling card for The Dwyer Group. The book has been shared with audiences around the country and across the globe and has evolved into speeches I have been invited to give to organizations large and small. I consider this message, and my ability to communicate it, a skill that has helped me achieve my goal to share great things with those around me.

What other skills were important? The ability to grow a great team is immeasurable. The company is not successful because of me—or any one person—alone. We have a successful organization because we have a great team of people. Finding and hiring exceptional people who believe in our mission, vision, and values has made us who we are today. And delegating to those people to excel where they are the strongest makes us exponentially greater. Another important skill is our overlooked ability to be a good listener. Great leaders are not only invested in leading or dictating. The best leaders are also great listeners. I am regularly inspired by what I learn from others that would not be possible if I didn't have a friendly ear. Last, I like to borrow a value from my father that we must “re-earn our position every day in every way.” That statement goes a long way toward achieving the respect and loyalty of those around you.

Did you encounter stereotypes/sexism, and how did you overcome that?

I had my skeptics in the beginning when I was first named to lead the company. There was even a group of franchisees that met and took a straw poll, voting no confidence in my ability to do the job. I addressed it head-on. I simply asked for a fixed amount of time to prove to them that I could do the job. And once that time had passed those same people became some of my biggest supporters. I also overcame any sexism by focusing on my strengths and what I could bring to my position that would be advantageous to everyone in the organization. It's what I coined the “Mrs. Jones Perspective.” I discovered that I may not be a plumber, an electrician, a glass installer, an HVAC service professional, or any other trade professional on the front lines of our business, but I am the target customer: the woman of the house in the majority of more than 2 million service calls our brands make each year. And her opinion matters. With that approach, and the customer focus in our Code of Values, the perspective has been embraced across our entire franchise family. As for the skepticism I first met on the job, I am happy to say that it was all short-lived. That was then and this is now. In fact, you can look across all our service brands and find women in incredibly prominent roles today, each with an impressive track record. I think the stereotypes continue to fade with each passing day.

Do you think women bring a different approach to leadership? How?

Women bring a nurturing quality that can be so beneficial to an organization. We instinctively care for our business like we care for our loved ones, with compassion. That doesn't make us incapable of tough choices. We just have a different approach and an emotional connection to things that can work for the good of the organization. This is true for our service brands as well, where we are seeing female service professionals (plumbers, electricians, and more) highly commended on the front lines of our business. They are embraced by the woman of the house, our target customer, for their ability to do the job while breaking down the stereotypes of our trades.

What are the biggest mistakes you see female leaders make? I think women often want to portray how they think a

man would lead in order to get it right or be perceived as capable. But that's not the key to success. I like to think that you have to be your true, authentic self to be the very best leader. Embrace your strengths and acknowledge your weaknesses. I have found that surrounding myself with team members who complement my weaknesses also helps to strengthen my leadership skills.

Can you have a family and a career at the top? I have a wonderful husband and an incredible son and daughter who are proof that you can, in fact, have both a career and a family. That's not to say it's easy. But it is important to prioritize and not miss out on things you can never go back and do over.

What does it take for a woman to become a CEO in franchising today? I think it's the same for a woman or a man. You must be capable. You must have the support and trust of your team. You must be a good communicator. And you must

value a win-win equation: that success for a franchisor is reflected in the success of its franchisees and vice versa.

What's at stake if women continue to be underrepresented in the C-suite? If you see this as a problem, please explain. I think progress, albeit gradual, continues for women in the C-suite. And I am optimistic that those advances will continue to reflect successful advances, likewise, for the organizations they lead.

Are you doing anything to help the next generation of women become franchise leaders? We have done that here not simply to promote women, but to attract the very best qualified leaders. There is Mary Thompson, president of Mr. Rooter and the executive vice president of The Dwyer Group, who is an incredible leader and visionary. There is also Mary Kay Liston, president of Five Star Painting, our latest acquisition. She was previously vice president of operations for Mr. Appliance,

another of our brands. We also have Debbie Wright-Hood, our chief administrative officer, and Pam Harper, our vice president of marketing. That's just at the executive level. We also have had incredible success in promoting our Women in the Trades program to communicate career opportunities across our service brands, at both the front-line level for our services and as franchise owners capable of running the business.

What advice would you offer to women seeking the C-suite? Seek out mentors and leaders you admire. Study them closely. Learn from those who have gone before you.

What would you like your legacy to be? I want my message "Live R.I.C.H." to provide a lasting and meaningful statement for others, so that more people realize the true benefits of living and leading a values-based life for themselves and for their businesses. As Peter Drucker once said, "Culture eats strategy for breakfast," and I agree. ■

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BY KERRY PIPES

EQUAL OPPORTUNITY MENTOR

Catherine Monson, Fastsigns CEO, has always aimed for the top

Catherine Monson is CEO of Fastsigns International, the sign and visual graphics franchise with more than 570 locations in the U.S., Canada, U.K., Brazil, Mexico, Saudi Arabia, the Caribbean, and Australia. She's been at the helm of the brand since coming on board in 2009. Her desire to run a company goes back to her teen years, and she has compiled a long and successful track record as a franchise and business leader.

"Since I was in junior high school, being a CEO was always what I wanted to do," says Monson, who worked alongside her father in the family business during her childhood. Following a couple of quick jobs after college, she found herself working as a franchise sales coordinator at Sir Speedy Printing in 1980. She worked her way up to group vice president of marketing and

training before spending two years in Europe overseeing operations there. In 1999, she moved to PIP Printing where she was president for nearly a decade before receiving a call in the summer of 2008 from Roark Capital, which owned Fastsigns at the time.

"They said there was an opportunity to lead one of their brands," she recalls. "When I asked where and was told 'Dallas,' I laughed and said 'No way I'm leaving Southern California for Dallas!'" Six months later she was leading Fastsigns as its CEO. She says the event reinforced for her to "Never say never."

The past five years have been a great ride for Monson. Even with the sale of Fastsigns, from Roark Capital to Levine Leichtman Capital Partners last year, she's remained focused and dedicated to making the brand excel. Fastsigns saw system-wide

sales rise to \$390 million in 2014 and comp sales rise more than 10 percent from the previous year. Her current five-year plan calls for 790 locations (from 570 today) and more than \$640 million in sales by 2018.

She bristles a bit when asked about being a female CEO in an historically male-dominated business world. "I don't think it matters if you're male, female, black, white, only have one leg, or have two legs," she says. "You just make the most of what you've got." She acknowledges that she has faced obstacles along the way, but says that just made her work harder and smarter than the proverbial next guy. "You just keep building your knowledge and competency," she says, "and work your way to the top."

That dedication and work ethic explains her selection as the 2009 IFA Bonny LeVine Award winner. The annual award recognizes a female franchisor for her demonstrated ability in franchising through contributions to the growth of the business; contributions to her community through board positions, volunteer work, and activities that promote the professional advancement of women; and her contributions as a mentor to women in franchising. She also was honored by the *Dallas Business Journal* as one of the Top 25 Industry Leaders in the publication's annual Women in Business Awards.

Catherine Monson aimed for the top... and made it.



SYSTEM-WIDE REVENUE: \$390 million (2014)

NO. OF UNITS: 570 franchised locations

INTERNATIONAL LOCATIONS: Canada, 25, 39 in other countries

PUBLIC OR PRIVATE? Private

GROWTH PLANS (1, 3, 5 YEARS): 2015: add 60 locations and achieve \$450 million in system-wide sales; 2018: 790 locations and \$640 million in system-wide sales.

YEAR FOUNDED: 1985

BEGAN FRANCHISING: 1986

YEARS WITH COMPANY: 6

YEARS IN FRANCHISING: 20-plus

How did you rise to the top? From a young age, I knew that I wanted a career in business and that I someday wanted to run a company. Being the CEO has always been my goal. I've consistently put myself in situations to get the work experience to continue to build my resume. I've looked to improve my management skills, critical thinking, and strategic thinking skills. I wanted to ensure that I was doing something every day toward fulfilling the goal of getting to the C-suite. I read business books to build management knowledge. I volunteered for new and incremental assignments wherever possible. I have served on volunteer boards to generate incremental experience.

What did your career path look like?

After graduating from Pepperdine University, I accepted my first job with Fluor Engineers and Constructors. Next, I worked in purchasing for Beckman Instruments where I handled contracts and negotiations. Then I worked as sales coordinator in the franchise sales department of Sir Speedy for one year and was quickly promoted to western operations manager. My responsibilities included opening new centers as well as handling purchasing, inventory control, and shipping. After a few years in this management role, I accepted the position of vice president of franchise development for Sir Speedy. I moved from this role to vice president of training and communication, working to motivate franchisees and implement sales and marketing programs. Later, I was promoted to group vice president of marketing and training. When Sir Speedy acquired MultiCopy Europe, I became managing director of the organization in Amsterdam. In 1999, I became the president and COO of PIP Printing and Document Services when I accepted the challenge of transforming the PIP franchise network. In 2009, I joined Fastsigns International as CEO/president. I was selected by the private equity firm that owned Fastsigns to replace the founder of the company.

Was becoming a CEO/president always part of your plan? Absolutely. Since I was in junior high school, it's always what I wanted to do. I spent time during my childhood working alongside my father in our family business. Some people wanted to be a marine biologist or a nurse—I wanted

to be a CEO or head of a company. I'm a big believer in goal-directed behavior and I've made sure that I was consistently doing things that helped me achieve that goal.

Do you have a mission statement for your business life? It's simple: Make a positive difference every day!

How did you prepare yourself and set goals that led you to the C-suite? Early in my career, I attended a seminar where Zig Ziglar taught a 7-step goal-setting and achieving formula. I have worked to consistently implement that formula as well as teach it to other people. Setting and achieving goals can take time, but I've learned that setting goals properly and implementing the 7-step goal-achievement process can lead to great rewards and payoff. Ziglar taught me the importance of stating the goal and setting a timeline or deadline. By identifying the obstacles, you can figure out ways to overcome them. Identify people who can help you achieve your goals, including mentors. Determine the benefits of achieving your goals and determine the skills needed and then develop them. Once you know your goals, develop a plan of action and when you want to achieve them. It's critical to schedule time for working on your goals.

There are several required key competencies for success in the C-suite. I worked consistently, with a plan, to develop those competencies. They include driving for results, building high-performance teams, acquiring and developing outstanding people, communication and interpersonal skills, leading and managing change, and vision and strategic focus. I worked to develop and improve my skills in each of these areas. This process works for any type of goal, personal or business.

When and where did you gain leadership experience/knowledge? Throughout my career, I have accepted positions of increasing management scope. I gained leadership experience in franchising and printing early in my career. During my first supervisory position, I managed field-based franchise opening reps in the western half of the U.S. As a young woman, I needed to prove my competence quickly. The staff I inherited was all male and decades my senior. I demonstrated the ability to lead,

direct, and motivate teams and to develop sound processes. Later I led training initiatives. I became an integral part of the Sir Speedy management team that helped to grow the company.

The opportunity to manage a European operation, MultiCopy Europe, provided excellent leadership development. Leading and motivating European employees (we had operations in the Netherlands, Austria, and France) can be challenging with the work and labor laws there. I had to develop my consensus-building and motivation skills. It was a priceless opportunity.

In 1999, when presented with the opportunity to lead PIP Printing, which had been a franchise brand in decline with an 85 percent non-renewal rate, I savored the opportunity. With 65 percent of their franchise agreements coming up for renewals in 2001 and 2002, I focused on improving substantive franchise support, improving the marketing and advertising, and creating a results-oriented accountability culture at the corporate office. Franchisee satisfaction increased dramatically and we achieved an 85 percent renewal rate in 2001 and 2002.

What leadership examples did you learn from?

I've been blessed with many mentors throughout my career. The most significant leadership example and mentor is Don Lowe, CEO of Franchise Services, Inc. I worked for Don for more than 20 years and benefited greatly from his coaching and constructive input. I've also admired and learned from several other leaders I've known personally, and have benefited from reading many biographies and autobiographies of great leaders. I admire Julia Stewart of DineEquity because of her focus and drive, and Rudy Giuliani, who wrote the book *Leadership*. Examples of great leaders include Jack Welch, former CEO of General Electric and the author of *Winning*. Other favorite leadership books include *The Truth about Leadership* by Barry Posner; *Good to Great* by Jim Collins; *The 7 Habits of Highly Successful People* by Stephen Covey; *How to Win Friends and Influence People* by Dale Carnegie; and *Wooden on Leadership* by John Wooden. I also benefit today from friendships (which include mentorship) from folks including Shelly Sun, Barbara Moran-Goodrich, Dina Dwyer-Owens,

and Mary Kennedy Thompson.

How did you benefit from networking? Throughout my career, I've been very active in the IFA, including the Women's Franchise Network, and I'm active on many committees. I serve on the IFA board and have benefited from the great network of people there. The key is to serve and get involved.

What role, if any, did mentors play in your career? How have they helped you? I've been blessed with many mentors during my career, and I've worked to implement their advice in my experience. From my very first job at Fluor, where I worked for six months, I developed a mentor. At Beckman Instruments, I spent three years in purchasing and worked with the vice president of manufacturing as my mentor. For more than 20 years, my mentor was Don Lowe, CEO of the multi-brand franchising company Franchise Services, Inc. Today, I benefit from several close friends and mentors including Shelley Sun, CEO of BrightStar Care, Barbara Moran-Goodrich, CEO of Moran Family of Brands, and David Barr, fellow IFA board member. By working with mentors, I have improved and developed essential management skills. My mentors have coached me through specific individual challenges as well as inspired me.

Are you now mentoring others? I mentor several individuals at this time. I receive requests from people for mentoring through public speaking engagements for the IFA. Often, I am asked for guidance by people in franchising who seek specific, short-term guidance. I also mentor people within Fastsigns International and have some long-term mentoring relationships outside of the company.

What communication skills helped you reach the top? I believe that strong public speaking skills are critical for effectively attaining and maintaining a C-level position in any business or organization. You must have effective written and interpersonal communication skills to communicate your vision for the company. You need to have good listening skills and understand how to set and achieve goals. The ability to motivate others is also important.

What other skills were important? I believe there are many important skills to help you reach the C-level. You need to be a great leader and strategic planner. It's also helpful to have financial acumen. I think you should be able to delegate to others and identify the strengths of your organization. I believe you need a positive mental attitude to keep your motivation and spirits up in order to motivate and inspire your team. You need to be great at inspiring people to focus on and achieve goals.

Did you encounter stereotypes/sexism, and how did you overcome that? Of course I ran into some sexism. My response was to work harder and longer than any of my competition. I never stopped learning and taking personal responsibility for increasing my skills and competency and winning through sheer determination. One of my favorite sayings is, "Life isn't fair. Fair is two weeks in the summer with cotton candy and a midway." Life isn't fair, and we just need to get over it and move on.

Do you think women bring a different approach to leadership? How? I do not want to fall prey to gender-based stereotypes and I'm not going to make a blanket statement. I think that diversity in leadership is always a positive. A business or organization can benefit from different viewpoints. While women in general might excel in softer interpersonal and management skills, many women don't. Therefore, I will not make a generalization.

What are the biggest mistakes you see female leaders make? This is my personal opinion. I do not believe you can have it all. I chose to have a successful career. I chose not to have children. There may be women who are smarter, more organized, and more capable than I am, but I've only found 24 hours in the day. I think trying to have it all sets you up with failure at some point.

Can you have a family and a career at the top? We often hear about the gender pay gap. I haven't experienced that in my own career. However, I never took time off to have children. I always gave 60 to 80 hours per week or more in my career. Most

women don't place their career at the same priority as I did. If men take off work to be the primary caregiver to their children, they likely face the same issue.

What does it take for a woman to become a CEO in franchising today? Whether a woman chooses a career in franchising or not, it doesn't make a difference. You must understand your industry, be the best at what you do, and work harder and smarter than those around you to succeed and rise to the C-suite.

What's at stake if women continue to be underrepresented in the C-suite? If you see this as a problem, please explain. Although more women are entering the C-suite, they are still under-represented. I believe that if a woman puts in the hours of time, effort and learning, she will get there. I truly believe this.

Are you doing anything to help the next generation of women become franchise leaders? I'm mentoring lots of folks, but I'm an equal opportunity mentor. I've had just as many male mentees as female mentees. I enjoy mentoring people who are looking to grow in their career, and I don't limit that based on gender.

What advice would you offer to women seeking the C-suite? Study your industry to ensure that you are aware of the trends that are changing. Enhance and develop your leadership and management skills and competencies. Develop your strategic planning skills and consistently work at increasing your experience and knowledge. Step up for incremental work and special projects. Become active in your industry trade association. Volunteer for committee or public speaking roles. Work smarter and harder than your competition.

What would you like your legacy to be? I want to make a difference in people's lives. What I love about franchising is that I get to help people achieve the American dream to own their own business and to build wealth for their families. This is an amazing way of making a difference in people's lives. I want to be known for making the world a little better place and for touching people's hearts. ■

BY KERRY PIPES

BUILDING MOMENTUM

Cheryl Bachelder, Popeyes CEO, wants to build better leaders



The single word Cheryl Bachelder, CEO of Popeyes Louisiana Kitchen, uses to describe the resurgence of the brand is “momentum.” She says Popeyes is now in its seventh year of positive growth, and its turnaround tale is one she is extremely proud to be part of.

“My background in packaged goods taught me the value of positioning a brand, listening to customers, and keeping things fresh in order to be successful,” she says. “I don’t believe in a brand lifecycle.”

Following a career with packaged goods giants including Procter & Gamble, The Gillette Company, and Nabisco, Bachelder took a leadership position with Domino’s Pizza in the mid-1990s. It was her first foray into the restaurant business and franchising, and it was a case of baptism by fire.

“My first week on the job there was a class action lawsuit filed against us by the franchisees,” she recalls. There were some distribution problems and a general lack of communication, and it all boiled over. Bachelder stepped in and began peeling back the layers. “I found that we had an unaligned relationship with our franchisees. When you are aligned with your franchisees, you can rule the world.”

So she set about asking questions, lis-

SYSTEM-WIDE REVENUE: N/A. U.S. same-store sales have outpaced the chicken-QSR segment for 26 consecutive quarters, and overall QSR for 12 consecutive quarters according to independent data. In 2014, global same-store sales rose 6.2%

NO. OF UNITS: 2,379 total (2,314 franchised, 65 corporate)

INTERNATIONAL LOCATIONS: 509

PUBLIC OR PRIVATE? Public

GROWTH PLANS (1, 3, 5 YEARS): We believe we have the potential to double our domestic footprint.

YEAR FOUNDED: 1972

BEGAN FRANCHISING: 1976

YEARS WITH COMPANY: 7

YEARS IN FRANCHISING: 18

tening, making changes, and rebuilding the franchisee-franchisor relationship by setting up a franchise advisory council, changing the culture, and improving communication. It was a successful experience that helped turn the brand around.

Those same skills came in handy when she joined Popeyes in November 2007. In fact, she says, the changes at Popeyes during the past seven years under her leadership are the proudest moments of her career. “We set about repositioning this brand, measuring customer feedback more closely, and working hand in hand with the franchisees,” she says. As a result, sales are up, franchisee validation is through the roof, and restaurant performance numbers keep rising. “It’s the eighth year of momentum coming up here for Popeyes,” she says. And, she adds, don’t expect it to be the last.

The brand’s global same-store sales growth rose 6.2 percent in 2014, and the company continued its expansion by opening 201 new restaurants, a new milestone. Today, with more than 2,000 locations, Popeyes trails only KFC and Chick-fil-A in the fast-food chicken sector.

Bachelder prides herself not only on being a strong leader, but in helping others to do the same. “My passion is to develop great leaders, both men and women,” she says. Throughout her career she says she has taken notes from observing leaders both good and bad. The result is a personal leadership toolbox filled with tried-and-true skills and techniques that get results.

“The world needs better leaders, and I try to help build leaders who can go on to fill those positions,” she says, adding that it’s important for those in the C-suite to establish and live up to higher standards, be a role model, and have the competency and character to match.

Bachelder recognizes that being a woman in the C-suite today can still have its share of challenges, but says the skill set and knowledge a person brings to the top is much more important than their gender. Female leaders, she says, need to be sensitive to helping other women rise to the top. “By investing in the future female leaders, we can help them be the best they can be.”

Of her own path to the C-suite, she says it has taken a “unique combination

of bravery and humility.” Bachelder likes to quote Jim Collins, who wrote that leaders need “ambition for the enterprise, not for yourself,” in his book *Good to Great*. “Set aside your self-ambition and focus on unlocking the aspirational performance of the organization you serve,” she advises.

And that’s the spirit that has guided Bachelder on her path to the C-suite... where the momentum continues.

How did you rise to the top? My career was a steady path through increasing responsibility, first in brand management roles in packaged goods companies and then in broader general management roles

“We set about repositioning this brand, measuring customer feedback more closely, and working hand in hand with the franchisees.”

in the restaurant industry. My career path was characterized by strong brand and product development skills, partnered with effective collaboration and leadership skills to get work done and produce results.

What did your career path look like?

It began with an entry-level position in brand management at Procter & Gamble. I then gained broad experience and a promotion to brand manager at The Gillette Company and Nabisco. When Nabisco merged with RJR, I was in a position to be promoted to director of marketing in the new entity. My results and willingness to take risks gave management confidence to put me in this role. My capstone position in packaged goods was as vice president, general manager of the Life Savers division of RJR Nabisco. I then paused my career at the birth of my second child. During this time I taught business school classes at Wake Forest University and consulted in new product development for a large food company. Part two of my career has been in leading franchised chain restau-

rant organizations, starting at Domino’s as vice president, build the brand, then as president of KFC, and today as CEO of Popeyes Louisiana Kitchen.

Was becoming a CEO/president always part of your plan?

No. For most of my career, I thoroughly enjoyed marketing and new product innovation responsibilities. I wasn’t sure if I would pursue broader general management. But after sitting in the room as a senior executive at Domino’s, I concluded that I wanted to stretch and learn general management. My first attempt at KFC had mixed results. At Popeyes, I have had the opportunity to lead an excellent team that has produced superior results.

Did you have a mission statement for your business life?

I have what I call a purpose statement: “To inspire purpose-driven leaders to exhibit competence and character in all aspects of their lives.” At this stage of my life, I believe my most valuable contribution is to develop leaders for the future. It is also a rewarding endeavor.

How did you prepare yourself and set goals that led you to the C-suite?

I first prepared with a strong college education, an MBA in marketing in finance with honors. I then chose the very best training company in my field as my first position: Procter & Gamble. This fine company built my skills and gave me a network that has served me well throughout my career. In subsequent jobs, I focused on delivering excellent results in every role I was offered. I volunteered for brand turnarounds and big new product launch projects that gave me new experiences and visibility in the organization. Taking risks is a key part of preparing for senior leadership. Perhaps the biggest risk I took was shifting from packaged goods to retail chain restaurants mid-career. In retrospect, this was an important part of my development. Applying your skills in a new industry builds your capability and proves your agility in leadership.

When and where did you gain leadership experience/knowledge? I learned leadership from several sources.

I grew up under the tutelage of a great leader—my father, Max Stanton. He mentored me until his passing five years ago. I also learned from observing the many leaders I have worked for over the years. I kept a bit of a journal around the traits I deeply admired and the traits I hoped I could avoid. I also have read many seminal books on leadership that have shaped my thinking—the work of Stephen Covey, Pat Lencioni, Ken Blanchard, and John Maxwell have influenced my views.

What leadership examples did you learn from? A brand manager at P&G, John Seeley, taught me many things about project management and product innovation. A leader named Dolph von Arx at Nabisco taught me how to create an exciting, inspired environment for teams. Tom Monaghan, founder of Domino's, taught me the critical elements of operating restaurants. Aylwin Lewis, CEO of Potbelly, was a great mentor during my time at Yum Brands. Aylwin taught me how to manage priorities and develop a diverse group of future leaders.

How did you benefit from networking? I probably did not network as much as I should have in the early years. I was busy getting the work done. But in recent years, I have found networking very helpful. There are so many great leaders who are delightful people in our industry, and I am now much more likely to tap into my network for help and ideas.

Are you now mentoring others? I love to mentor up-and-coming leaders. My primary focus is investing in the future leaders of Popeyes. But each year I mentor someone outside the company, a student, a mid-level leader, or a senior leader. I love to share what I have learned and see the growth in a future leader. It is an honor to serve someone in this way.

What communication skills helped you reach the top? I believe that the ability to message effectively is an essential competency of a senior leader. People cannot follow well unless the leader can crisply articulate the vision for the enterprise—and the expectations for performance. Along the way, I learned to be

a succinct and clear communicator, and that has been essential to my career path. At Popeyes, our Strategic Road Map for Results has guided our communications for seven years and built both understanding and commitment inside our organization.

What other skills were important?

The most important skills are leadership skills—not *what* you are doing, but *how* you are doing the work. A great leader exhibits passion about the work, exceptional listening skills, continuous learning, strong analysis and planning, coaching people, accountability, and the most difficult trait of all: humility. These are the principles we look for in our leaders at Popeyes. We don't ask for or expect perfection, but we ask our leaders to aspire to these traits.

Did you encounter stereotypes/sexism, and how did you overcome that?

Perhaps some small things—the reality that I don't know anything about sports and the awkwardness of being the only woman in the room. I do think people make assumptions about women that aren't accurate: women aren't risk-takers, aren't finance-savvy, aren't comfortable in operations, etc. I dealt with these assumptions by growing my skills in these areas—and demonstrating the capability to my bosses. Today, I am always scanning the conversations at work to make sure we don't make inaccurate assumptions about our diverse leaders.

Do you think women bring a different approach to leadership? How? Actually, I think women are distinctly different from one another as leaders, just as men are. You can see that in the women leaders in our industry. We are not “clones.” We each have our own approach to both the business and the people.

What are the biggest mistakes you see female leaders make? That's easy. Not helping other women develop as leaders. I don't know why that is, but we need to invest in the future female leaders and help them be the best that they can be.

Can you have a family and a career at the top? Yes. But don't expect the choices to be easy. I've often said that be-

ing a working mother is the toughest job in the world. The only way to navigate the difficult choices is to know your personal purpose in this life, to have crystal-clear priorities, to “take one day at a time,” to have a sense of humor, and to have an amazing network of family and friends who help you on difficult days.

What does it take for a woman to become a CEO in franchising today?

To become a CEO, whether male or female, you need a unique combination of bravery and humility; the courage to lead your team to a daring destination worthy of pursuit; and the humility to come alongside the team and help them get to the destination. As Jim Collins wrote in *Good to Great*, “ambition for the enterprise, not for yourself.”

What's at stake if women continue to be underrepresented in the C-suite? If you see this as a problem, please explain.

Basically, if we don't access women in leadership roles, we will be missing the capability of half the population of the world. I believe God created both man and woman to contribute to His plans. The nations who see every person with a God-given unique design and inherent dignity prosper. I'm thankful to live in a country founded on that premise.

Are you doing anything to help the next generation of women become franchise leaders?

My focus for the rest of my living days will be developing leaders. This past year, I wrote a book on my leadership philosophy entitled *Dare to Serve: How To Drive Superior Results by Serving Others*. It will be available in March. I hope to contribute to the narrative of leadership excellence through teaching and speaking on this topic.

What advice would you offer to women seeking the C-suite? Set aside your self-ambition and focus on unlocking the aspirational performance of the organization you serve.

What would you like your legacy to be? I would like to be remembered as a leader who developed some amazing leaders who made a difference in the world. ■

BY HELEN BOND

LEARN AT EVERY TURN

Carin Stutz, president of McAlister's Deli, is a quick study

Carin Stutz, president of McAlister's Deli, considers herself a student of business. If her own success in the restaurant industry is any measure, she's a quick study. And since taking on the role in mid-November, she has been immersed in all things McAlister's.

Discovering a brand's essence is a typical strategy for Stutz, who has built a career by taking the time to study every aspect of a brand, from finance to food to franchisees, to ensure she protects what the customers love and uncovers new ways to make the business better.

Stutz, 58, has spent her entire work life in the restaurant business and brings a passionate, results-driven approach and rich background in operations to McAlister's. "I learned early in my career that you have to be an advocate for yourself," she says. "As awkward and uncomfortable as it is, you have to be able to take risks and put yourself out there."

Before joining McAlister's, Stutz spent a year as president and CEO of Così Inc. Previously, she served two years as president of global business development at Brinker International, where she led the expansion of Chili's and Maggiano's Little Italy worldwide; eight years as an executive vice president of operations at Applebee's; and five years as a division vice president at Wendy's International.

Along the way, she adopted the same learn-at-every-turn approach to leadership. She soaked up advice from mentors and advocates to help grow her career and discover what it takes to get promoted. These days, she frequently returns the favor, reaching out formally and informally to help women reflect on and walk through their own possibilities for advancement. Women, she says, often focus on everyone but themselves, making it harder to define their career path.

NO. OF UNITS: 338 (44 corporate)**INTERNATIONAL LOCATIONS:** None**PUBLIC OR PRIVATE?** Private**YEAR FOUNDED:** 1989**BEGAN FRANCHISING:** 1994**YEARS WITH COMPANY:** Since November 2014**YEARS IN FRANCHISING:** 28

"The interesting challenge that I find with women is that they often do not have good insight or direction on where they want to take their career," Stutz says. "That is something I can't decide for them."

She never lacked ambition, and her own career clarity came early at a gathering of the Women's Foodservice Forum, a leadership development organization that Stutz would later chair. At the time, the group was releasing the results of a membership survey revealing that not one of the 400 participants aspired to be a CEO. On that day, the forum chair pressed her audience with the challenge: "Why not us?"

"That was a pivotal time for me," says Stutz. "I sat there in that meeting and said, 'Why not me?'"

Having established her credentials in operations, Stutz set out to pave her road to the C-suite by honing her financial skills, forming a finance committee at Applebee's to think creatively about how businesses invest their money. Each week the group of investor relations, finance, and marketing members put themselves in the shoes of a CEO or CFO of a publicly traded company (typically a competitor or vendor) to answer one question: What would you do with the cash?

"It was a really interesting exercise to make you think more broadly about running the business," she says. "It created opportunities to speak and learn the language, and because of that, I ended up on the investor relations team." And to think Stutz thought she would become a dentist.

Growing up in Aurora, Ill., her family did not have "a lot of means," but her parents were her first mentors "who taught us never to see obstacles." Aurora was also the place she would meet Rodger Stutz, her high school sweetheart and husband of 35 years. The couple has two grown sons, both married, and are still reveling in last year's birth of their first grandchild. "I feel so blessed," says Stutz. "I got it right the first time."

As a teenager, Stutz left babysitting gigs and three paper routes behind for a crew job with her twin sister at McDonald's. Working the window (where women were relegated to at the time), she got her first glimpse of the possibilities the business might hold for her.

"I was 16 years old, watching these

guys, area directors, driving in with brand new company cars," Stutz remembers. "I knew that if I was going to stay in the restaurant business, my goal was to be an area director so I could have a brand new car."

Stutz and her sister were the first generation in the family to attend college. Initially, she felt her parents expected her to become a doctor or dentist. She took dentistry courses at Western Illinois University—until discussions with actual dentists convinced her that she wouldn't enjoy the profession. With her parents' blessing, Stutz switched her motivation and major, graduating with a bachelor's degree in food and nutrition and working in various positions at Wendy's before and after college. She later earned a master's degree in business administration from MidAmerica Nazarene University in Kansas.

Stutz steadily built her credentials in operations, serving for five years as a division vice president at Wendy's before joining Applebee's in 1999 as senior vice president of operations. When an executive position opened that Stutz wanted, mentor Lou Kaucic, former Applebee's chief people officer, helped her think about career advancement in a new way.

"He asked, 'Who is in the room when the decision is made?'" she recalls. "Who is going to sponsor you or bring your name up, and who is going to speak on your behalf?"

Kaucic, now an executive career coach, preached the value of building relationships with decision-makers, a task that can prove more challenging in operations, with so much time spent in the field. Focusing on the rewards of building networks was an eye-opening mindset change with a big payoff for Stutz.

"I learned so much from spending time with them and seeing how they looked at business, and I think I grew significantly as well," she says. "It gave me a much better perspective, and I made better decisions, based on their feedback."

Stutz views every experience as a learning opportunity. One of her toughest came in 2012 as CEO of beleaguered Così Inc., where she established a three-year strategy for long-term success and raised millions to implement it. From the beginning, Stutz faced an uphill struggle to turn around

the Deerfield, Ill.-based fast casual chain, which had experienced years of financial losses. She resigned after 18 months, but emerged battle-toughened with a renewed appreciation for business profitability.

"My biggest lesson in the last position was that I am typically a people developer," Stutz says. "I love to grow people, I love to grow the brands. But when you are in a critical turnaround situation, you have to have talent at the table who can do the job today."

Stutz, who is known to tackle *The New York Times* crossword no matter how late the puzzle hits her inbox, has turned her attention to McAlister's, known for its sandwiches, soups, and spuds. As she readied to hit the road to meet with franchisees, Stutz says she likes what she sees so far. "What is great about this brand is that it is already so successful," she says. "It is more tweaking to position McAlister's to ramp up growth, versus trying to reestablish the brand. It is quite strong the way it is."

Stutz says she is grateful to the women before her who blazed the trail and will continue to do her best to help others follow. "As women, we have to look out for one another," she says. "We have to support one another and create opportunities for the next generation of women leaders."

How did you rise to the top? Obviously, hard work, high standards, a passion for what you do, and consistently delivering great results gets you an interview. What differentiates a candidate is one who surrounds themselves with great talent and develops them to reach their full potential. Strong financial acumen is a must, along with strategic thinking and being willing to take risks.

Was becoming a CEO/president always part of your plan? I knew that I wanted to advance, but I hadn't thought about advancing to that level until I attended a Women's Foodservice Forum leadership conference early in my career. They referenced a membership survey in which not one member had expressed ambition to rise to the top position and said, "Why not us?" So I thought, "Why not me?"

Did you have a mission statement

for your business life? Take the high road. Treat every member of the team with respect, knowing our business will not be successful without their contributions.

How did you prepare yourself and set goals that led you to the C-suite?

I tried to do an honest assessment of my skills and leadership abilities. I asked several colleagues and mentors for their feedback to validate my thinking. Next, I learned what skills were necessary for the next level and measured myself against those. Then I focused on closing that gap.

When and where did you gain leadership experience/knowledge?

I started as an hourly employee and worked my way up. Most of my learning came from taking on challenging assignments, learning from franchisees, and going back to school for an MBA.

What leadership examples did you learn from?

One of my mentors, Lou Kaucic, former chief people officer at Applebee's, was a shining example that you can lead at any level in an organization. He was able to influence major decisions with his ability to get people to think more broadly and understand the impact of their decisions. He also modeled how important a great culture, with an engaged workforce, is truly a differentiator.

How did you benefit from networking?

I can't begin to stress how important this is to advancing your career. When you are being considered for a promotion, ask yourself, "Who is in the room when the decision is made? Is there someone who will be a sponsor or an advocate for me?" You must build those professional relationships in advance, as well as let your boss know that you are interested in moving up with your company.

What role, if any, did mentors play in your career? How have they helped you?

They've listened objectively, helped me see my points of view from another perspective, and provided feedback that I needed to hear.

Are you now mentoring others?

Of course! I try to tackle a leadership com-

petency at each session, but always start with, "You have my undivided attention for the next hour. What is the best use of this time together?"

What communication skills helped you reach the top?

Being comfortable speaking in public is important, but my biggest lesson was about timing: understanding when is the right time to put your ideas on the table in a meeting to have your voice heard.

What other skills were important?

Financial skills. Don't shy away from this. Just keep at it until you understand.

Did you encounter stereotypes/sexism, and how did you overcome that?

I think most women I know have dealt with this in some form. Have the confidence to call out the behavior and ask for it to stop. If it doesn't, ask for help from the next level up or human resources. Chances are someone else in your company is experiencing it as well. Don't let that one inconsiderate individual get away with it.

Do you think women bring a different approach to leadership? How?

When I look at leadership competencies, I don't see a significant difference between genders. I think it plays out more in the context of the company's culture and how well the company accepts diversity. I would give women leaders a slight edge on their level of engagement, but with that comes taking things too personally.

What are the biggest mistakes you see female leaders make?

My experience of years of reading and writing performance reviews is that women rate themselves much lower than men, despite equal performance. I see this played out further on the job, with a lack of confidence or not applying for the next job, even though they are well qualified.

Can you have a family and a career at the top?

Yes, once we figure out that we don't have to carry the entire load by ourselves and feel comfortable asking for help.

What does it take for a woman to become a CEO in franchising today?

Have clarity on your career path, as you have to want it; the ambition, hard work, and extra effort that goes along with being successful in your current role, while learning the skills necessary for the next level; a strong network; business and financial acumen; and the ability to pick yourself up with confidence despite the circumstances and keep going after it.

What's at stake if women continue to be underrepresented in the C-suite? If you see this as a problem, please explain.

More and more research has proven that companies with female representation in their C-suite and on their board outperform their peer group financially, as well as demonstrate more innovation. I would not be surprised that one day, given the power of social media to support a cause, the female consumer—who controls the purchasing power—ultimately will demand change and will decide to support only those companies with fair representation of women in their leadership ranks. That could be a real catalyst for change. I think it's important for successful women in the C-suite to mentor and guide other women, so together we can create more opportunity for women.

Are you doing anything to help the next generation of women become franchise leaders?

I hope that I have opened doors for the next generation of women leaders and have made it easier for them to have equal opportunities to advance. I see myself as a mentor, sponsor, and advocate for them. It's important to create a culture and atmosphere that welcomes female leaders, as well as female franchisees. McAlister's Deli is growing rapidly, and we see a significant opportunity to have more women represented in our system.

What advice would you offer to women seeking the C-suite?

You can do this!

What would you like your legacy to be?

I lived both a fun and purposeful life making a better life for my family and my colleagues at all levels of their careers. ■

BY HELEN BOND

WITH A LITTLE HELP...

Shelly Sun on children, marriage, and business

On a recent vacation in New Zealand, Shelly Sun, co-founder and CEO of BrightStar Care, left her computer behind for more than three weeks of family time. Within 24 hours of returning home, she'd repacked and was back in the air, this time for business.

Such is life for Sun, co-founder of one of the nation's fastest-growing woman-owned companies, and mother to twin 10-year-old boys. With a job that demands 60 percent of her time for travel, Sun's version of work/life balance begins with carving out quality time for her children, marriage, and business, with the "balance leaning in favor of the children, marriage, and family unit," says Sun, who strives to make every moment matter.

"On a daily basis, it doesn't always work, but I think that was a permission I had to give myself. As women, we just run ourselves ragged to try to be Superwoman in every single aspect of our lives. I think it is impossible as an expectation," she says. "So certainly a fulfillment of an unrealistic expectation is that, over a month, if I can be an exceptional mother, an exceptional wife, and an exceptional business owner, then I have done well."

Sun has been navigating the challenges of motherhood and work since the birth of her two boys and the Gurnee, Ill.-based franchise brand she founded with her husband JD Sun. She was pregnant and on doctor-ordered bed rest when she filed the legal paperwork and wrote the operations manual to franchise BrightStar Care in January 2005—the same month her twins were born. Sun spent 10 years as a CPA in the corporate world before she and her husband launched the family business in 2002, driven by their struggle to find suitable care for her husband's grandmother, now deceased.

Just over a decade later, BrightStar's national private duty home care and medical staffing franchise exceeds \$250 million in system-wide sales, with more than 260 locations in the U.S. and Canada. BrightStar now offers a full continuum of care-

giving in the home, including adult, elder, and childcare, along with babysitter and nanny services.

Planning with purpose

Sun's constant quest to plan with a clear sense of purpose guides every decision she makes. Whether plotting expansion, help-

ing her franchisees with strategic business planning, or booking the family's future adventures, Sun looks at the big picture—even when it comes to raising her children. When her travel schedule began to create stress for the boys in different ways—one son wanted advance notice of his mother's departure, while his brother preferred not



to know—Sun opted to creatively address the issue head on.

A laminated annual calendar—the size of a big-screen television—now hangs in the dining room where the family has breakfast. The calendar charts the family's travel plans over the year, including when Sun is home and on the road, using a color code chosen by the boys. Family travel is the “happy” shade of orange, and the fourth graders' favorite color. Her days away are in red, the hue the boys happen to like least. Other colors show when JD is out of town or when both parents travel together, which means the children can plan on treasured time with their grandparents.

“As women, we need to find our own way to live fulfilled lives as executives, wives, and mothers.”

What began as an exercise to help her children also ended up benefiting Sun, whose frequent travel to support the brand has increased as she has taken on more leadership roles in the franchise and healthcare industries. “What that said to them is that even though 90 days feels like a lot of travel for Mommy, she is home or on a family vacation with them 75 percent of the time,” says Sun. “I tried to help them—and me—put what is a necessity of making our life happen into perspective.” The timeline also illustrates Sun's effort to find special ways for the family to connect, with calendar time reserved every six to eight weeks for a long weekend or “staycation.”

While the family will join Sun on this year's planned trip for top-performing franchisees at Eastern Tennessee's famed Blackberry Farm, she avoids trying too hard to include the boys in her business travel plans. She learned that the hard way, when they tagged along to a franchise industry conference, where Sun must be “on 24/7”—and which kept her so busy that she barely made it back to the hotel room to kiss her unhappy children goodnight. Now the boys join their mother on business trips only when it works for them.

Today, Sun has dramatically adjusted her work habits as the boys have grown so she can “be much more visible at a time in their lives when it matters most,” she says.

Support at home...

During BrightStar's first five years, Sun toiled tirelessly to build the company, working 90 to 100 hours, seven days a week. She still works tirelessly, yet has learned to be more efficient, clocking 45- to 55-hour work weeks and, except for travel, never on the weekends. In the past three years, she has made a conscious choice to think more about where and how she spends her time. She waits to head to the office until the boys at least have sat down for breakfast, and she strives to call it quits early enough to be home for family dinner three to four times a week—where a “no phones at the table” rule applies to all.

BrightStar's success has provided some reinforcements on the home front. JD, a former stock trader, was able to step away from the company in 2011 to focus on other family investments and remains an important sounding board for the business, she says. The move meant more



time with the boys for her husband, who handles 75 percent of the boys' schedule, which now includes tutoring, soccer, and Taekwon-Do.

Her husband may do more pickup, but they are a united front when it comes to following the rules of parenting, says Sun. For Sun it is easy to mentally hang her CEO hat at the door and have fun, thanks to a "marriage that just gets stronger every year," she says. "I'm serious and he's not, that's why we work so well," she says.

Sun says she is also blessed by the hands-on involvement of her in-laws, who live just 20 minutes away. Her husband's mother and father, who recently retired, try to get as much time as they can with their grandchildren—and are always ready to assist with the boys' activities and host a weekly sleepover, which has created a Friday date night ritual for the parents.

...and support at work

Sun also has invested in support at work, in the form of "high-level" talent, which has propelled her efforts to grow BrightStar smarter and faster. In 2013, she tapped Thom Gilday, former chief financial officer of Celebration Foods, to serve as president and chief operating officer of BrightStar Group Holdings. Gilday, who joined the company the previous year as CFO, quickly became Sun's "right hand" and business "savior," she says. The two executives share core values and a passion for the business that are completely aligned, along with a trust level that has given Sun the freedom to focus on strategic planning, while Gilday concentrates on day-to-day operations.

Sun works constantly to "delegate to elevate," a principle she follows fervently after reading *Traction* by Gino Wickman. This approach, she says, gave her permission to "not do the stuff I don't like" and more time to be the visionary and face of the brand. These days, Gilday's and Sun's invaluable executive assistants are the only two BrightStar employees that report directly to the CEO.

Sun has allowed the delegate-to-elevate concept to inform all facets of her life. She prioritizes her time and energy on what will have the most impact on the business and that will benefit relationships with family, friends, employees, and colleagues. Tasks or transactions that she doesn't do as well, that don't add value, or duties that she can afford to have someone else do (house cleaning, grocery shopping, and checking

"I intentionally put people around me who were going to give me the right advice, at the right time, and then I listened to it."

emails, for instance) she leaves to others.

"The constant rigor of doing that has allowed me not to feel like I am having to make tradeoffs, but that I am striving to have a more balanced and fulfilled life, which applies whether you are male or female," she says. As a result, Sun says she has more time for family and friends and personal and professional development—and says she is living a more fulfilled life today, in her mid-40s, than she was a decade ago, or even in her early 40s.

Making her own choices

From the start, Sun has been thoughtful about her choices, driven partly, she admits, by memories of a workaholic father, who was physically and emotionally abusive. "I didn't have the best of childhoods," she says. Her determination to work and raise her family differently is evident in the makeup of BrightStar's first board of advisors. Along with financial, marketing, and banking specialists, she sought the guidance of a female franchising entrepreneur who also had a family.

"I wanted people who were supportive of those choices, not those who would tell me that I could have grown 10 percent faster if I missed two vacations with my kids," says Sun. "I intentionally put people around me who were going to give me the right advice, at the right time, and then I listened to it."

Sun found that support in the founder of Gloria Jean's Coffees, Gloria Jean Kvetko, a pioneer in the business of gourmet coffee and a trailblazer for women entrepreneurs. Sun navigated an introduction from a friend and the pair clicked instantly. While Kvetko is no longer on the BrightStar board, she remains a mentor and close friend who has "championed" Sun

throughout her franchise journey. "She showed me that a woman can be powerful in her own right, without having to try to be a man," says Sun.

Sun's evolution in the C-suite has also led her toward pursuits she believes are helping to make her a well-rounded leader. In 2017, she will take over as chair of the IFA, where she has served on the board. In 2009, she was named IFA's Entrepreneur of the Year, the youngest and only the second female recipient of the award. She serves on the board of the Home Care Association of America and is an active member of the Young Presidents' Organization Windy City chapter. She is also in her third year of a nine-year executive education program at Harvard Business School that she can add to her accounting degree from the University of Tennessee and master's degree in accounting from the University of Colorado.

Big plans ahead

Sun thrives on thinking about the future and potential of the BrightStar brand. As the company's self-described "internal and external cheerleader," she continues to think big, working both on the growth of the brand and on identifying synergistic brands and opportunities. She envisions adding as many as six complementary brands over the next 5 to 10 years.

In 2014, she launched BrightStar Senior Living, an assisted living and memory facility of 30 to 36 units, and has locked up online addresses and trademarks for additional opportunities. She also is hatching plans to bring a chief operating officer on board in a couple of years.

Sun says she enjoys going to work today more than ever and encourages young women dreaming of the C-suite to be part of shifting the conversation away from the cliché question of women "having it all." She says this tired idea reinforces an "unfair, unrealistic" standard that she believes is discouraging young girls from becoming entrepreneurs and is causing many other women to wait too long to have children. Sun says women need to define and find their own balance.

"As women, we need to find our own way to live fulfilled lives as executives, wives, and mothers," says Sun. "It is about being smarter about what you do—discovering what pieces of that 'all' that only you can do, where you can make the greatest impact, and about letting the other pieces go—or finding someone else to do them." ■

BY EDDY GOLDBERG

BALANCING ACT

Barbara Moran-Goodrich on raising a special needs child



Early in her career, Barbara Moran-Goodrich, CEO of the Moran Family of Brands, was fired from her job as controller at Moran Industries—by her own father, who had founded the company. He believed his intentions were good. His timing was not.

“I wish you would have let me know before I bought a house and had a baby,” she told him. Yes, those were different times, and she knows that in his mind he meant well, but still...

“A lot of people will say, ‘Okay, that’s unacceptable.’ And it is unacceptable in the workplace. But in the 1980s, that was not unheard of. Many women had to make career choices between families or their career. And many times it derailed their career, or they would make decisions to push having a family back, just to be able to continue forward in their career.”

And while some things change, some don’t. “My father, when I bring it up to him today, still feels he was doing the right thing in wanting me to be at home with my daughter. And I can understand from his perspective. But that wasn’t fitting into what I wanted in life.”

After being fired, Moran-Goodrich stayed home for three or four months with her daughter, busying herself with arts and crafts projects and a garden. “Then I started a career working in the government for a time. My father was furious because he thought he was doing me a favor by firing me, and I was thinking, ‘Seriously, I have to pay my bills.’”

She landed a job working as a legislative aide to Jane Barnes, a state representative in Illinois and a pioneering woman in Chicago-area politics who spent 18 years in the Illinois House until her retirement in 1993.

“Jane helped me to understand the good old boy network, the glass ceiling. I learned it was all about respect and follow-through. She showed me that no matter what the barriers, there is a way around them,” says Moran-Goodrich. Those include hard work and continually educat-

ing yourself, she says, recalling how she canvassed voters in Barnes's suburban Chicago district with her baby daughter in a backpack. That experience would come in handy in 1999 when she became president of Moran Industries and began visiting franchisees to learn what they were thinking about the company.

Eventually, her father asked her to return to the company he'd founded—and which she'd grown up in. She returned to Moran Industries when her daughter was 3. However, her job required her to travel, not an easy thing for a mother with a young child.

When her daughter was 5, Moran-Goodrich gave birth to a second child, a son. Four years later, she became president of Moran Industries—something her father didn't want to happen. He believed that being a woman limited her abilities to lead a predominantly male automotive franchise system.

But in the late 1990s, when her father had to step back from the business for health reasons, she was not being considered for any key leadership positions at the company. However, when the person chosen to replace him didn't work out, they hired a management consultant to find the best person for the job. The conclusion? She was the best person to run the company. "I knew I could do it, but it obviously wasn't in anyone else's plans," she says.

"It wasn't something that I'd prepared for, because I was told I was never going to be in that position," she says. However, she adds, "My ability to move up in my career had a lot to do with my tenacity, my desire to learn, and my willingness to take on any project or task thrown at me. I didn't wait for the opportunity, I just went and pushed forward by educating myself. No matter what you're doing, keep learning, keep pushing forward and don't accept no for an answer. And eventually, over time, people will notice. Whatever career path you've chosen, if you just keep focusing on your opportunities, rather than the roadblocks, you will succeed."

When she took over as president, Moran Industries had approximately 120 units. The company grew during her tenure and then had losses during the economic crisis. In July 2010, she purchased the company from her parents, who were majority shareholders, and renamed it to reflect the different brands it offered. Today the Moran Family of Brands includes Mr. Transmission, Milex Complete Auto Care, Alta

"My ability to move up in my career had a lot to do with my tenacity, my desire to learn, and my willingness to take on any project or task thrown at me."

Mere Automotive Outfitters, SmartView Window Solutions, Dr. Nick's Transmissions, and Multistate Transmissions, with 140 units across all the brands.

Family challenges

By the time she returned to her father's company, she'd given birth to her son, five years younger than her daughter. "I realized it was important to show my children you could still be you. You don't have to give yourself up to have a family. You always will give up parts of yourself, that's part of love. If I wasn't at work, I was at home. Those are the things you do. I was exhausted, but I wanted to be there."

With her daughter in school, Moran-Goodrich visited regularly as "Art Mom" and "Computer Mom." However, when she tried to do that with her son, it was different. "Every time I showed up, he had a meltdown. I couldn't do that with him. It was disheartening."

As Moran-Goodrich navigated the challenges of life in the C-suite, at home she was dealing with a problem much larger than gender stereotypes. Her son had been diagnosed with PDD-NOS (Pervasive Developmental Disorder-Not Otherwise Specified). Psychologists and psychiatrists use the term interchangeably with autism spectrum disorders (ASD). It is not medically detectable and the symptoms are usually difficult to discern until a child is two or three years old and begins acting out.

At the time, PDD was used as a catch-all term for children with *something* going on within the autism spectrum. According to Autism Speaks, "Like all forms of autism, PDD-NOS can occur in conjunc-

tion with a wide spectrum of intellectual ability. Its defining features are significant challenges in social and language development." Further, "autism spectrum disorder (ASD) and autism are both general terms for a group of complex disorders of brain development. These disorders are characterized, in varying degrees, by difficulties in social interaction, verbal and nonverbal communication, and repetitive behaviors." Those behaviors range from minor to severe, which can include doing physical harm to oneself or others.

When she was named president, her son was four and, she says, severe in his spectrum-related behavior. This put additional strain on Moran-Goodrich at home, just as she was learning the ropes in her new role as president.

"We did not do well at trying to work it out together. It was not our son's disability. We were too naive and immature to understand how we needed to work together," she says. "More often than not, one carries the load more than the other. It's really not easy to manage this. We weren't prepared and didn't know where to turn."

Her marriage didn't survive, but Moran-Goodrich says that it had nothing to do with their son's disability and everything to do with maturity in the marriage. Raising a child with special needs is significantly more stressful than the pleasures and pains of raising a neurotypical child, but it's up to the parents, as adults, to manage the situation—and themselves.

"It goes back to the first time my son showed signs. There should have been some support structure to show us how to work together," she says. But that was a lot harder to find then than it is today.

Building a support network

In the nearly two decades since her son was born, autism awareness and education has skyrocketed, along with the sharp increase in the number of children diagnosed with ASD, much more commonly found in boys than in girls. In the United States today, 1 in 68 children is on the autism spectrum, up from 1 in 88 just a few years ago, according to the Centers for Disease Control and Prevention (CDC). According to CDC studies, the figures for children with autism were 1 in 150 in 2000 and 2002, 1 in 125 in 2004, 1 in 110 in 2006, and 1 in 88 in 2008 (the CDC surveys 8-year-olds every two years). While it's important to note that these numbers are estimates, that diagnosis is not an exact science, and that

with increased awareness comes increased reporting, for whatever reasons the occurrence of ASD in the USA continues to rise among both children and adults.

After the divorce, says Moran-Goodrich, “I put aside the whole aspect of having a relationship for many years. My priority was my children and my work. If I’d had a husband it would have been easier sharing the responsibilities, but that was not the case.” Instead, she had to make do as a single mother of two children, one with special needs, which placed demands on her far beyond what most parents face. “It’s not just about being a mother or a parent with a child, it’s also about the fact of having a child with a disability,” she says.

With the demands of her job, Moran-Goodrich knew she couldn’t handle it all on her own. She managed by learning as much as she could about her son’s disability and by creating a strong support system that included her best friend, her brother and his wife who lived nearby, along with the usual cadre of babysitters, therapists, doctors, and teachers.

Additional help came from her daughter, who became a kind of “second mom or mini-me” to her younger brother—which is why, many years later, when it came time for her daughter to apply for college, she and her mom agreed it would be best for her to attend college far enough away so she would not feel compelled to come home and help, and begin to embark on building a life of her own.

“I wanted to give her the opportunity to be her own child. Having a child with disabilities, you inadvertently focus on them,” says Moran-Goodrich. “I tried to make it work, and I hope I was there to the level my daughter needed me to be. I believe I was. We have a strong, good relationship,” she says. Today her daughter, 24, has graduated college and lives in Southern California.

However, it wasn’t easy for the independent-minded mother and executive to assemble the support team she needed. But she had to. “Many women who have a drive for succeeding have a difficult time asking for help. I know I’m guilty of it. You have to do what is uncomfortable and ask for help,” she says. “Looking back, I just couldn’t make all those appointments for my son.” Those included doctors, therapists, and after-school activities, including dance for her daughter and football for her son. “You learn to make it work.”

On a recent flight, Moran-Goodrich

“Many women who have a drive for succeeding have a difficult time asking for help. You have to do what is uncomfortable and ask for help.”

sat next to a woman who worked in the building and construction field. They were about the same age, and she also had been a single mother for years. “We talked about what we called ‘having a wife.’ I know it’s not PC, but for us having a wife meant having a nanny or a child care provider who is able to be there for your child when you can’t or when you’re on the road, helping them with their homework, doing the laundry, taking care of the house, putting food on the table, and running the errands. Because those are things that you’re not going to be able to do. And you can’t try to fit them in, because if you do, then you’re taking time away from your family.

“It was really good to hear from another woman in a totally different industry about the challenges she goes through, or has gone through, that were very similar to my own. It was really interesting because her son has sensory problems that create issues in learning, similar to my son. So we talked about that too.”

And it’s not just about women, she says. “Men are falling into this role too. Now both parents are working and there are many single parents who have to juggle work and family.” For parents in these situations, she says, it’s essential to build a supportive community and learn to communicate regularly with all involved—much easier today than before smartphones and video chats.

First mentor

Her mother, says Moran-Goodrich, played a huge role in her development as a person and in business. “She was the matriarch, she took care of everything. She was my

first and original mentor. She taught me that you can have a family and you can have a career. My mother was my father’s partner. She was co-founder with him. I always have to remind him of that!” she says with a laugh.

“She taught me a great deal about being there for family, but also about having some time for yourself. When I was growing up and as a young adult, she took me under her wing and taught me how to manage money. She’s the one who helped me learn how to take advantage of every opportunity available to me. She was the one who said, ‘If you have the opportunity to learn, then take it.’”

The lessons began early. “When I was a kid, she would do the books for my dad. My dad was always starting new businesses, and she was always the back end. I think I was 12 years old and she wanted me to help her. She’d give me about 100 time cards and wanted me to total them up and figure out peoples’ pay. I had no idea what I was doing. And she’d say, ‘C’mon, you can do it.’”

Becoming a mother, says Moran-Goodrich, has helped her grow as a CEO. “It gave me skills that I don’t know I would have gained if I hadn’t become a parent. It taught me, first of all, patience,” she says. “Once I had children, it became easier for me to see that I couldn’t have everything the way I wanted. I had to see things from their perspective. I had to learn to look at things from different viewpoints. That may not have been something I would have done if I hadn’t had kids.” Parenting, she says, means learning to recognize that you can’t have everything your way, and to pick your battles and negotiate on the rest.

Moving forward

Her son, she says, always knew that his actions were off, but he could never control and stop them. “Our kids really struggle with this, knowing it’s creating difficulties.” Today, at 19, he’s told her that he would like to visit different schools and speak to kids who fall in his spectrum about the things he’s learned over time.

“He feels it’s important to know that they, too, can overcome disabilities,” says Moran-Goodrich. “We’re in a much better place, every year we improve, and he wants other people, especially children who have PDD or Asperger’s or any type of spectrum of autism to know that they can move forward in life.” ■

BY HELEN BOND

HAVING IT ALL—HER WAY

Meg Roberts blazes her own path to the top



Molly Maid president Meg Roberts sat at her desk delivering her monthly message to franchisees. Behind her, chaos reigned. Sons Luke and Erik, 11 and 8, along with their 8-year-old cousin, were enjoying a holiday break from school—and just being boys. As Roberts coolly carried on with “A Minute with Meg,” the boys could be seen running around the office, swigging sodas, making funny faces, and engaging in a friendly Nerf gun battle. Roberts, president of the nation’s largest home cleaning business, thought about booting the trio out for a retake. Then she thought better.

“My franchisees, clients, and partners know who I am. They will either love it or say it was unprofessional,” says Roberts. “But they loved it. And the boys loved seeing themselves on YouTube. You would have thought they were Brad Pitt.”

The broadcast was vintage Roberts. Whether at work or at home, she strives to live and lead authentically. “My children are part of my life,” says Roberts, 41. “They are part of my work. They are—every part of me. It was honest me.”

But don’t let that distract from her dedication to her role. Roberts, whose father was a Navy officer and neurosurgeon, knows how to run a tight ship. She earned her spot in the C-suite in 2012, after her success with the brand’s marketing efforts resulted in an astronomical rise in online leads and multiple years of double-digit sales growth. Roberts has high standards, but practices a leadership approach she says is “firm, friendly, and fair.”

Formative years

Roberts grew up in a large family, not far from the Ann Arbor, Mich., headquarters of Service Brands International, parent of Mr. Handyman, ProTect Painters, and Molly Maid, which currently has 260 franchisees and nearly 500 locations.

Her gift as a high-energy creative thinker began early. In grade school, Roberts was fascinated by the catchy jingle for Ryder trucks and the idea that someone came

up with the easily remembered tagline, "It's Ryder or it's wrong." Her love for the psychology of how people make decisions and the elements used to build a brand serves her well today.

For college, Roberts chose her hometown University of Michigan, then in 1998 headed west to the "enemy school," Michigan State University, where she earned a master's degree in advertising, emphasizing research and consumer behavior. Following that, she spent 10 years at the highly regarded BBDO advertising agency in Chicago working on major consumer accounts. When her first child was born and job demands and related travel took its toll, she decided to take a different path. Her husband, who traveled extensively for his job, could live anywhere close to a major airport.

So the family packed their bags and returned to their Michigan roots. The move also enabled Roberts to learn more about being a mother for her two young sons from the best teacher and role model she knew: her mother, a "stay-at-home" mom who rarely had time to be home as she was busy raising four kids, volunteering at schools, and committed to charitable work. She calls her mother and father the "world's best grandparents" and the people, along with her boys, who have most influenced her career decisions.

"My parents raised me to give 110 percent to everything, and when you are exhausted you give a little bit more," says Roberts. "And that is whether it is your career, athletic team, or, first and foremost, your children."

Moving to Molly Maid

Before long, Roberts was ready to once again practice her marketing moxie. She joined Molly Maid as director of marketing in 2007. Management quickly recognized her talent, and in 2008 she was promoted to vice president of marketing.

Under her leadership, Molly Maid elevated, enhanced, and energized the brand's online presence. Roberts redesigned the company's website, embraced social media, and initiated an online campaign that increased lead generation 150 percent and resulted in double-digit sales growth for several years. These strategies would prove critical in helping carry Molly Maid successfully through a sluggish economy.

Roberts continued to rise through the

"My children
are part of my
life. They are
part of my
work.
They are—every
part of me."

ranks. She was called on to set marketing strategy at Service Brands International as vice president of marketing, and in 2012 was appointed to the top spot at Molly Maid. Her greatest professional triumph, however, came as she was going through her most personal, "hardest and saddest loss." Roberts and her husband, who had been separated for three years, had formally decided to end the marriage. Her boys were 10 and 7.

"Divorce is one of those things that nobody wants for their children and themselves, but sometimes it is unavoidable," she says. "When that happens, you can be an adult, you can be a professional, you can be a parent, and you can take those things and say, 'I am going to make decisions based on all three that are going to benefit my children.' We made a personal commitment to make life as positive as possible."

Roberts says she has emerged from divorce grateful for a new relationship with her ex-husband that is focused on "forgiveness, partnership, and friendship" and a mature approach that she believes has benefited their children. Like many parents who are no longer a couple, they juggle schedules and keep track of the boys' activities on a shared online family calendar. And they chose to live in houses just blocks apart so the boys can ride their bikes back and forth.

Roberts takes a glass-half-full approach to life's challenges. Balancing motherhood and work obligations requires hard work no matter the circumstances, she says. She credits a support system of family, friends, colleagues, and help with the boys and at home to keep life on track. She will happily pay big bucks for someone else to unload her dishwasher, but considers yard work

her territory.

Roberts also works hard to make the most of her time by practicing the art of being present. When she enters the doorway of her home, less than a half-mile from Service Brand's headquarters, she puts her phone in the "phone basket" where it stays until after dinner, shared stories of the day, and the rest of the family's nightly routine is done. And while she is passionate about keeping her heart and health strong, she schedules workouts during the daytime hours to avoid that interfering with family time.

Working mother

Roberts takes the same approach to getting the most out of her day running the brand. Lately, she has been particularly inspired by *Traction*, the organizational behavior and development book by Gino Wickman and has changed some of the ways she works to help ditch distractions.

If it's morning at Molly Maid, team members know to pick up the phone or head to her office. Roberts tries to stay offline in the morning, waiting until lunch to wade through emails. "I put 80 percent effort into the most important things in the morning, as opposed to 10 percent of my effort into three dozen things," she says.

She has also implemented new ideas to help keep her team sharply focused on building the business. Executives meet every Thursday at the same time—no matter where they are—to talk about ways to help owners grow their business. Revenue- and profit-related matters are the only topics allowed on the agenda. Personnel and other company issues are handled at other times throughout the week.

Roberts is much less rigid when it comes to what she sees as the personality within the walls of Molly Maid, which was founded in 1979 and has been franchising since 1984. She avoids the word "culture" and instead views Molly Maid as place where she has "great friends, great colleagues, and a special workplace camaraderie."

Growing up in a large family gave her a good sense of reading the people around her. Whether it is refurbishing the break room to make it more family-friendly or ordering pizza on a snowy day, she is always looking for ways to create a better environment and a fun workplace.

Roberts has no idea, and no need to

know, when Take Our Daughters and Sons to Work falls on the calendar (third Thursday in April). Children are welcome in the office and can often be found working the vending machines, watching cartoons, or doing homework in the break room.

Her boys have been known to accompany their mother to meetings and conventions, where she never hesitates to “point out and embarrass them.” She says this is giving Luke and Erik a chance to learn the value of a strong handshake, making eye contact, and other lifelong skills. Raising kids isn’t easy for anyone, says Roberts. “I want them to also be happy, polished professional people. I want that for all the people I love and care for.”

Looking ahead

Roberts feels she is just getting her arms around the role of president of Molly Maid, which cleans 1.6 million houses annually. Under her leadership, the company continues to innovatively market the brand, and Roberts has turned her attention to preserving relationships with the company’s growing customer base.

“Customers give us the keys to their home, and our service providers are in bedrooms and closets that their best friends never go into,” she says. “We cannot lose sight of the importance of that relationship. The future of our business is predicated on the maintenance of those relationships.”

Her plan to focus on improving customer relations dovetails with adopting new technologies to create a seamless process for clients to reserve, pay for, and provide feedback on the quality of Molly Maid’s services. Reducing the paperwork of administrative tasks also will free up time for the company and its franchisees to focus on the emotional aspects of keeping customers happy.

“The reality is that if my children are happy, then I am happy.”



Roberts sees some analogies between the service her business provides and opportunities for women today. Twenty years ago, many people considered having a maid come into their home as an indulgence that was frowned upon. That thinking has changed considerably, as many now choose to use professional cleaning ser-

vices so they can spend more time with their family.

Roberts says she would like to see a change in thinking by women about both motherhood and the importance of supporting one another. Unlike many in her mother’s generation, she says there are vastly more choices today for women with children. And technology is making it easier

than ever for parents to stay connected with their children. Women need to consider choices as opportunities, she says, but too often the focus is wrongly placed on the choices a mother makes.

“We [women] are our own worst enemy. We have sort of created two sororities of those who work outside the home and those who don’t,” she says. “It is so much more powerful for all of us to say that we are each doing our thing to contribute, whether it is to pay the bills or make the lunches in your home. Neither is better.”

With so many options, many women continue to feel torn between having and not having the elusive “all.” Roberts scoffs at the notion and says it is up each person to define what is important to them. “Whose call is ‘all?’” she asks. “My ‘all’ is different than your ‘all.’ The concept of ‘all’ is my call, and it is whatever makes sense for my kids and me.”

While Roberts continues to evolve and grow as both an executive and a mother, she doesn’t need much feedback to know how she is doing. She simply looks at the faces of her boys.

“If I know the balance I am creating, the home I am creating, the meal I fix, or the afternoon they had playing with office supplies in my building makes them smile, then I am on the right path,” she says. “The reality is that if my children are happy, then I am happy.” ■

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UPWARD!

Building and *leveraging* your network to advance your career

"Increasingly, leadership today is defined not just by how many hours you spend at your computer, but your ability to connect to others," says Carol Bartz, former Yahoo CEO and Lisa Lambert, founder of UPWARD.

That's the start of "Why women should do less and network more," an article the two wrote for *Fortune* last November. It's also the premise behind UPWARD (Uniting Professional Women Accelerating Relationships & Development), the global networking organization for senior professional women that Lambert founded in 2013.

"It's something I had been thinking about for some time. I've seen the disparity in opportunities for men and women in high-tech and in venture capital," says Lambert, who has worked at Intel Corp. for nearly 18 years. "In venture capital, 4 percent of the general partners are women, just 4 percent, which is amazing to me. And in tech, the numbers aren't much better."

Across all industries, sadly, the numbers say it all. If you look at the professional workplace in America, women are 51.5 percent of the professional workforce, says Lambert. "But when you get to the executive positions, the number drops to 13 percent, and when you get to the CEO's office, it drops to 4 percent."

While technology and venture capital are not exactly bastions of progress for women, those numbers illustrate the problem that Lambert, along with many women in business face: the conscious and unconscious bias about women in executive and leadership positions, no matter the industry.

"If I'm experiencing it," says Lambert, vice president of Intel Capital, Intel's venture capital arm, "then how many other women are experiencing it? I'm a fairly senior woman at Intel, yet this happens to me on a regular basis. So I asked my-

self, what can I do to help effect change?"

Her answer? UPWARD, founded on the premise that women need access to the same types of informal networks and mentorship that men often leverage to succeed in business. UPWARD's first event was in May 2013. Today the organization has more than 1,600 members, obtained through word of mouth. Lambert says the nonprofit organization chose to focus on senior professional women because there



Lisa Lambert

is ample support for younger women beginning their careers.

"If there is a glass ceiling and you can't advance further than middle management, then you're really stuck if you haven't built a professional network. That was the problem I sought to overcome with UPWARD: creating a global community of professional women where we're 1) learning from each other; 2) educating ourselves; and 3) proactively helping one another advance," says Lambert. "If you're stuck, there's no reason to stay stuck. There's a way you can overcome that, and that is in relationship with other senior professionals who have your interests in mind."

Heads up!

"A lot of us [women] are 'heads down' on our jobs. We're naturally work-oriented, so we sometimes under-invest in other important areas such as networking," says Lambert.

"When your head is down, you're on a mission," says Shane Evans, president of Massage Heights, who co-founded the franchise in 2004 with her husband Wayne. "It's absolutely necessary at times, there's no doubt about it, especially if you've just started the company. You're in growth mode, you're just pushing forward, and there are things you have to do to gain that growth." Today the brand has 120 units, with 40 more on the way this year.

"I had my head down for 10 years, doing everything I needed to do and more, working a lot of hours, not really having any kind of balance in my life. My kids forced that balance to some degree, but outside of that, there was none," she says. "If you can find a way to balance that kind of go-hard mentality—I've got to do this, we've got to move fast, get these things done, that passion and diligence for growth—with self-growth, it's a great combination that can make a big difference in both your personal and professional lives."

In mid-2013, with the help of a business coach, Evans decided to lift her head up. "My mission for the past 18 months has been to make meaningful connections, both professional and personal," she says. "It has been my mission since I was able to identify the one thing I could do that no one else could do. And that one thing was deliver the message of Massage Heights: who we are as a brand, what we stand for, what our values are, and pretty much be the face of the brand."

It wasn't an easy transition. "Initially I thought, How is that going to help? What is that going to do? There are all these things that have to be done. We're a grow-

ing brand, there are franchisees who need support, team members who need to be hired and trained, and all these different things,” she says.

“What I have found is that it is so completely beneficial, from a health perspective, and obviously from a learning perspective. You learn so much more from being around other people, and in the franchise world we all have the same challenges,” she says.

“Sometimes you think you’re the only one, so it’s nice to be around other franchisors, especially other women, and recognize that you’re not alone, that we’re all doing this together, and learn from them. I think our company might have grown faster had I realized the significance in it. I wish I’d figured that out a long time ago.”

Learning to network

Debbie Shwetz co-founded Nothing Bundt Cakes in 1997 with her longtime friend Dena Tripp. In 2014, they celebrated the opening of their 100th location. Shwetz, now in her first year as chair of the IFA’s Women’s Franchise Committee (WFC), is a strong proponent of the value of networking. But she wasn’t always as comfortable with networking as she is today—especially as a franchising newbie attending her first IFA conference.

“I remember going to some of my early meetings and thinking, ‘Okay, you got yourself here, you got past that hurdle. Now, what are you going to do with it?’ There’s no one that is going to come running over to you saying, ‘I’m so excited to network with you.’ You have to put yourself out there and make it happen. And once you do it, just get past that first moment, then generally you find a connection.”

During a roundtable at one of those events, she met Mary Ann O’Connell, founder and president of FranWise. “We became friends. I would call her with questions and we’d see each other at different franchising events in California. She invited me to join the WFC,” says Shwetz.

“That whole process of meeting her, having her introduce me to this networking group, and being a part of that group for six years has been a huge commitment from



Shane Evans

me, but it has been so rewarding. I love the women I have met. We network and share business with each other, and have great referrals. It’s just been a great experience. I’ve learned so much—not only about networking and how valuable that is, but also about running conferences, being a leader, and all kinds of different information I wouldn’t have expected from that initial foray into that committee. It’s really helped me grow as a leader and as a person.”

And don’t be shy. “Even when you feel uncomfortable or un-knowledgeable, or lack confidence, you have to put yourself out there. You have to be thirsty and hungry for the information you need to get to be successful. I was a sponge with legs and put myself into every possible position that I could where I could hear from people like Catherine Monson [see page 15], who was a little intimidating for

me as an emerging franchisor, but I thought she was brilliant. So when I could, I was at her roundtable because I wanted to hear from her. I might not have said a lot, but I learned a lot. And after a while, if you’re the person learning, ultimately the transition happens and you’re the person teaching, and helping.”

Says Evans, “If you’re going to do the networking, attend these events, and invest time and money, it is really important to get the most out of them, and the only way is really joining in and asking questions, whether it’s in a small group or one-on-one. And going to others you respect, who you see are doing a great job, who have great values, or their companies are succeeding, and asking questions and finding out how they did it. What do you do every day? What was the difference? When did you see the difference? What happened?”

“Network more, do less”

“It’s very easy to get discouraged by the obstacles, because you get frustrated. We say ‘Look at my results: I’m loyal, reliable, efficient, productive, I continue to add value to my group. Why am I not getting recognized?’ The assumption is that in a meritocracy you’re going to get exposure and be recognized for your contributions,” says Lambert. “Today it’s much more about relationships, it’s much more about who knows you, who likes you, and who’s willing to sponsor you and mentor you.”

That’s where the power of networking comes in. “It’s a much broader skill set than we historically have been told we needed to be successful in our careers. The game has changed, and so our behavior has to change to adapt and to advance in the new world. There are some women who have done that very effectively and advanced to the C-suite, but it’s still a very small number,” says Lambert.

“There clearly is a different game being played when you get to the senior level,” she says. “Getting a college education and getting a job is something women know how to do very well. Getting to those senior roles does not have the same rules. Otherwise, you would see the same penetration at the senior levels.”

The takeaway here is that the skill set that took women to middle management positions is not the



Debbie Shwetz

UPWARD↑

same skill set needed to advance to the C-suite and other senior positions. To advance to the most senior levels, women need to add these non-traditional skills to their repertoire.

Payback time: mentoring

Evans, a member of the Young Presidents' Organization and the Entrepreneurs' Organization, says she has a number of mentors, mainly outside of franchising right now. "I would love to have a mentor right now within franchising. I know who that person is, and I'm planning to reach out." She's also enjoying life with her head up.

"I got to speak at the emerging franchisor conference in Philadelphia this year, and I'll be a speaker panelist at IFA this year," she says. "I love to share as much as I learn from those who have been there before me."

Shwetz, who is farther along on the path from mentee to mentor, feels similarly. "All through the years there have been many people who had an impact, but Mary Ann had a great impact on me. So I've taken what I learned and tried to pay it forward. I also learned how to do that better in my own business, with

the people I ask to manage my bakeries. They also need mentoring beyond an employer-employee relationship. And it's a lot of fun. It's so rewarding," she says.

"If other franchisors and people like Mary Ann had not helped me, I would not be where I am today. Our franchise system would never have been the good, solid, honorable system that it is without the things I've learned from the IFA roundtables and the other committee members I've worked with," she says.

"And, on the other side, I have had the opportunity to mentor emerging franchisors and people who have questions. When you make yourself visible and you are willing to share and become part of that sharing community, you become visible and you become a resource. Then people refer to you as someone you can approach and talk to. And I like that. I like helping other people."

Networking 101

There is a long list of things women can do to get exposure, says Lambert. "But before you get into the how-to, you have to believe that your worth is not defined solely by your immediate contribution in your day job. You have to have that bigger

picture view that it's not just about your work performance," she says.

"We all know people who can teach us something useful in our careers. Have coffee with them. Don't work over lunch, go out to lunch with someone you can help or who can help you. Join special interest groups, join women's organizations like UPWARD. Be more visible in your workplace. Don't just come in, do your 8-to-5 at your desk and go home. Ask for assignments where you're going to get exposure and get challenged. Schedule one-on-ones with people in authority who can get you the exposure that you want, or who can give you advice on how to go about it."

Also, she says, "Make sure you have a mentor and a sponsor, somebody more senior than you, who will help you advance your career."

And, very important, make networking a priority, a part of your job if you plan on rising in the professional ranks. "You have to take that job as seriously as you take your day job," says Lambert. "If you don't do that, you won't be able to leverage your relationships in a way that helps you down the road when you need it." ■

Catalyst for Change

Catalyst, founded in 1962, is a nonprofit with more than 800 member organizations worldwide, focused on expanding opportunities for women in business. Catalyst researches and publishes information and advice about and for women at work, and is dedicated to creating more inclusive workplaces where employees representing every dimension of diversity can thrive. Here are just some of the many items the group has compiled. Much more is available on their website, catalyst.org.

- Women are just 5% of Fortune 500 CEOs. Translation: men are 95% of all Fortune 500 CEOs.

- Women *do* ask for raises, almost as often as men (47% of women vs. 52% of men negotiated for a higher salary). They just don't always get what they ask for. Men are paid for potential, while women are paid for proven performance.

- "He" gets a head start—women MBAs get paid \$4,600 less than men in their very first job!

- Women who felt racially or ethnically different were less likely to be in senior management positions and more likely to receive fewer promotions.

- Women are less likely to get the "hot jobs" needed to get ahead. They're more likely to have a smaller budget, smaller staff, and less visibility on projects.

- It's a myth that women don't want to reach the top: women and men have equal desire for board and CEO positions.

- Women are more likely to downsize their ambitions than men are.

- Women who felt racially/ethnically different are more likely to downsize their ambitions than white women are.

- Looking for a few good women for your board? Look no further—there is *not* a shortage of qualified women!

- The "Queen Bee" myth is just that: a myth. Women pay it forward more than men, helping other women out.

- Who benefits from development? Those who develop others experience greater career growth and greater compensation.

- When people think leader, they think male. When will we think female leadership styles are good leadership styles?

Catalyst President & CEO Deborah Gillis

"Pointing out the problem is not enough. You have to be part of the solution."

"Real change doesn't happen unless you take action—and risks."

"Say 'No!' to the status quo! Leaders take initiative, act with intention, and design bold programs with measurable results."



Women in Business

FACTS, FIGURES, OPINIONS

■ Women in Franchising

Females in Franchisor C-Suites

CEOs/Presidents	15%
CFOs	5%
COOs	3%

Top 10 Franchise Categories with Female CEOs

1. QSR and sit-down restaurants
2. Health & fitness
3. Child-related services
4. Beauty-related services
5. Home healthcare
6. Clothing & accessories
7. Maintenance services
8. Real estate services
9. Pet-related products and services
10. Baked goods

Female CFOs

- Are dominant in food and health & fitness

Female COOs

- Are dominant in health & fitness, food, business-related services, and maintenance services

Source: FRANData, Franchise Update Media

■ Women Are Big Business!

- As of 2014, there are an estimated 9.1 million women-owned businesses in the U.S., generating more than \$1.4 trillion in revenue and employing nearly 7.9 million people.

- Between 1997 and 2014, when the number of businesses in the U.S. increased by 47%, the number of women-owned firms increased by 68%, 1.5 times the national average. The growth in the number (+68%), employment (+11%), and revenue (+72%) of women-owned firms over the past 17 years exceeds the growth rates of all but the largest publicly traded firms, topping growth rates among all other privately held businesses over this period.

- The only bright spot in recent years with respect to privately held company job growth has been among women-owned firms. They have added an estimated 274,000 jobs since 2007. Among men-owned and equally owned firms, employment has declined over the past seven years.

- When comparing the growth in number, employment, and revenues of women-owned firms with those of their peers along the full spectrum of business size, women-owned firms matched or exceeded growth rates up until the 100-employee threshold or the \$1 million revenue mark.

Source: The 2014 State of Women-Owned Businesses Report, 1997–2014, American Express OPEN

■ Women Are a Majority!

Women are 50.8% of the U.S. population.

- Women earn almost 60% of undergraduate and 60% of all master's degrees.
- Women earn 47% of all law and 48% of all medical degrees.

- Women earn more than 44% of master's degrees in business and management, including 37% of MBAs.

- Women are 47% of the U.S. labor force and 59% of the college-educated, entry-level workforce.

And yet...

Although women in the U.S. hold almost 52% of all professional-level jobs, they lag substantially behind men when it comes to their representation in leadership positions.

- Women are only 14.6% of executive officers, 8.1% of top earners, and 4.6% of Fortune 500 CEOs.

- Women hold just 16.9% of Fortune 500 board seats.

- In the financial services industry, women make up 54.2% of the labor force, but are only 12.4% of executive officers and 18.3% of board directors. None are CEOs.

- Women account for 78.4% of the labor force in healthcare and social assistance, but only 14.6% of executive officers and 12.4% of board directors. None, again, are CEOs.

- In the legal field, women are 45.4% of associates, but only 25% of nonequity partners and 15% of equity partners.

- In medicine, women are 34.3% of all physicians and surgeons, but only 15.9% of medical school deans.

- In information technology, women hold only 9% of management positions and account for only 14% of senior management positions at Silicon Valley startups.

Source: Center for American Progress

■ Multicultural/Diversity

"To nurture an inclusive environment and realize the well-documented business benefits of diverse leadership, retail and consumer goods companies must recognize the differences in how women perceive the workplace and promote changes to policies and culture that will leverage the talents of multicultural women leaders."

"To compete effectively, companies must do a better job developing and advancing multicultural women leaders. Companies perform better when their senior leaders and board members role-model inclusion, support initiatives that develop diverse leadership, and demand executive accountability for creating effective, multicultural, gender-diverse teams.

—Joan Toth, President and CEO,
Network of Executive Women

■ Are Women Bosses Better?

- Female managers in the U.S. exceed male managers at meeting employees' essential workplace requirements.

- U.S. employees with female bosses are more engaged than employees with male bosses (33% to 27%). Female employees who work for female managers are the most engaged, at 35%. Male employees who report to male managers are the least engaged, at 25%. Despite this Gallup finding, only one in three working Americans say they currently have a female boss.

- Female managers are not only more likely than male managers to encourage their subordinates' development, they're also more inclined than their male counterparts to check in frequently on their employees' progress.

- Although these findings may be surprising to some, the management implication is quite clear: U.S. organizations should hire and promote more female managers.

Source: Gallup, Inc.

Consumer Marketing

CONSUMER MARKETING INITIATIVES



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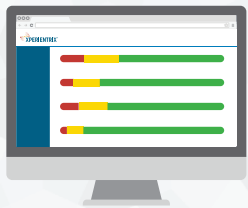
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From The Founder

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Robert A. Gappa
Founder & CEO
Management 2000



M2000's focus on providing a customer centered program has led the brands, with which I've been associated, to dramatically increase same store sales year over year. In many cases, it has afforded those Brands the ability to dominate their niche, as the competition set focused on cutting expenses and increasing profits.

I have found that M2000's approach to focusing on the guest/customer has been the most intelligent and direct way to positively impact earnings and Brand growth whether implemented in the U.S. or internationally. I recommend M2000 to any company savvy enough to understand the importance of customer-centricity in their business success.



Ted Leovich
Vice President Wingstop Restaurants, Inc.



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CMOQ&A

Putting Heads in Beds

Value Place's Kelly Poling on her new role

BY KERRY PIPES

This past September Value Place, the largest economy, extended-stay hotel brand in the U.S., named Kelly Poling executive vice president and chief marketing officer. As the leader of Value Place's brand, marketing, and distribution strategies, Poling says she is focused on strengthening the positioning of the brand and driving more guests to its hotels across the country.

The veteran executive came to Value Place from Rosetta Stone, where she led consumer marketing strategy and operations, but her hospitality industry experience runs deep. She spent seven years at Choice Hotels International, where she ran corporate strategy, marketing, and e-commerce. Other experience includes managing brands at Johnson & Johnson and developing IT and corporate strategies as a management consultant with Arthur Andersen.

"I briefly left the hospitality industry to lead consumer marketing strategy and operations at Rosetta Stone, but then couldn't stay away from hospitality and joined Value Place as the CMO in September," she says. Poling has a BBA from The George Washington University School of Business and an MBA from the Wharton School of The University of Pennsylvania. "I also have an amazing and supportive family, including a brand new baby girl," she says.

Today, Value Place has 190 hotels open in 32 states and has garnered national recognition for the success of its franchise operations. The brand was recently named by *Forbes* magazine as the top hotel franchise in the U.S., was recognized as one of 2014's Top 500 Franchises by *Entrepreneur* magazine, and has been one of Franchise Business Review's Top 50 Franchises for four consecutive years.

Poling is still new to the job, and we

wanted to know more about her—and her plans for overseeing the brand's marketing direction in 2015.

Describe your role as CMO. My role as CMO is pretty inclusive. My team is responsible for not only the traditional marketing functions like creative development and media buying, but also brand strategy, e-commerce, digital marketing, social media, corporate communications, the inbound and outbound contact centers, email marketing, and online third-party distribution.

What's unique about the CMO position at Value Place? Given the inclusive nature of the position, my team not only has to optimize our marketing strategy, but also our distribution strategy across the various channels through which we

deliver reservations.

What's the most challenging part of being a CMO today? The marketing function is much more analytical than it has ever been before. Gone are the days when a CMO can be successful relying only on gut creative instinct. One of the biggest challenges of being a CMO today is having to balance both sides of your brain—the creative and the quantitative.

What are the 3 most important keys to being an effective CMO leader today?

To be an effective leader today, CMOs need to: 1) run their business by the numbers—there is more data available to marketers than ever before and we need to leverage it; 2) stay committed to constantly learning and staying on top of emerging trends—the environment is changing rapidly and we need to evolve with it; and 3) ensure brand authenticity—consumers are savvier than ever before with almost infinite access to information, so if you are trying to be something you're not, it's immediately transparent.

How do you prepare a marketing plan and execute the strategies?

We start by gathering data about the customer, the competition, and the contextual environment. We then set marketing objectives that align with corporate goals and prioritize initiatives based on projected impact. Finally, we set clear KPIs, measure them regularly, and use our findings to improve the plan going forward.

How do you measure marketing results and effectiveness?

There was a time when the only way to measure marketing performance was tracking directly attributable revenue. However, today we have at our disposal



more sophisticated attribution methodologies, such as regression and algorithmically based media mix modeling. This is the future of measuring marketing effectiveness, as it takes into account the entire marketing spend ecosystem, as opposed to just the direct return of each channel individually.

Discuss your core consumer marketing strategies and objectives. Our primary objectives are to more firmly establish Value Place as a recognized consumer brand, drive more revenue through our highly profitable central channels, and deliver high-value guests to our franchisee locations.

How do you go about creating a “customer-centric” marketing and brand philosophy? The key is to clearly identify your target customer, understand their needs, and then laser focus on meeting them.

Describe your marketing team and the role each plays. I’m currently in the process of building out my team, but we have a brand strategy lead who defines the brand and sets the architecture to which all marketing activities ladder. We also have channel leads, contact center/national sales, and corporate communications. And to the earlier discussion about the importance of data, we have a research and analytics lead who provides cross-functional support.

Why is it so important for the marketing department to have a “personal touch” when it comes to helping the brand connect with franchise prospects? Developers are making a significant investment in opening up a new hotel, and when they choose to become part of the Value Place family they are indicating that they trust in our ability to drive reservations to their hotels, to put heads in beds. We take that seriously and are committed to doing whatever it takes to ensure their success. The good news is that we are fulfilling that commitment, with occupancy levels that far exceed the category average.

How does this help your franchise sales and development effort? There are so many compelling reasons to build a Value

Place hotel: an extremely efficient operating model and a great product that guests love, all translating into unbelievable economics for hotel owners. Our marketing efforts further build on that strong value proposition by providing access to a recognized brand and driving highly profitable reservations to our owners.

What ways/tools do you rely on to do this? We’ve built a lot of trust with our franchise partners. This is in part because we own a portion of the brand’s portfolio of properties and thus have skin in the game. Our objectives are intrinsically aligned and that facilitates close collaboration.

Do today’s prospects expect more from the franchise marketing department? What, and how do you provide it? The hotel distribution environment is becoming increasingly complex, with so many ways for guests to search and book hotel rooms: brand.com sites, mobile apps, online travel agencies, social media sites, search engines, meta search engines, affiliates, contact centers, travel agents, corporate accounts, and even emerging distribution channels like Amazon. I think franchisees are looking for us to simplify that complexity.

How is technology changing the way franchise marketing is done in terms of one-on-one contact? Technology is facilitating our ability to deliver more targeted, personalized, and ultimately effective marketing messages than ever before—whether it’s by segmenting the email database based on what we know about previous stay history, buying search terms that are geographically targeted, or using social ad tech specifically targeted at our guest demographics.

How are you assisting your existing franchisees with more contact and transparency? What are their immediate needs? We work in close collaboration with our franchisee partners. We meet with them regularly to share our plans, provide transparency into how our marketing budgets are allocated, and report out on our results.

How do you work with other internal departments, and does technology help? We’re attached at the hip to the

IT team, as they are instrumental to us accomplishing our objectives, whether it’s our recent website redesign, evolution of mobile technology, or connectivity to new emerging online distribution channels.

How do you manage costs and budgets for the marketing department? Unless you’re Google, no marketer has the luxury of unlimited budgets. We, as a result, have to be very disciplined about prioritizing marketing investment that is going to have the biggest revenue impact.

Do you see vendors as business partners? Why/why not? We definitely view our vendors as business partners. The better our objectives are aligned and the more our vendors are functioning as an extension of our internal team, the better our results.

How have marketing strategies/tools changed over the past decade? How have you adapted? It wasn’t that long ago that marketers only had a handful of marketing levers: broadcast TV, radio, and print. Now we have a plethora of ways to reach our guests—social media, display advertising, email, online video, Internet radio—to name just a few. Also, not only are guests receiving information about our brand through many types of channels, they are often doing it concurrently. This makes it more important than ever before that we implement marketing campaigns that are fully integrated across multiple channels.

How is your marketing/branding strategy developed, and how does it flow through the system? We start by deeply exploring customer data. We then identify the most valuable guest segments and establish brand positioning that meets their needs. This brand positioning then becomes the foundation to which all of our marketing efforts ladder: creative development, on-property design, public relations communications, and so forth.

What advice would you offer to aspiring CMO executives? Use the data that’s available to you to inform your decisions, commit yourself to constant personal and professional evolution, and lead authentically. ■

CMO roundtable

"HOW CLOSELY DO YOU WORK WITH THE SALES TEAM IN FRANCHISEE LEAD GENERATION AND FRANCHISEE RECRUITMENT?"

Michael C. Branigan VP, Marketing & Product Innovation Bruster's Real Ice Cream

The Bruster's marketing team works very closely with the franchise sales department. This is a significant collaboration between the two departments and is the lifeblood of the organization. Besides the standard public brand communications to prospective franchisees, the department works diligently to provide the franchise sales team

with franchisee lead generation programs and tactical marketing tools that help them generate leads.

The lead generation process has grown to be more and more complicated over the past seven years with the tightening of available bank funding and

the influx of new QSR competitors to the marketplace. The days of just showing up to a franchise expo or running an ad in *Nation's Restaurant News* have passed. We have experimented and tested multiple lead generation tactical applications over the past two years that have yielded great returns. This has been an arduous trial-and-error period, both financially and from an analytical standpoint, because the normal advertising channels that marketing professionals would follow in the past have expanded greatly and have changed.

We are fortunate to have a very strong franchise sales team that truly understands our "franchise consumer" and how to talk to them. These include things like lifestyle, where they are in their career, if they are a good cultural fit for the brand, and their propensity to succeed in our business model. This certainly aids the marketing function from a communications standpoint. You have to understand this first, before you randomly go out and spend money on ad-

vertising mediums that do not specifically target these consumers.

We also have very specific protocols and tracking systems that allow us to now make informed decisions on all of our collaborative efforts. The departments meet together regularly every week to discuss our progress, wins, and losses. We take this seriously, learn together, and challenge each other to make the right, informed decisions that will produce results every day. It is not a perfect science, but we learn something new every day. That is truly the exciting part of the collaboration.

Brian DeLong Director of Marketing, Advertising, & PR Goddard Systems Inc.

At Goddard Systems, Inc. (GSI), we practice what we teach by continually assessing and learning from our past successes, opportunities, and challenges. Promoting the right culture for our brand begins here with our internal team. From recruitment through our unique support model, our focus on maintaining transparency and accountability extends to our franchisees. Through this culture, we uphold our brand promise and build healthy relationships with our franchisees to achieve mutual success.

We have found that the most successful franchisees are the ones who conduct their business by adhering to the principle of "doing well by doing good," a favorite saying of past Goddard School franchisee Bruce Ford. Like Ford, those who are most engaged in the business, involved in their communities, and have a genuine passion for positively shaping future generations are typically our most successful franchisees. There is no singular factor or profile

that determines a "good franchisee fit" with The Goddard School brand; our franchisees come from a wide range of backgrounds and experiences. This is a community-based business, and it's important to know that our franchisees are on-site operators. This creates a strong bond with families and communities and also adds that extra layer of accountability for franchisees.

The GSI team is highly collaborative. We conduct morning huddles to complement more detailed weekly meetings with our franchise sales team to discuss lead generation, evaluate franchisee recruitment, and review campaigns. In vetting prospective franchisees, we immerse candidates in our brand through a discovery process. Our FDD is widely regarded in franchising as exceptionally detailed and thorough. We also include a comprehensive, but easy-to-understand financial performance representation. We encourage candidates to contact as many existing franchisees as they can to truly gain a sense of the lifestyle and of how the system operates on a day-to-day basis.

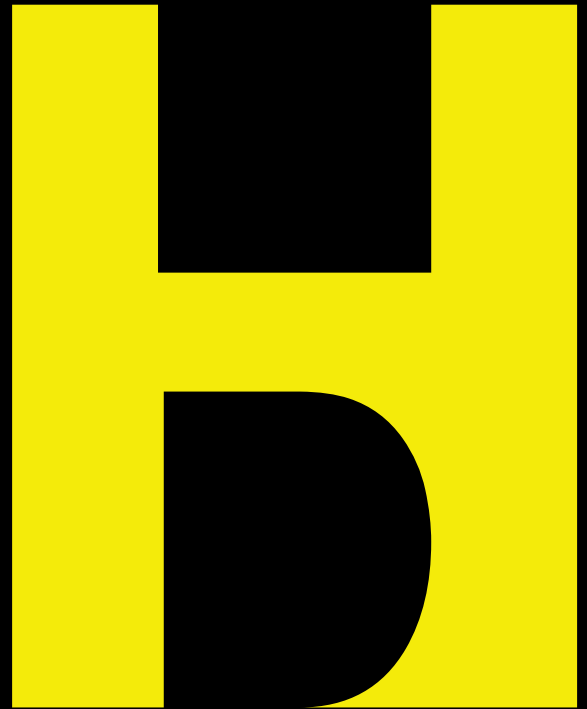
During our Meet our Team Day, held at the corporate office, candidates meet with the senior management of every department to give both parties an opportunity to further gauge whether there is a good fit. The final step of the discovery process includes an in-depth interview with the prospective franchisees where we review the franchise agreement in detail and confirm that the candidates' goals and principles align with ours.

Growing the system does not mean compromising the quality of franchisees or school sites. We believe in reasonable and responsible growth as well as finding the best franchisees who fit our system. ■



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WE HAVE WITH HOT DISH
HAS DRIVEN RESULTS
IN GROWING OUR
FRANCHISE SYSTEM.
WE NOW HAVE OUR
BEST FOOT FORWARD
AND BEAT 2014 SALES
PROJECTIONS BY 35%."**

**CHARLES WATSON, FRANCHISE DEVELOPMENT
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Millennials

In Search of Millennials

Tailor your opportunity to their values

BY DAN SANTY

As a franchise organization, there is no doubt your marketing department is focused on the Millennial audience as a potential customer base. You've read scores of articles describing the size of this generation, as well as their potential spending power in the coming years. They have outgrown the Baby Boomers in numbers, and they will outspend them as well.

But Millennials are also an emerging target for your franchise sales efforts. A recent independent research study uncovered insights that illuminate how attractive this group is as potential franchisees. For instance, the Great Recession stunted the opportunities and financial growth of Millennials in traditional career tracks. With companies downsizing and closing doors, hiring and upward mobility slowed or ceased. Their expensive college degrees didn't bring the salaries they had dreamed of—or been promised. This has created several lasting effects that we don't believe will change in the near future.

First, the lack of steady and dependable income opportunities has created sensitivity to costs and budgets that faded from the Boomers as they aged and Gen Xers never displayed in meaningful numbers. Franchisors approaching a Millennial prospect or candidate must carefully measure how investment costs, franchise fees, and ongoing costs are positioned in their sales process.

This is not to say Millennials as a rule won't make an investment. They want to understand the experience they will be gaining by making that investment. And they want to know the value the company is providing to customers, markets, and stakeholders as a by-product of their financial investment and commitment.

The misunderstanding about their recession-minded frugality is that they don't spend. This is far from true. Millennials have a high propensity to travel internationally and believe they are deserving of high-quality goods and experiences. The

insight from their "mindful spending" is that they *will* spend, but also that they will compare purchases and investments across traditional lines.

It will also help if you give them access to as much information as you can on how the company arrived at each of the costs involved for franchisees. Growing up with the Internet has made them comfortable doing research and wading through information to get to the tidbits they find most relevant and interesting *to them*. Since they're likely to research extensively on their own, it's in your interest to create an online place where they

Growing up with the Internet has made them comfortable doing research and wading through information.



can access the information they need to make a decision.

Second, the most motivated Millennials have been pushed to find new ways to produce income and blaze their own trails outside the traditional business world. This doesn't mean they've eschewed the business world in favor of start-up culture. In fact, they are just seeking opportunities to build or participate in companies they can affect as an individual. Seeing the corporate path as a dead end has caused them to be more cautious of becoming a cog inside a large corporation, unable to move either themselves or the company forward.

When approaching a potential Millennial franchisee, focus on the ability they will have to control their own destiny (through hard work) as well as to contribute to the greater growth of the company. They have been forced to develop an entrepreneurial mindset, so appeal to their desire to chart their own course and illustrate the unique growth they can achieve inside your model.

Last, there is one great contradiction about this group. Despite their independence and entrepreneurial mindset, Millennials have a desire to find social acceptance and consensus among their peer group. As in a job interview, give them *your* references. Whenever possible, connect them with franchisees who are their peers, in age or experience, to talk about how they have grown with your organization, and the different ways the company supported their advancement and independence. This will benefit your organization as well. Those who may not be a fit for your culture will be less likely to invest if they meet with your sales team or representative and don't click.

Understanding these generalized insights on Millennials will make your outreach efforts more productive. Crafting franchising messaging around details reflecting some of these concerns will create richer conversations and demonstrate that you are a partner worthy of their consideration. ■

Dan Santy is the president and CEO of Santy. His understanding of Millennial motivations, media tendencies, and the marketplace has led to intelligent strategies for an impressive roster of restaurant and multi-unit dining clients. Contact him at dsanty@santy.com or 602-317-8955.

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Customer service

Customer Service Vision

Creating inspired moments in each customer's day

BY JOHN R. DIJULIUS

In 2010, Starbucks hired The DiJulius Group to help recreate its customer service vision statement. I was excited because I knew this was going to be something that would live for a long, long time in Starbucks, and I knew we were perfect for this project.

The first thing I asked was what their current vision statement was that they wanted to change: "To inspire and nurture the human spirit one person, one cup, and one neighborhood at a time." I thought to myself, *Wow, that's pretty good*. I honestly didn't know if we could improve on that.

I asked Craig Russell, senior vice president of global coffee, why he felt that statement didn't work. He replied, "We love the statement. Those are Howard's [Schultz] words. It is more of our purpose. As far as a customer service vision, it is too big, too aspirational. We want something that's actionable, trainable, measurable."

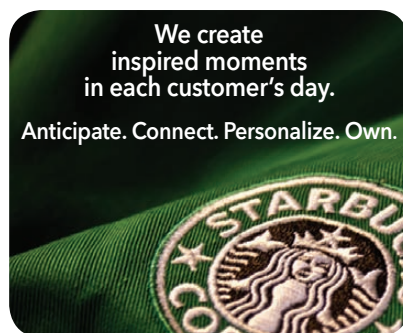
As I thought about it, he was right. If someone comes in and orders a Venti Soy Latte, and the barista gives it to them exactly how they ordered it, in 90 seconds, did the barista inspire or nurture their human spirit? Probably not. That is something that takes dozens and dozens of positive experiences. I believe Starbucks does that, but it doesn't happen in one visit.

So we did what we do with all our consulting clients when making a customer service vision statement: we started with scripting a day in the life of a Starbucks customer. A Starbucks customer is easy to relate to, whether you frequent Starbucks or not. Starbucks' customers are people with discretionary income who are battling the hustle and bustle of their busy lives, trying to balance everything they have going on personally and professionally—people dealing with the daily grind that can wear us all down from time to time.

Inspired moments

One of the biggest takeaways shared by the group of executives was that Starbucks can't change what's going to happen today to its customers. Whether they get a flat tire on their way to work, or they are irate because their package didn't arrive by next-day air as promised, what Starbucks can provide (and does provide very well) is an escape—if only for a few seconds in the customer's day. Starbucks allows its customers to step inside, collect themselves, see some friendly faces—whether it be the workers, friends, or neighbors from the community—and take a break, enjoy a beverage, regroup, and then go back and take on the world again.

There it was. The team had it: the Starbucks' customer service vision statement. One of my proudest trophies as a consultant is the Starbucks green apron. The next time you walk into a Starbucks anywhere in the world and see a Starbucks employee wearing that signature green apron, politely ask them to turn the inside top of the apron over for you. There is where you will see the Starbucks customer service vision statement and pillars printed. It reads:



Why is the service vision statement printed on the *inside* of the green apron? It isn't for the customers or public to see; it is for the Starbucks employees to see. And every time they put that apron

over their head, they are reminded of their job for every customer they come in contact with.

Four pillars

The four pillars to the Starbucks service vision statement have to do with the company's key drivers of customer satisfaction:

- **Anticipate.** This might mean that if a barista sees a customer in a business suit at 6:05 a.m. ordering coffee while barely glancing up from their smartphone, they probably have somewhere to be. Give them their drink and help them on their way. On the other hand, it can be a completely different pace at 9:05 a.m., when a barista encounters a few mothers who just dropped their children off at school and seem to be in no rush.

- **Connect.** A connection could be recognizing regulars and having their drinks ready for them, or it could just be a smile or kind word.

- **Personalize.** This means customization. With more than 80,000 ways someone can order a Starbucks beverage, they truly can have it their way.

- **Own.** Starbucks trusts its employees. They can own the experience. If a little girl drops her hot chocolate, a Starbucks employee can give her a new one free.

Each pillar is critical, but only in conjunction with the others. Customers want their drinks made exactly how they ordered them, and quickly—but not by someone with an attitude. Just the same, a customer does not want someone to greet them by name and have their drink ready before they order it, only to have it made incorrectly.

The Starbucks service vision statement contributed to the company's turnaround in 2010 and 2011. Earnings rose 44 percent, customer visits rose by 5 percent, and more customers were paying for higher-priced items.

In a 2011 interview in the *Wall Street Journal*, Starbucks CEO Howard Schultz said: "We were growing the company with such speed and aggression that we lost sight of the customer experience." ■

John R. DiJulius III, author of *The Customer Service Revolution*, is president of The DiJulius Group, a customer service consulting firm that works with companies including Starbucks, Chick-fil-A, Ritz-Carlton, Nestle, PwC, Lexus, and many more. Call him at 216-839-1430 or email info@thediuliusgroup.com.

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INTEGRATION

COMPLIANCE

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Tom Wood, CEO
Floor Coverings International

“

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Ray Margiano, Founder & CEO
Foot Solutions

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Reputation



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Growing Your System

FRANCHISE DEVELOPMENT INTELLIGENCE

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Marc Alan Kiekenapp, 1952-2014:
In Memoriam



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In-house or out? 5 ways to build your sales team in 2015

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In Memory of Marc Alan Kiekenapp

APRIL 11, 1952 – DECEMBER 15, 2014

The Franchise Update Media team joins us in sharing with the franchise community our sadness at the untimely passing of Marc Kiekenapp, our longtime columnist and friend.

Over the past 20 years, we, along with so many others in the franchising community, have had numerous occasions to do business with Marc and have always respected and appreciated his expertise, knowledge, and willingness to help. That relationship turned into a friendship we will always cherish, and miss. Marc had a solid reputation, and an honesty and dedication to everything he did both personally and professionally. We appreciate his best practices column, “Sales Smarts,” which he has contributed to this page for the past six years.

Marc was president and CEO of Kiekenapp & Associates—The Franchise System Builders, a national franchise development company based in Scottsdale, which assisted franchisors in building effective sales processes, franchise development strategies, and franchise recruitment advertising. He was the founder and Executive Vice President of FranchiseBuyer, LLC, a national referral network that qualifies and profiles potential franchise candidates. Marc also was the co-founder and a principal of System Builders, LLC, a national franchise consulting company that helps franchisors increase their brand equity through the sale of new units.

Before founding System Builders, he served as Executive Vice President of Franchise Development for

Service Brands International, whose brands include Molly Maid, 1-800 DryClean, and Mr. Handyman, which he helped launch. His franchising background also includes Decorating Den and Sir Speedy, where he served as Vice President of Development. He has been a master licensee and has owned and operated both a home furnishing and a printing franchise.

With nearly 30 years of franchise experience, Marc



was a frequent and popular guest speaker and panelist on franchise development topics at conferences for the International Franchise Association, Franchise Update Media, Restaurant Finance Monitor, and many franchisor national conventions. In 2000, he was recognized as one of the top three franchise sales executives by *Franchise Update* magazine.

At his request, Marc's partners will rename Kiekenapp & Associates, to Franchise System Builders, LLC, and continue to work with franchisors nationwide.

We are fortunate to have two short videos of Marc in our Masters of Franchise Development series. See them at http://watch.franchising.com/profiles/marc_kiekenapp/.

You can also find his six years of “Sales Smarts” columns on our website at franchising.com. Type “Kiekenapp” into the search box at the top right.

Gary Gardner
Co-founder and Chairman
Franchise Update Media

Therese Thilgen
Co-founder and CEO
Franchise Update Media

Challenge the pros

"WHAT ROLE DOES YOUR BRAND'S CULTURE PLAY IN YOUR RECRUITMENT AND DEVELOPMENT PROCESS?"



Gary Matusiak
VP of Franchise Development
Pancheros Mexican Grill

At Pancheros, interviewing prospective franchisees who fit within our brand's culture is a lot like dating. During the process, we conduct multiple calls with a potential franchisee to ask questions, gauge whether they would be a fit for our brand, answer any questions they have, and build a rapport with them. We listen for the prospective franchisee's key priorities and principles, which are indicative of whether they would be a good fit within our culture.

After we get to know the prospective operator, we invite them to attend a discovery day to meet our team and learn more about the Pancheros brand and culture. This process is a bit more of an extensive interview with office staff and our executive team. This is a chance for us to really affirm whether or not we feel these franchisees would be a good fit for Pancheros. After discovery day, if we are still interested in pursuing these franchisees, the next steps would be to gather necessary information and execute a development agreement. However, as with any other business, there are times

when this is not true, and we have had to decline franchising with certain prospects, but that is what keeps our culture unified and consistent. Our main goal is to find partners who fit our system and can grow with us. We don't want to just quickly sell franchises to collect franchise fees because that ultimately leads to operators who are not a good fit with our brand or culture. This multi-step interview process ensures that we are doing a proper job selecting franchisees who are a good fit for Pancheros.

Teddy Lester
VP of Brand Development
Woodhouse Day Spa

Every organization has a culture. Often in business, that culture is developed as team members watch the actions of their leaders and see which behaviors are rewarded and which are not. At the Woodhouse Day Spa, we believe the best cultures are intentionally built, and it is something that we strive for on a daily basis. Building an intentional culture takes a lot of hard work, and the leaders must be focused on sharing the vision of where the organization is going and



how the team plays a role in the journey.

The Woodhouse culture is a fun, family-oriented, hospitable, and welcoming culture built on trust, results, action, and a genuine passion for making a difference in the lives of our corporate team members, franchise partners, guests, and spa team members.

Culture is the very first thing we look at in both the development process of signing new franchise agreements and the recruitment process in our corporate

"We genuinely believe that for a company to succeed, its leaders must put culture above all."

office and within individual spa locations. This is determined by asking an assortment of questions, for example:

- Does this person want to transform lives?
- Is this person here for more than business and money?
- Does this person have a positive attitude, passion, and a willingness to learn?

The last question is the most important, as Woodhouse hires by character and trains the necessary skill set. We offer extensive training programs with streamlined processes and tools to train new employees and franchise partners, but the person must have the willingness and want to learn in the first place.

At Woodhouse, culture is everything. It is both the foundation for the way we run our business and a large reason for the brand's success. We genuinely believe that for a company to succeed, its leaders must put culture above all. ■

2015 MULTI-UNIT FRANCHISING CONFERENCE

Shaping the FUTURE

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2015 KEYNOTE SPEAKERS

The acclaimed subject of the book, movie and Broadway play *Catch Me If You Can*, **Frank Abagnale**, and New York Times Best-Selling Author, Futurist & Founder of the XPrize Foundation, **Peter Diamandis**.



**Frank
Abagnale**



**Peter
Diamandis**

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CKE Restaurants
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Corner Bakery Café
Costa Vida Fresh Mexican Grill
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Del Taco
Denny's
Dessange International Inc.
Dunkin' Brands
East Coast Wings & Grill
Einstein Bros. Bagels
Erbert & Gerbert's Sandwich Shop
FATBURGER
FAZOLI'S RESTAURANT GROUP, INC.
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First Watch - The Daytime Café
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Hurricane Grill & Wings
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Krispy Kreme
La Madeleine
LED Source
Lift Brands
Mama Fu's Asian House
Massage Envy Spa
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*As of Press Time

2015 MULTI-UNIT FRANCHISING CONFERENCE

Shaping the FUTURE



Robert Branca

*Chairman MUFC 2015;
President, Branded
Management Group /
President, Branded Realty Group*

Hello Fellow Franchisees, Franchisors and Vendors,

I would like to invite you to join me and many of the nation's top leading franchisees, to the 15th Annual Multi-Unit Franchising Conference scheduled on April 8th-10th in bustling Las Vegas. This is a must-attend event for anyone serious about franchising, interested in doing business with, or learning from the most successful franchisees, franchisors and their supplier partners or investing in their success. This is a "who's who" of franchising. It is where franchisees looking to grow by adding brands, units or territories go to network and look for the chance to finance their latest enterprises.

The Multi-Unit Franchising Conference is designed to be an excellent educational and inspirational resource, providing panels of experts discussing current topics directly geared towards those invested in franchising. Whether you have a conversation with a mega-franchisee doing business in multiple states, or are inspired by the experienced roster of speakers, you will come away armed to better your own businesses.

The people who attend The Multi-Unit Franchising Conference tend to do so regularly. These are the thought and action leaders in franchising who return time and time again, year after year for a reason: they know that this conference is the ideal platform for attendees to network, share and learn; it's where franchisees continue their education and equip themselves for the next step in their franchising journey.

Need another reason to attend? How about this: deals get done here. Franchisors and the most credit worthy, successful franchisees know the Multi-Unit Franchising Conference is where they'll find capital, recruit talent and discover new products and technology.

Given recent highly publicized events, perhaps the most discussed aspect of the 2015 Conference involves planning to navigate the coming headwinds facing our businesses. Whether in the labor, regulatory or operational spheres, becoming informed and developing a strategy are more critical than ever. These are unprecedented times, and the best place to prepare yourself is by being among the best in franchising.

Best Regards,

A handwritten signature in black ink, appearing to read "R. Branca", written in a cursive style.

WHY YOU SHOULD ATTEND

The Multi-Unit Franchising Conference brings successful Multi-Unit Franchisees together for a two and a half day event that combines exciting content & curriculum, an exhibit hall full of new opportunities, and plenty of networking. This conference provides an experience you can't find anywhere else!

1

Dynamic Agenda

We provide content-rich learning geared to help multi-unit franchisees grow and be inspired. Our curriculum extends beyond what franchisees learn at their individual brand conferences. Don't miss our inspiring keynote speakers. This is the only event of its kind that focuses on the critical concerns of today's franchisees.

2

Developed by and for Multi-Unit Franchisees

This is a unique event because it is highly influenced by its advisory board consisting of the very best multi-unit franchisees. The board works diligently to ensure that the conference delivers on its promise of being the best platform for franchisees to learn how to improve unit performance and grow their businesses.

3

Franchisee-Only Events

Franchisees appreciate the opportunity to network with their peers and have asked for even more networking sessions. The 2015 conference introduces a new networking session — Meet the Speakers Roundtables, where you can talk with fellow franchisees. Our franchisee speakers will lead the roundtable discussions that cover a variety of topics important to multi-unit franchisees today.

4

Exhibit Hall

More than 70% of franchisees previously attending tell us they are looking for new opportunities. Visit with more than 230 sponsors and exhibitors representing franchise brands and product and service providers. If you are looking for a new franchise opportunity or vendor partner, this is the place to be. Three sessions are held in the exhibit hall, providing plenty of time to visit every booth.

5

Speaker Roster

Our franchisee speaker roster includes some of the best, brightest and most experienced franchisees in the industry. These talented individuals representing all aspects of the franchise industry share their experiences to help you learn and grow your business.

KEYNOTE SPEAKERS



Dr. Peter Diamandis
New York Times Best-Selling Author, Innovator and
Founder of the XPRIZE

Peter Diamandis is the world's foremost expert and futuristic leader in incentivized innovation: the art of incentivizing smart and talented people within your company or those experts around the world to focus on solving your grand challenges. He has worked with Fortune 100 companies, government leaders, and captains of industry over the past 15 years. In 2010 Diamandis was the winner of The Economist's "No Boundaries" award for "meta-innovation — driving innovation in the way people innovate." He is also the winner of the Arthur C. Clarke Award for Innovation, the Heinlein Award, the Lindbergh Award, the Wired RAVE Award, the Neil Armstrong Award, and the World Technology Award.

Dr. Diamandis is the Founder, Chairman and CEO of the X PRIZE Foundation, a non-profit focused on designing and launching large incentive prizes to drive radical breakthroughs for the benefit of humanity. Best known for the \$10 million Ansari XPRIZE for private spaceflight, the Foundation has awarded prizes in Exploration, Life Sciences, Energy & Environment, Ocean Health, and Education/Global Development. Dr. Diamandis attended the Massachusetts Institute of Technology (MIT) where he received his undergraduate degree in molecular genetics and graduate degree in aerospace engineering.

After MIT he attended Harvard Medical School where he received his M.D. In 2005 he was also awarded an honorary Doctorate from the International Space University. Diamandis has founded over 15 companies since his first year at MIT. Many of these are non-profits dedicated to creating change in the world. Peter's mission is to guide and inspire the transformation of humanity both on and off the Earth. His personal motto is: "The best way to predict the future is to create it yourself." In 8th grade, while living in New York, Dr. Diamandis won first place in the Estes rocket design contest.

In 2012, Diamandis released the best-seller *Abundance: The Future Is Better Than You Think*, debuting at number one on the Amazon and Barnes and Noble best-sellers lists. The book focuses on how exponential technologies, coupled with the DIY movement and the on-line connectivity of the "rising billion," will enable an age of global abundance providing water, energy, food, shelter, education and healthcare in unprecedented availability for humanity.



Frank Abagnale
Acclaimed Subject of the Book, Movie and Broadway
Play *Catch Me If You Can*

Frank W. Abagnale is one of the world's most respected authorities on forgery, embezzlement, and secure documents. For over 36 years he has worked with, advised, and consulted with hundreds of financial institutions, corporations, and government agencies around the world.

Mr. Abagnale's rare blend of knowledge and expertise began more than 40 years ago, when he was known as one of the world's most famous con men. This was depicted most graphically in his best-selling book, *Catch Me If You Can*, a film of which was also made, directed by Steven Spielberg with Leonardo DiCaprio and Tom Hanks. The Tony-Award winning musical *Catch Me if You Can*, directed by multiple award winner Jack O' Brien, opened on Broadway at the Neil Simon Theatre in April 2011.

Between the ages of 16 and 21, he successfully posed as an airline pilot, an attorney, a college professor, and a pediatrician, in addition to cashing \$2.5 million in fraudulent checks in every state and 26 foreign countries. Apprehended by the French police when he was 21 years old, he served time in the French, Swedish, and US prison systems. After five years he was released on the condition that he would help the federal government, without remuneration, by teaching and assisting federal law enforcement agencies.

Mr. Abagnale has now been associated with the FBI for over 36 years. More than 14,000 financial institutions, corporations, and law enforcement agencies use his fraud prevention programs. In 1998 he was selected as a distinguished member of the "Pinnacle 400" by CNN Financial News — a select group of 400 people chosen on the basis of great accomplishment and success in their fields.

In 2004 Mr. Abagnale was selected as the spokesperson for the National Association of Insurance Commissioners (NAIC) and the National Cyber Security Alliance (NCSA). He has also written numerous articles and books including *The Art of the Steal*, *The Real U Guide to Identity Theft*, and *Stealing Your Life*.

"Abagnale's lecture may be the best one-man show you will ever see." —Tom Hanks

WHO SHOULD ATTEND

Franchisees

The Multi-Unit Franchising Conference provides content-rich learning opportunities geared towards franchisees. Our curriculum brings something different to the table and extends beyond what franchisees learn at their individual brand conferences. Our sessions and panels are comprised of franchisees positioned within different segments of the franchise industry. We also strive to provide plenty of opportunities for our franchisee participants to network amongst their peers.

Franchisors

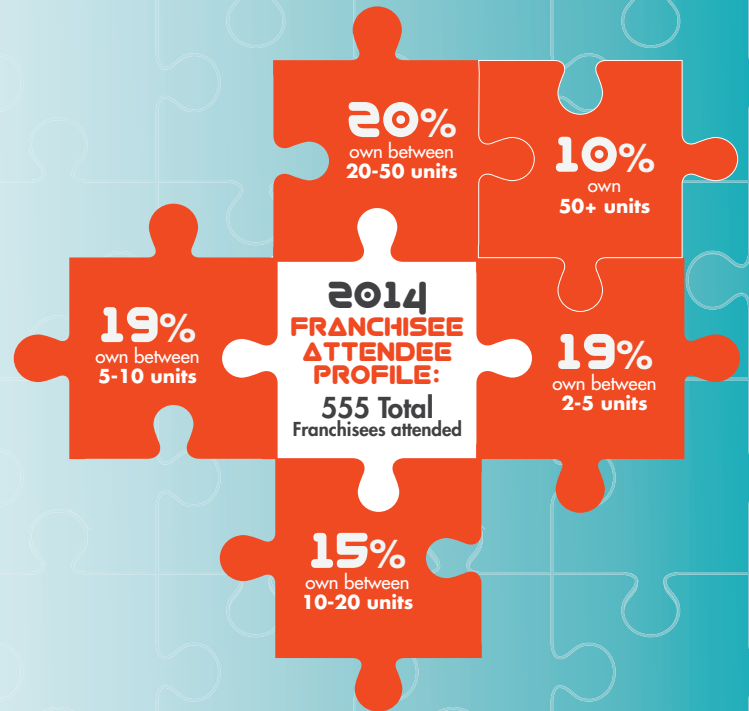
The 2014 Multi-Unit Franchising Conference was attended by more than 550 multi-unit franchisees, representing every segment of the franchise industry – food, retail and service. More than 70% of our participants said they were seeking new franchise opportunities. This conference is the perfect venue to effectively display your franchise opportunity to prospective multi-unit franchisees.

The conference programming is developed with the guidance of our Multi-Unit Franchisee Advisory Board. They share their expertise, challenges and experiences with participants. This provides a great opportunity for franchisors to learn (including CEOs, Presidents, Vice Presidents and Directors) in all disciplines in the organization – Sales, Operations, Marketing, Finance and Technology.

Additionally, franchisee attendees admit they find brands with leadership presence at the conference more attractive than those without C-suite representation.

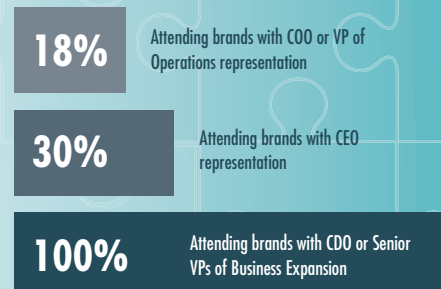
Suppliers

Service providers interested in reaching multi-unit franchisees and franchisors should attend the Multi-Unit Franchising Conference. With more than 550 multi-unit franchisees and 520 franchisor attendees, the conference provides a great opportunity to showcase your services and expertise.



210

FRANCHISOR BRANDS ATTENDED IN 2014



AGENDA AT A GLANCE

TUESDAY, April 7 | Pre-Conference

11:00AM TO 6:00PM **Golf Tournament** – Arroyo Golf Club

6:00PM TO 7:30PM **MULTI-UNIT FRANCHISEE Opening Social (Franchisees Only)** – Carmine's Restaurant
Sponsored by Camp Bow Wow, Johnny Rockets & McAlister's Deli

WEDNESDAY, April 8 | Main Conference

7:30AM TO 7:30PM **Registration Desk Open**

7:30AM TO 8:15AM **Continental Breakfast**

9:00AM TO 10:30AM **Opening General Session**

Welcome: Therese Thilgen, CEO, Franchise Update Media, with Robert Branca, President, Branded Management Group / Branded Realty Group & 2015 Conference Chairman

KEYNOTE

Peter Diamandis, Futurist & Author, *Abundance: The Future Is Better Than You Think*

10:30AM TO 11:00AM **Coffee Break**

11:00AM TO 12:00PM **General Session: Financing 2015 – Securing Capital**

12:00PM TO 1:30PM **Franchisee Only Luncheon:**

Seating available with franchisees by industry or size of organization

Sponsored by Captain D's, Checkers & Rally's Restaurants, Costa Vida Fresh Mexican Grill, Krispy Kreme Doughnuts, Modern Business Associates

12:00PM TO 1:30PM **Franchisor & Supplier Luncheon** – Build and Evaluate Your Franchisee Recruitment Plan & Budget

Growing to 20 Units

Growing from 20 to 50 Units

Growing Beyond 50 Units

1:45PM TO 3:00PM Adequate Financing to Grow

Building Bench Strength to Support Infrastructure

Capital Solutions for \$15+ Million Acquisitions and/or Growth

3:15PM TO 4:30PM The Right Time to Grow Your Infrastructure

Financing Acquisitions & New Growth

Planning Infrastructure to Support Your Next Brand or Acquisition

4:30PM TO 7:00PM **Opening Social in Expo Hall** – Exhibits Open

AGENDA AT A GLANCE

THURSDAY, April 9 | Main Conference

7:30AM TO 7:30PM	Registration Desk Open			
7:30AM TO 8:15AM	Continental Breakfast			
8:30AM TO 11:00AM	General Session Opening Remarks – Robert Branca, <i>President, Branded Management Group / Branded Realty Group & 2015 Conference Chairman</i> Industry Trends – Darrell Johnson, <i>CEO, FranData</i>			
11:00AM TO 11:15AM	KEYNOTE Frank Abagnale, <i>Author, Catch Me If You Can</i>			
11:15AM TO 12:15PM	Break			
	Concurrent Breakout Sessions			
	Marketing Track Customer Engagement - The Best Marketing Tool	Operations Track Evaluating Distressed Units	Relationships Track Labor Laws – Impact on Hiring and Retaining Good Talent	Growth Track Lease Negotiations & Re-Negotiations
12:15PM TO 1:45PM	Lunch in Expo Hall – Exhibits Open			
2:00PM TO 3:00PM	General Session – Franchisees & Franchisors Working Together to Build Stronger Brands			
3:15PM TO 4:15PM	Concurrent Business Sessions			
	Marketing Track Local Store Marketing for Optimum Brand Awareness	Operations Track Take Your Customer Service to the Next Level	Relationships Track Franchising Under Attack: How Recent & Proposed Legislation Affects Your Bottom Line	Growth Track How to Evaluate a Franchise Brand
4:30PM TO 5:30PM	Meet the Speakers Roundtables - Franchisee Only Session			
5:30PM TO 7:00PM	Cocktail Reception in Expo Hall - Exhibits Open			

FRIDAY, April 10 | Main Conference

9:00AM TO 10:30AM	Closing Session Develop Your Plan for Growth Workshop for Franchisees and Franchisors Infrastructure, Financing Needs Assessment & Plan Development
-------------------	---

Multi-Unit Franchisee 2015 MVP

Multi-Unit Franchisee Magazine is proud to once again honor franchisee excellence with our annual Most Valuable Performer (MVP) Awards. We are looking for the best and the brightest franchisees — the power operators, the innovators, the creative thinkers who have demonstrated outstanding performance in growing both their organization and their brands.

MVP Award winners will receive VIP passes to the 15th Annual Multi-Unit Franchising Conference in Las Vegas, April 8-10, 2015, where they will be treated like franchisee royalty and recognized on stage during the general session. In addition, they will also receive an exclusive profile in Multi-Unit Franchisee Magazine, a feature on mufranchisee.com, and an impressive award to display back in their office.

Nominations are due January 5th, 2015

To qualify, multi-unit franchisees must have at least five operating units, and have been in a franchise system for a minimum of two years. Multi-unit franchisees can nominate themselves or fellow multi-unit franchisees. Franchisors can nominate outstanding multi-unit franchisee performers in their systems.

Nominations

Influencer Award for Former Pro-Athlete

For achieving excellence in franchising, as a former pro-athlete.

Influencer Award for Husband & Wife Team

For demonstrating excellence in the franchising industry as a husband & wife team.

Innovation Award

For bringing a new and unique contribution to their brand.

Veteran Entrepreneurship Award

For outstanding performance, leadership and innovation by a veteran.

Community Involvement Leadership Award

For providing an example for others to follow in franchise success.

Spirit of Franchising Award

For achieving brand leadership with a single brand.

Single Brands Leadership Award

For achieving brand leadership with a single brand.

Multi-Brand Growth Leadership Award

For achieving brand leadership in multi-brand expansion.

Noble Cause Award

For passionate, unwavering support for those in need.

American Dream Award

For achieving remarkable success in his new country.



All nominations are strictly confidential.

Questions? Contact Christa Pulling christap@franchiseupdatemedia.com

FRANCHISEE **ONLY** EVENTS

We've heard your requests and based on your feedback, we are offering one more franchisee only event this year – Meet the Speakers Roundtables. These events are designed to encourage networking amongst your peers in a relaxed environment.



Multi-Unit Franchisee Opening Social - Tuesday, April 7th

Grab a cocktail and mingle with your multi-unit franchising peers. This year's chair Robert Branca, Multi-Unit Franchisee of Dunkin' Donuts, along with our advisory board of multi-unit franchisees invite attending franchisees to join them for an evening of peer-to-peer networking and cocktails. This exclusive franchisee social event is the perfect way to jumpstart your conference experience at the lovely Carmine's Restaurant, located in the Caesars Palace Forum shops.

Networking Luncheon - Wednesday, April 8th

Network and share ideas with other multi-unit franchisees during our franchisee only luncheon. Where else can you engage with franchisees from a variety of industries? Discover new ideas and best practices and develop relationships with business owners facing the same challenges. Seating will be open or available by industry. Details available when you register.



Meet the Speakers Roundtables - Thursday, April 9th

The 2015 Multi-Unit Franchising Conference introduces this new networking session – Meet the Speakers Roundtables where you can talk with fellow franchisees. Our franchisee speakers will lead the roundtable discussions that cover a variety of topics important to multi-unit franchisees today.



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For Reservations call **866-227-5944** and book under Multi-Unit Franchising Conference. Callers can also use our group code to identify the group, **SCMUL5**



Data security

Safety First!

Protect your brand from security breaches

BY RICK DAKIN

The data breach reported by Jimmy John's last September affected just over 10 percent of the company's locations, but the bad press and customer fallout affected the entire chain. From pink slime to bed bugs, the national news cycle can be capricious—and damaging—when it's your brand in the spotlight.

Franchisees are used to dealing with these types of reputational risks in other contexts. Cybersecurity is a different order of threat, however. It's easy enough to show customers quality food products and clean premises, but how do you demonstrate a secure POS?

Data insecurity brings increasing legal risks as well. The FTC has now pursued more than 50 enforcement cases against companies that allegedly failed to protect their customers' personally identifiable information.

Most of the FTC's targets have agreed to quick settlements, but Wyndham Hotels & Resorts has fought the FTC in court over a 2012 breach at the hotel chain. In assigning blame for the breakdown, which exposed more than 600,000 customer accounts and led to more than \$10 million in fraudulent charges, the FTC's complaint points specifically to the control Wyndham had over its franchisees' operations.

Cases like this illustrate the reputational risk posed by data insecurity. When a small number of locations are hit, it affects the entire brand. And if the franchisor has not sufficiently invested in security, every franchisee can be at risk. In the case of Jimmy John's, customer information was compromised after an intruder stole login credentials for the POS used at the affected stores. The hacker had open access for almost three months.

These types of attacks are common because too many POS vendors "secure"

administrator access with no more than a user name and password. Many times these are enabled by default and aren't that difficult to guess.

The bottom line is that for small businesses of any type, the economics of security are really difficult. They have low to zero resources for IT, but are just as vulnerable to attacks as the big guys are. That's why it's so important for franchisors to handle these issues appropriately.

Owning a franchise is a significant



If the franchisor has not sufficiently invested in security, every franchisee can be at risk.

personal investment, with an up-front cost typically in excess of \$500,000. Franchisees absolutely should be asking questions about the risk management processes employed by their brands. We have seen security reviews where the auditors didn't do physical location checks at enough stores to cover every type of POS in use by the chain! This kind of "check the box and pass" auditing process is dangerously insufficient to protect franchisees' investments.

A franchise data breach that affects "only" 10,000 customers could cost a franchisee more than \$100,000 in fines, penalties, investigation costs, and fraud reimbursements. For many franchisees, this is truly a "bet your business" type of risk exposure. Franchisors, however, with their greater resources, can do more than their operators to ensure security. A thorough review begins with three basic questions:

1. How do I know if I am already

compromised? What tests should I conduct—right now?

2. If my security team identifies issues, how would they know to inform me or others in our senior management? When would they notify us and what data would they present?

3. How do I instruct my CIO and CISO to assess our current risk posture and notify me and the board on the measures that are justified to protect sensitive data and critical systems? How would I know if they are doing everything that is justified?

Franchisors serious about protecting their customers' information need a true risk management strategy that identifies and protects critical assets, independently tests those protections, and continuously monitors for new threats. There's no fully technological solution to address these needs.

Even the upcoming switch to chip-based "EMV" credit cards and card readers won't stop every attack. There must be ongoing risk assessments and penetration testing to help ensure you don't suffer from mistakes made by others in the chain.

There's an old joke involving two guys in a forest being chased by a bear. Neither man needs to be faster than the bear—just a bit quicker than his companion. The same thing happens with data security. Companies know that adopting better security programs and new payment technologies doesn't make them totally secure—nothing can promise that—but the risks are much higher for the companies that *don't* make those investments. Those with weaker controls become the "low-hanging fruit" for hackers and criminal organizations.

Hackers are creative, persistent, and amply rewarded for their successes. They're trying to do just one thing—break into your systems—while you're worried about *everything* it takes to run a store or a brand. Don't be afraid to ask for help. For franchise-based business, the key is for both franchisors and franchisees to play their part effectively to keep the brand safe and successful. ■

Rick Dakin is CEO, co-founder, and chief security strategist at Coalfire, an IT governance, risk, and compliance firm that conducts more than 1,000 audits and assessments of systems containing sensitive data each year. Contact the company at 877-224-8077.

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Market trends

Standard Setting

What does a “good” franchisor look like?

BY DARRELL JOHNSON

Isn't that a fascinating question... and one that we should be able to answer fairly easily? It's just that we can't—and not because we don't know what a “good” franchisor looks like, but because we don't have a set of standards to describe that. Therefore, we use long and often vague ways of describing what “good” should look like when the world around us is forcing us to answer that question cleanly.

So what exactly do I mean by the world around us? Look at what the Internet has done to the flow of information to prospective franchisees. There is a vast amount of information out there about franchise brands, most of which is subjectively based and a lot of which is simply wrong or misused. The absence of a set of standards allows this to persist. As I have said many times, this absence is partly at the root of legislative and regulatory actions that are changing the franchise business model, or threatening to. Many are arguing for the “market” to self-regulate. But how can it self-regulate when it lacks a standard way of measuring performance? I'll ask the question again: What does a “good” franchisor look like?

A common characteristic of almost all of us, and certainly a basic tenet of the American culture, is wanting to know how we are doing. Whether it's an individual, a team, or a company, comparisons are a part of our culture. A good student is measured by grades. A good sports team is measured by wins. A good company is measured by financial returns to shareholders. I will even add that a good trade association protects its members' interests against legislative and regulatory threats, even when its members don't fully appreciate those threats. (Thanks, IFA!) All are

measured against a set of rules that apply to the environment in which they operate, and all have a set of standards by which their individual performance is judged.

Answering the “good franchisor” question is mostly an exercise in measuring outcomes, so we need to make a distinction between following the rules and performing against outcomes. Public companies must follow the SEC's rules, but that doesn't make them “good” if they do. It merely gets them in the game. In franchising, there



are legal, regulatory, and basic business rules a franchisor must follow.

You know the legal and regulatory rules. To simplify the business rules discussion, I'll focus on two key questions: 1) Is the product or service replicable, and 2) Has the unit model been properly tested? If the answer to these questions is yes, then a prospective franchisor can follow the legal and regulatory rules and get in the game. However, to determine whether they are “good,” we need to get to the outcomes side of the business model. We had better learn to answer these questions or suffer the legal, legislative, and/or regulatory consequences.

Since I'm a dyed-in-the-wool capitalist, it would be easy to say that a franchise system with good unit economics is a good system and therefore the franchisor is “good.” Unfortunately, that's too simplistic. We recently asked a lot

of our franchisor clients what they consider their most important responsibilities. Many responded that their main focus was franchisee profitability. That sounded good, but we asked why. Many responses were that when franchisees do well, franchisors will do well. We asked why again. That's when it became clear which ones meant it and which ones were being politically correct.

If they said that a profitable franchisee *costs* the franchisor less, we knew they got it. It's pretty simple logic. The expense in additional management, training, field support, compliance, and legal attention to a single underperforming franchisee usually far outweighs the return from that franchisee, and even that from most well-performing franchisees. A franchisor that has programs in place to minimize adverse outcomes will maximize long-term gains for their shareholders. Like many public companies that focus

on short-term gains to boost their stock prices, franchisors can push unit growth and underfund support—for a while. It just isn't sustainable over the long term. Franchisors that get “good” outcomes are either lucky or understand the causal relationship between outcomes and the functions they are responsible for. These franchisors will win the race. If we have enough of them, the business model can indeed self-regulate. To get them, we first have to measure outcomes on a consistent basis.

Deciding which outcomes should be measured is the key to addressing what a “good” franchisor looks like. That process is under way, and I'll write more about it next time. Here are some hints about measures coming to the industry this year: real unit success rates in addition to continuity rates; same-store sales and system-wide sales; recurring revenue self-sufficiency; system support level; and franchise agreement terms.

So, what does a “good” franchisor look like? Answers are coming soon to a brand near you. ■

Darrell Johnson is CEO of FRANData, an independent research company supplying information and analysis for the franchising sector since 1989. He can be reached at 703-740-4700 or djohnson@frandata.com.

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Entrepreneur

36 Years Strong in the
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International

2015 World Outlook Country-by-country economic forecast

BY WILLIAM G. EDWARDS

2015 is starting out as a very busy year for international franchise development. U.S. franchises are exporting their brands more than at any time in history—and to more places.

Last year ended with the highly successful opening of Burger King in India, and Carl's Jr. signing a 150-unit license agreement for Japan. Build-A-Bear Workshop opened its first two stores in Turkey to high sales. Anytime Fitness has reached almost 20 countries. Title Boxing Club opened its first international unit in Cancun. Five Guys continues to add new locations in the U.K. at a rapid rate. Fuddruckers opened in Italy. Popeyes is now open in 27 countries. Abrakadoodle continues to add units in China.

Food and beverage (F&B) franchises continue to be the leaders in global franchising, but education, retail, and service sector brands are becoming increasingly desired. Education and F&B brands are most desired in the emerging markets. Established markets such as the U.K. desire service and retail franchises.

The December 2014 IFA/U.S. Com-

mercial Service Franchise Trade Mission to three cities in India introduced 14 U.S. education, F&B, retail, and service brands to this growing market. In 2015 the IFA and Commercial Service plan

Food and beverage (F&B) franchises continue to be the leaders in global franchising, but education, retail, and service sector brands are becoming increasingly desired.

franchise trade missions to the Nordic countries and to Southern China and Taiwan.

Let's take a tour around the world to see where franchising is expected to happen in 2015. GDP growth projections, in parentheses, are from the *Economist* magazine and the World Bank (December 2014).

Africa

- **Nigeria** (World Bank, 1.0%; IMF, 7.0%) – Although 2014 saw the opening of a few U.S. F&B franchise brands, political and economic unrest, a high level of corruption, and lack of rule of law will keep many foreign brands from entering this large country in 2015.

- **South Africa** (-4.7%) – Economic and political unrest is balanced by the desire of the new middle class

for international brands rather than the older indigenous brands.

The Americas

- **Argentina** (1.5%) – Political and economic unrest means little capital for new projects and barriers to getting paid fees and royalties.

- **Brazil** (2.7%) – Dunkin' Donuts recently announced a new licensee. Otherwise the difficult entry barriers, lack of investment capital, and high pricing will limit new entrants in 2015.

- **Canada** (2.4%) – Burger King and Tim Hortons merged. Fast casual F&B continues to grow in major cities.

- **Chile** (4.5%) – Denny's and Fuddruckers opened units. A government change means more business and consumer taxes, which has decreased new investment.

- **Colombia** (4.5%) – Starbucks finally entered. There is a great desire for more franchise brands, but there are challenges finding capitalized licensee candidates.

- **Mexico** (3.5%) – Mexico City, Monterrey, and Cancun are "safe" markets and are seeing new brands and units opening.

- **Peru** (5.6%) – There is a new U.S. Commercial Service post in Lima that is franchise-friendly. Many U.S. F&B brands are present already. The growth of a substantial middle class is positive for more franchises to enter this country.

Near East and Asia/Pacific

- **Australia** (2.8%) – Carl's Jr. paired with Restaurant Brands after great success in New Zealand. Australia is the most franchised country in the world, with a high percentage being local brands.

- **China** (7.5%) – International F&B brands have challenges with food quality and sourcing that have resulted in drops in unit revenue across the country. Service franchises are not yet desired. Education franchises, such as Abrakadoodle, do well because families want to give their children an edge.

- **India** (6.3%) – During December's IFA/U.S. Commercial Service Franchise Trade Mission to Mumbai, Bangalore, and New Delhi, we saw evidence of thriving franchise growth in all three cities. Despite the many challenges involved in entering the Indian market, strong reasons to give serious consideration to taking your franchise to India include: the country's 250 million to 300 million



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English-speaking middle and upper class, the 60% of the total population aged 15 to 50, and the strong desire for brands, quality, and service among the middle class. Retail rental cost, however, is very high. For F&B, expect labor costs of 10% to 15% of gross unit sales, food costs of 30% to 40%, and rent costs of 20% to 25%. Papa John's recently bought an Indian pizza chain to convert and speed their growth in a pizza-focused market.

- **Indonesia** (5.6%) – There are signs of relaxation of the regulations placed on franchises a couple of years ago. One of these was to require 80% local content in restaurants. The problem is that there are not enough local suppliers of quality food products.

- **Japan** (1.1%) – A few major U.S. F&B franchise brands have entered Japan in the past year with very large companies as licensees. Note the announcement of the Carl's Jr. 150-restaurant license on December 19.

- **Malaysia** (5.4%) – Malaysia continues to suffer from government regulations that give priority to indigenous franchises.

- **The Philippines** (6.9%) – A few years ago new, professionally managed companies began to appear that wanted to acquire foreign franchises. This new money and professional management has attracted several U.S. F&B brands.

- **South Korea** (3.7%) – New government regulations designed to right local franchise brand wrongs have instead made it very difficult for new foreign brands to enter the market.

- **Thailand** (4.5%) – The coup in 2014 has had the effect of making businesses feel comfortable to invest.

Europe

- **Germany** (1.0%) – Low growth and inward looking investors result in few new foreign brands in 2015.

- **Ireland** (3.0%) – Once a roaring franchise market for U.S. brands, this country is slowly coming out of the European recession. 2016 should see new investment into foreign franchise brands.

Education and F&B brands are most desired in the emerging markets. Established markets such as the U.K. desire service and retail franchises.

- **Italy** (1.0%) – Low or no growth, high levels of regulation, and a major black market make it difficult for foreign brands to enter Italy and operate in a manner that can yield good margins.

- **Nordic Countries** – Denmark, Finland, Norway, Sweden (1.0–2.4%) – The planned IFA/U.S. Commercial Service Franchise Trade Mission will give U.S. franchisors a good look at the potential of these highly developed, high-income, and high-cost markets.

- **Poland** (3.5%) – McDonald's, Pizza Hut, KFC, Burger King, Starbucks, TGI Fridays, Subway, Mail Boxes Etc., RE/MAX, Anytime Fitness, and Crestcom are among the almost 200 international franchise brands operating in Poland. There are four middle-class cities that are beginning to see franchises. Poland alone in the European Union did not see its GDP growth fall below 1% during the recession.

- **Russia** (0%) – The political problems have now become major economic problems for businesses. The government decided a large number of McDonald's outlets were dirty and closed them. Some foreign brands have their rent paid in dollars, which is a disaster when the local currency used at these outlets lost 40% of its value against the U.S. dollar.

- **Spain** (1.7%) – Despite the recession

and high unemployment rates, the number of franchises, brands, and total franchise outlet revenue has gone up since 2012. As the Spanish economy begins to slowly come back, the U.S. Commercial Service indicates that each year more companies in Spain are committed to franchising as a model for expansion.

- **Turkey** (3.5%) – Government turmoil has caused GDP growth and the currency to fluctuate widely in the past two years. U.S. franchise brands continue to enter this large middle-class market, focused in three cities with populations of 5 million or more.

- **United Kingdom** (2.6%) – Franchising in the U.K. appears to be growing for the first time since the recession started in 2008. U.S. brands such as SuperCuts, Home Instead Senior Care, and Mail Boxes Etc. are well established, and Build-A-Bear Workshop has more than 50 locations.

Middle East & North Africa

- **Egypt** (3.1%) – Three years after the Arab Spring and all that it did to Egypt's economy, there are signs of new investment in international F&B brands with new units to open in 2015 for the first time since the political problems. This is the largest Arab nation, and it has a considerable middle class who value foreign brands.

- **Saudi Arabia** (4.2%) – The primary interest in new F&B brands. Permitting challenges getting new restaurants open are a major concern. Also, restaurants have to build in extra space to separate customers because of religious requirements.

- **United Arab Emirates** (5.6%) – The desire for new F&B brands continues with new U.S. franchises opening almost monthly. The creation of high-end neighborhood malls means it is no longer necessary to start up in the Dubai Mall or the Mall of the Emirates, where space is hard to secure and rents are very high. ■

William G. Edwards, CEO of EGS LLC, has 40 years of international business experience. He has lived in 7 countries, worked on projects in more than 60, and has advised more than 50 U.S. companies on international development. Contact him at 949-375-1896, bedwards@egs-intl.com, or read his blog at edwardsglobal.com/blog.



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It's closing time

In-House or Out? 5 ways to build your sales team

BY STEVE OLSON

Fifteen years ago, mainstream franchisors wouldn't think of contracting their recruitment selling to outside companies. Today's mindset has dramatically changed, fueled by the advent of better technology, communication, intelligence, and tracking systems. Development offices are now more commonplace for many brands, allowing franchisors to attract a larger pool of selling talent, whether as their own employees or independent sales teams.

If you are a young franchise company or in the midst of a turnaround effort, you have choices for developing a high-performance franchise sales program. I don't promote one avenue over the other, because there simply is no single "best way" for all concepts. The type of business, franchise program, corporate resources, leadership philosophies, and other extenuating circumstances will influence which road to take. Here are your choices:

- **Do it yourself.** This is still the most popular approach, but it requires the ability to free yourself from old thinking that may no longer work in the current market. For start-up companies, I strongly recommend that the founder is coached by a franchise sales consultant, and is personally involved in the initial franchise sales process. Their success stories, burning passion, and visionary leadership often excite potential owners to be part of their ground-floor opportunities. Recruiting the first franchisees is a valuable learning experience for the founder. But this is a transitional role as the founder shifts more focus to growing organizational and support demands.

- **Hire an employee.** Through industry referrals or franchise headhunters, there is some great talent available. Depending on your needs, concept, and budget, there are three tiers of franchise

talent available at corresponding salary ranges. Be open-minded, and don't necessarily turn down a recruitment pro who doesn't want to move to your headquarters. According to the 2015 Annual Franchise Development Report (AFDR), more than half (55 percent) of franchisor respondents allowed regional and home-based offices for their sales

Today's mindset has dramatically changed, fueled by the advent of better technology, communication, intelligence, and tracking systems.

personnel. Sometimes you may discover talent right in front of you in an existing employee who may possess skill sets that can grow into this role through professional coaching and attending some industry sales training programs.

- **Outsource to an independent sales professional.** "Hired guns" can frequently get you off the ground much faster. There are freelance individual sales pros who take on a few franchise clients and are willing to represent them on a temporary or long-term basis. This immediately provides you with seasoned talent who should produce sales for you once they build a pipeline of prospects. You also have the flexibility to eventually bring sales in-house should circumstances prove more favorable.

- **Outsource your sales department.** Sales development organizations can take over your entire recruitment program, from developing your recruiting materials and lead generation plan to closing franchise deals. The better firms are highly selective, so don't be surprised if you don't happen to qualify for their services. Your concept must have "legs," a good support team, Item 19 FPRs, and strong franchisee satisfaction. Recruitment budgets and goals must be reasonable, and your management must be committed to supporting the sales efforts. Sounds like a tall order, but with the right representation these professional firms could help catapult your franchise into the 2015 spotlight! Carefully check them out and require at least 10 of their franchise clients that can validate their track record.

- **Contract franchise sales brokers.** Franchise brokers or "consultants" have successfully spurred dramatic franchise growth for new and mature concepts. These firms generate and screen qualified prospects, educate them about franchise ownership, and introduce them to your concept. If needed, many brokers will help improve your sales process so you'll be more successful in closing deals. You pay a fee only when you sell one of their client candidates—a quite hefty amount I may add, but it can be worthwhile since you risk no money up front. No deals? You don't pay a nickel. Brokers often require a vetting process and other fees as well. (Note: Franchise brands should not depend only on brokers, or you're missing out on a majority of prospects who make contact through online, print, PR, shows, and other sources).

Our franchising world offers a wealth of sales and marketing intelligence with development and staffing options that were nonexistent years ago. With a viable concept, good franchisee satisfaction, and the right resources, you can successfully grow your franchise system. Deciding the right way to get there is always your million-dollar question! ■

Steve Olson is a 30-year franchise veteran specializing in development performance. He is the author of the #1 Amazon best-seller, *Grow to Greatness: How to Build a World-Class Franchise System Faster*, available at www.growtogreatness.net. Reach him at solson@olsonandassociates.com.

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