

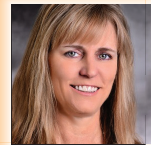
# Franchise

BUSINESS INTELLIGENCE FOR GROWING FRANCHISORS

# update

Q1 | 2017

## WOMEN IN THE C-SUITE



SEE PAGE 53



2017  
**Multi-Unit  
FRANCHISING  
conference**

LAS VEGAS  
SUNDAY, APRIL 23—WEDNESDAY, APRIL 26

SEE PAGE 47

**FRANCHISE  
CONSUMER  
MARKETING  
CONFERENCE**

JUNE 20-21, 2017

## Inbox (endless messages)



All-in one solution to meet franchisees needs

Flagged

Sort by Date

### WILLIAM RODRIGUEZ

*RE: LMap Demo*

Hi Brand Admin, Thank you for reaching out, it is great to hear from you. We're

### FRANCHISEE JOESEPH

*Need a Logo ASAP!!*

Hi Admin! Our media vendor needs our logo to build an ad for us. Can you plea

### FRANCHISEE ANN

*Printing Help*

Hello Admin, What print vendor can produce the feather flags at a better pri

### MEDIA VENDOR STACEY

*Approval Required - Prints Today!*

Admin, Please see the attached media piece that prints today. Per your reques

### FRANCHISEE ANDREW

*Postcard Request*

Hey Admin, Could we have this file customized with our store information f

### FRANCHISEE TOM

*Brand Colors on Banner*

Hi Admin, The colors in the banner we received don't look right. The red shade

### FRANCHISEE ALEXIS

*Media Plan*

Hey, Do you have suggestions on which media tactics are best for the grand ope

### FRANCHISEE SEAN

*Flyer*

Hello Admin, My friend is a designer can he create flyers for the store (see a

### Brand Administrator

*LMap Demo*

To: William Rodriguez <wrodriguez@sca-mail.com>

BA

Hi William,

It was great meeting you at the media conference a few months ago! I'm sorry for the delay in reaching out, it's been hectic here.

We were impressed by your localized media automation platform, LMap and think it would be a great fit for the brand. Allowing our franchisees to select from unlimited media tactics, design their creative, execute and buy their media in one place would simplify the process for them. The customized print-on-demand capabilities is an added bonus for us. This could really streamline our office and help maintain our brand standards.

Can we schedule a demo for our brand with the rest of our team who weren't at the conference? Our team is available anytime next Wednesday or Thursday, if you have availability.

Thank you,  
**Brand Administrator**  
123.456.7891 x111

William Rodriguez <wrodriguez@sca-mail.com>

*RE: LMap Demo*

To: Brand Admin <administrator@brand.com>

WR

Hi Brand Admin,

Thank you for reaching out, it is great to hear from you! We're available Thursday at 10:00am, does that time work for your team?

Have a great afternoon,  
**William Rodriguez, CFE**  
President & Co-Founder  
(818) 475-7622 - Office  
(818) 804-3473 - Fax

**LMap, Powered by Silvercrest Advertising**  
<http://www.LMap.com>



MEET THEIR  
*NEEDS,*  
CONTROL YOUR  
*BRAND,*  
AUTOMATE  
*EVERYTHING.*



Is this your inbox? It doesn't have to be. Let LMap **automate** your marketing requests while you **grow** your brand, and your franchisees **run** it.



POWERED BY



# Franchise update

BUSINESS INTELLIGENCE FOR GROWING FRANCHISORS

Q1 | 2017

**4 From the CEO's Desk** Women in franchise leadership roles show us the way

---

## Leadership 6

---

### **7 Women in the C-Suite**

In our 4th Annual Women's Issue, we profile 28 C-level female executives who lead from behind the scenes - COOs, CFOs, CDOs, CIOs, and more!

---

**18 The List** Women in the C-suite, by total number of units

---

**20 Feature:** Inspiration and practical advice from women at the top of their game - and brands

---

**28 President Profile:** Susan Boresow answers the bell at Title Boxing Club - with gusto!

---

**32 CEO Profile:** Allan Young of Noble Brands looks to innovate, empower, and disrupt

---

**36 Anatomy of a Brand** 70-year-old Shoney's Restaurants sets the table for a comeback

---

## Consumer Marketing 38

---

**40 CMO Q&A** Debbie Gonzalez melds the personal and professional at Massage Envy

---

**43 CMO Roundtable** "What changes to your marketing strategies and tactics do you plan in 2017?"

---

**44 Social Media** Connected retargeting via social media is changing the game

---

**46 Customer Service** Disruption - how prepared are you for the inevitable?

---

## Growing Your System 48

---

**50 Challenge the Pros** "What are the keys to building, training, and retaining a great sales and development team at your brand?"

---

**51 Sales Smarts** Are you selling your brand's marketing expertise to candidates?

---

**52 Growth Strategies** How to help your operators multiply their growth

---

**56 Supplier Spotlight** FranchiseGrade.com makes the grade for franchise brands

---

**58 1st European Multi-Unit Conference** Franchise Update Media goes international in Florence, Italy

---

**60 Market Trends** For capital providers, three big uncertainties loom in 2017

---

**62 International** 2017's franchise development outlook by country and region

---

**64 It's Closing Time** Steve Olson bids adieu to his popular column with his Top 3 list

---

# Many Smart Answers.

## **Rely on the Experts at MSA for Litigation Support.**

Attorneys and their clients know to rely on the vast franchise experience and industry knowledge of MSA when preparing for litigation. If your case would benefit from the opinions of credible, seasoned and respected franchise professionals for expert witness testimony, litigation and alternative dispute resolution support services, call MSA.

Contact Kay Marie Ainsley, Managing Director at 1-770-794-0746.

Contact Michael Seid, Managing Director at 1-860-523-4257.



[msaworldwide.com](http://msaworldwide.com)

# Women in the C-Suite

In this, our 4th Annual Women's Issue, we decided to look at women in the C-suite—but not presidents and CEOs, as we've done in the past. Instead, we've focused on the female leaders who operate behind the scenes, out of the spotlight—but whose roles are indispensable to a franchise system's ongoing success. From Chief Legal Officers and Chief Operating Officers to Chief Financial Officers and Chief Marketing and Brand Officers and more, this year we're shining a spotlight on 28 of these women. In fact, we had to scratch two from our list because



they were promoted to president or CEO in the short time we compiled the list!

It's no surprise these women have risen to the top. They have the talent, experience, know-how, and networks to get things done. I know how to recognize these traits because I have seen them in my own life and in other women I've worked with over the years.

One of them, Shelly Sun, founder of BrightStar Care, served as Chairwoman at our Franchise Leadership & Development Conference last fall. We met Shelly at one of these conferences about 10 years ago, when she was still a "newbie" at the company she co-founded with her husband J.D. I've watched her grow and blossom over the past decade, leading a steadily expanding brand, and now representing franchising as a whole as the 2017–18 Chairwoman of the IFA.

Congratulations to Shelly on making her vision real through relentless dedication, an insistence on quality, and passionate persistence. If I remember correctly, the year before she attended that first conference, she wrote and filed her operations manual and FDD while she was on doctor-ordered bed rest, pregnant with her twin boys. (I'm sure some of our women readers have similar memories of simultaneously raising a family and building a company. I know I do.)

Elsewhere in this issue, our managing editor, Eddy Goldberg, has gathered words of inspiration and practical advice from eight of the "Fabulous Females" we've interviewed in our previous Women's Issues, including Shelly. Their stories are rich with lessons, personal experiences, and the "how" of how they overcame personal and social barriers to rise to where they are today.

We also turned once again to our friends at FRANdata for some statistics on the C-suite women leading their brands. The list is ordered by total system units.

When we speak with female franchise leaders, many tell us that they rarely think about things in terms of gender, although they also acknowledge it can still be a factor as attitudes and perceptions are slow to change. Rather, they believe that their hard work and dedication got them where they are today, fair and square. I believe them. I've traveled that road myself.

As I've watched the franchising community continue to expand over the years I have seen time and again how hard work draws a reward, regardless of gender or background.

So as the percentage of women in leadership positions continues to rise, both within and outside of franchising, I encourage all of us to aspire to be the best we can. ■

—Therese Thilgen, CEO, *Franchise Update Media*

## Franchise update | Q1

### CHAIRMAN

Gary Gardner

### CEO

Therese Thilgen

### EXECUTIVE VP OPERATIONS

Sue Logan

### EXECUTIVE VICE PRESIDENT

Diane Phibbs

### VICE PRESIDENT BUSINESS DEVELOPMENT

Barbara Yelmene

### BUSINESS DEVELOPMENT EXECUTIVES

Jeff Katis

Judy Reichman

### EXECUTIVE EDITOR

Kerry Pipes

### MANAGING EDITOR

Eddy Goldberg

### CREATIVE DIRECTOR

Peter Tucker

### DIRECTOR OF TECHNOLOGY

Benjamin Foley

### WEB DEVELOPER

Don Rush

### WEB PRODUCTION ASSISTANT

Esther Foley

### TECHNOLOGY PRODUCTION ASSISTANT

Juliana Foley

### SENIOR SALES, EVENT & OPERATIONS SUPPORT MANAGER

Sharon Wilkinson

### DIRECTOR, EVENT OPERATIONS

Christa Pulling

### SENIOR MANAGER, EVENTS & PRODUCTION

Katy Geller

### FRANCHISEE LIAISON, SUPPORT COORDINATOR

Leticia Pascal

### FRANCHISEE LIAISON ASSISTANT

Greg Del Bene

### MARKETING ASSOCIATE

Cameron Gustafson

### PROJECT COORDINATOR

Joanne Parungao

### CREATIVE MANAGER

Kevin Waterman

### GRAPHIC DESIGNER

Cindy Cruz

### VIDEO PRODUCTION MANAGER

Wesley Deimling

### CONTRIBUTING EDITORS

Kay Ainsley

Jim Bender

John DiJulius

William Edwards

Darrell Johnson

Todd Juneau

Steve Olson

### CONTRIBUTING WRITERS

Helen Bond

Debbie Selinsky

### ADVERTISING AND EDITORIAL OFFICES

Franchise Update Media  
6489 Camden Avenue, Suite 204  
San Jose, CA 95120  
Telephone: 408-402-5681  
Fax: 408-402-5738

### SEND ARTICLE INQUIRIES TO:

editorial@furngmail.com

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

### SUBSCRIPTIONS

sharonw@franchiseupdatemedia.com  
or call 408-402-5681

### REPRINTS

Foster Printing at 800-382-0808  
www.fosterprinting.com



“  
**HOT DISH IS THE  
AGENCY THAT TRULY  
UNDERSTANDS MY  
BRAND. I KNEW I HAD  
TO GO BACK TO WHERE  
THE MAGIC STARTED.**

Tariq Farid, Edible Arrangements Founder  
Hot Dish Client, 2004-2012, and again in 2017

”

**We're franfocused<sup>SM</sup> and brandfocused  
with work that's strategic and results-driven.**

Creative and Messaging • Media Planning and Buying • Social Media Marketing  
Website Development • Research for Franchise Consumer Marketing  
Franchise Lead Generation

**Contact Dawn Kane, CEO   dkane@hotdishad.com   612.746.8414**



**HotDishAd.com**

# Leadership

FRANCHISE LEADERSHIP AND MANAGEMENT



## **7 Women in the C-Suite**

In our 4th Annual Women's Issue, we profile 28 C-level female executives who lead from behind the scenes – COOs, CFOs, CDOs, CIOs, and more!

---

## **18 The List**

Women in the C-suite, by total number of units

---

## **20 Feature:**

Inspiration and practical advice from women at the top of their game – and brands

---

## **28 President Profile:**

Susan Boresow answers the bell at Title Boxing Club – with gusto!

---

## **32 CEO Profile:**

Allan Young of Noble Brands looks to innovate, empower, and disrupt

---

## **36 Anatomy of a Brand**

70-year-old Shoney's Restaurants sets the table for a comeback

---

BY EDDY GOLDBERG



# Suited to the C-Suite

**W**hat a wonderful world of women we've found for our 4th Annual Women's issue! In the three previous issues we featured presidents, CEOs, and founders. But as all great leaders know, it's the leadership *team* that makes the business world go round. So this year we set our focus on "C-Suite Women" who are *not* presidents, CEOs, or founders.

The 28 profiles that follow include chief marketing/brand officers, chief financial/accounting officers, chief development officers, chief legal officers, chief operating officers, chief technology/information officers, chief people/talent/HR officers, a chief communications officer, and a chief quality, supply chain, and commercialization officer. Several hold dual positions, including executive vice president, senior vice president, vice president, co-owner, co-founder, and board member.

And, suffice it to say, we didn't get 'em all. Our list on page 18 contains additional female franchise leaders beyond those we've profiled in the following pages.

Despite the impressive group we've gathered, it should come as no surprise that women are still under-represented in the C-suites and boardrooms of America. A recent study from Equilar found women in just slightly more than 15 percent of all director seats at publicly traded U.S. companies in 2015. While that number is up from 14 percent a year earlier and 12 percent in 2013, the study predicts it will take nearly 40 more years, until 2055, for women and men to share board seats equally—unless the trend toward more women on boards accelerates, something we hope to contribute to with our annual Women's Issue.

On page 20, following the profiles, we feature a story in which we asked eight other female franchise leaders for words of inspiration and practical advice for women seeking to rise to the C-suite. That story also includes a table from FRANData showing the percentages of women in franchising occupying C-suite and boardroom positions.

But, as the saying goes, beware of what you wish for. Even when women do get into leadership positions, they tend to be subject to harsher criticism than males, especially when company performance goes south—at least in the eyes of the media. A new analysis from the Rockefeller Foundation and Global Strategy reported that nearly 80 percent of digital and print media stories about troubled companies named the CEO as the source of blame when its leader was a woman—compared with just 31 percent assigning blame to a male CEO at companies in similar situations. "Women are still a rarity at the top and they get more attention when they fail," said Judith Rodin, president of the Rockefeller Foundation.

In 2017, as the number of women in leadership positions continues its slow climb, the adage that a woman must be twice as good as a man in the same position still holds true in too many parts of today's business world. Nevertheless, says Shelly Sun, CEO of BrightStar Care and this year's IFA Chairwoman: "I've never seen a more exciting time in my 12 years in franchising, never seen more women in leadership roles."

# WOMEN ARE PLAYING AN INCREASED ROLE IN THE FRANCHISE INDUSTRY

by FranchiseGrade.com

*More than ever before, women are establishing themselves as key stakeholders within the franchise industry.*

There are certain trends and statistics in the franchise industry that stand out as indicators of a changing landscape. It's valuable information, because it tells a more holistic story about important shifts in the industry which are based not only on market demand or growth, but also on who the key franchise stakeholders are.

In the course of analyzing over 2,500 individual franchise systems and helping prospective franchisees Find The Best™ investment, our research points to women playing a bigger role than ever in the franchise industry. In recent years, both the number of female executives listed in Franchise Disclosure Documents (FDDs) and the number of female-owned franchises have been increasing.

In fact, of our own client base in the last 6 months, 39% of our prospective franchisee clients are women; however, engagement rates are actually 30% higher than for our male clients. Although our male clients still outnumber our female clients, our female clients tend to be more actively interested than their male counterparts in finding the best franchise and pursuing their dream of owning their own business.



“

*FranchiseGrade.com provided us with a Franchise Investment Profile that highlights the investment value of TWO MEN AND A TRUCK®. We give this report to all our candidates and feel it is a great addition to our sales process. Only franchise systems that meet their grading criteria are allowed to purchase this report, so we know this gives us a competitive advantage when selling our franchise.*

**Noelle Burak**  
Franchise Development Manager  
TWO MEN AND A TRUCK®

On the franchisor side, the number of franchise executives listed in FDDs who are women continues to increase. In 2016, the number of women listed in Item 2 was 27%, which is a significant 7% jump from recent years. The franchise sectors that saw the largest percentage growth of women executives include Personal Services and Retail Products & Services.

## FINANCING A DREAM

A number of financial institutions in the U.S. continue to actively assist women in starting a franchise. For example, the Small Business Administration (SBA) is reaching out to women, in an attempt to increase the number of female franchisees. The SBA has more than tripled the number of loans to women business owners since 1992 and is a popular source of revenue for women franchisee start-ups.



# GROWTH IN FEMALE-OWNED BUSINESSES

According to the U.S. Census Bureau, the number of businesses owned by women is growing at a faster pace than those owned by men. Between 1997 and 2014, the number of female-owned firms grew at 1½ times the national average. This is in stark contrast to the less than 1% increase in the percentage of women in the overall workforce, according to the U.S. Department of Labor.

As of 2014, there were nearly 9.1 million female-owned enterprises, employing nearly 7.9 million workers, generating over \$1.4 trillion in revenues.

Businesses owned by women represented 45.2% of all U.S. businesses in the Health Care, Social Services, Repair, Maintenance, and Personal Services sectors. These sectors have some of the hottest growth over the last 5 years. Since 2010, our research shows that the Children's Services sector has grown by 8% per year and Home Care has grown by 10% per year. As women continue to play an increased role in business ownership and company leadership, look for this growth to transfer to the franchise industry.

## FRANCHISEGRADE.COM RESEARCH STATISTICS

39%

of the prospective franchisee candidates in the client base at FranchiseGrade.com are women

27%

of executive contacts in the client base at FranchiseGrade.com are women

7%

increase in the number of female executives

## ABOUT FRANCHISEGRADE.COM

Franchise Grade® is the authority on franchise system information, providing research that has helped thousands of prospective franchisees to Find The Best™ investment for their unique needs. Franchisors seeking high quality candidates please reach out to us at [insights@franchisegrade.com](mailto:insights@franchisegrade.com).



# THE AUTHORITY ON FRANCHISING



### Sandra Anderson

**Title:** Chief Legal Officer  
**Brand:** Great Clips  
**Years in franchising:** 34  
**Years with current brand:** 16  
**Franchised units:** 4,091  
**Total units:** 4,091  
**Brand revenue:** \$1.3 billion

**Background:** Sandra Anderson's more than 25 years in franchising allow her to expand beyond the scope of legal compliance to encompass a multitude of issues integral to the franchising business. She ensures that Great Clips has a sound operating environment for business success by managing its compliance with key legal policies and requirements, and by helping the company develop solid legal best practices. This includes overseeing franchise registration and disclosure requirements central to supporting the company/franchisee relationship. She joined Great Clips in 2000 and was promoted from Vice President and General Counsel to Chief Legal Officer in 2011. She offers deep expertise in franchise-specific legal requirements, gained by working within successful franchising organizations and the legal firms that consult for them.



### Stacy Anderson

**Title:** Brand President  
**Brand:** Anytime Fitness  
**Years in franchising:** 4.5  
**Years with current brand:** 4.5  
**Franchised units:** 3,460  
**Total units:** 3,500  
**Brand revenue:** \$1.5 billion

**Background:** Stacey Anderson joined Anytime Fitness 4.5 years ago as Chief Marketing Officer. A few months ago she was promoted to the new position of Brand President. In that position, she steers the world's largest and fastest-growing fitness franchise, serving more than 3 million members at gyms located in all 50 states and nearly 30 countries on 5 continents. After joining Anytime Fitness as CMO in 2012, she quickly earned a reputation for moving big projects forward. In her new role as Brand President, her number-one priority is leading the evolution of the brand from its pioneering 24/7 convenience model to a more personalized coaching approach, featuring new digital technologies and a broader selection of group training programs. Her previous retail experience includes executive marketing positions with Best Buy and Geek Squad.



### Sally Baldrige

**Title:** Chief Operating & Financial Officer  
**Brand:** Jazzercise  
**Years in franchising:** 35  
**Years with current brand:** 35  
**Franchised units:** 8,300+  
**Total units:** 8,300+  
**Brand revenue:** NA

**Background:** Sally Baldrige started in the mailroom at Jazzercise almost 35 years ago, and has worked her way up to the posts (yes, plural) she holds now: Chief Operating & Financial Officer. She graduated from California State University Long Beach with a degree in business with an emphasis in finance. After graduating, she applied for a job at Jazzercise, but the job market in San Diego was tight. She landed a temp job with Jazzercise, typing orders and labels and learning everything she could about the company from the ground up. After 4 months, she moved into a data input position for the company's new accounting system. Following that, she started working for the CFO, moved into accounting, and was well on her way to her current leadership role.



### Victoria Blackwell

**Title:** Chief Legal Officer  
**Brand:** Papa Murphy's  
**Years in franchising:** 15  
**Years with current brand:** 15  
**Franchised units:** 1,414  
**Total units:** 1,582  
**Brand revenue:** NA

**Background:** After receiving her J.D. from Lewis & Clark Law School in 1992, Blackwell has spent her career providing legal counsel, strategy, and advice that supports the long-term strategies and initiatives of her employers. Before Papa Murphy's, she spent three years as Staff Attorney at KinderCare Learning Centers. In 2001, she made the move to franchising and has been leading the legal department at Papa Murphy's ever since. Throughout the years, she has enjoyed the relationship with franchise owners and the challenges of growing a nationwide brand. As she balanced the priorities of working and raising two daughters, Papa Murphy's provided more than just professional growth: its ready-to-bake meals helped her save invaluable time. She has led the brand through two private equity acquisitions, was promoted to Chief Legal Officer in 2012, and helped guide the company through a 2014 IPO.



## Karri Callahan

**Title:** Chief Financial Officer, RE/MAX Holdings

**Brands:** RE/MAX and Motto Mortgage

**Years in franchising:** 3.5

**Years with current brand:** 3.5

**Franchised units:** 6,983

**Total units:** 6,986

**Brand revenue:** \$176.9 million

**Background:** Karri Callahan oversees all finance and accounting functions at RE/MAX Holdings, Inc. and its affiliated companies, including RE/MAX and Motto Franchising. She joined RE/MAX in 2013 as a Senior Manager of SEC Reporting, assisting with the IPO of RE/MAX stock. She was promoted to Vice President, Corporate Controller in 2014. In January 2016, she was promoted to co-CFO and became the sole CFO in April 2016. A native Coloradan, she earned her B.S. in business administration and M.S. in accounting from the Leeds School of Business at the University of Colorado at Boulder. She came to RE/MAX from Ernst & Young with more than 12 years of accounting and auditing experience. She and her husband Rob and their two sons live in Denver and enjoy skiing and swimming.



## Julie Cary

**Title:** Chief Marketing Officer

**Brand:** La Quinta

**Years in franchising:** 13

**Years with current brand:** 10

**Franchised units:** 567

**Total units:** 885 properties

**Brand revenue:** \$783.6 million

**Background:** Julie Cary joined La Quinta Holdings in 2006 as Executive Vice President and Chief Marketing Officer. Before joining the company, she served as Vice President at Brinker International from 2004 to 2006; Vice President of Marketing at Dean Foods from 2003 to 2004; Senior Manager of Marketing until promoted to Vice President of Marketing at Gerber Products Company from 1998 to 2003; and as Assistant Brand Manager until promoted to Brand Manager at Ralston Purina from 1991 to 1997. She holds an M.B.A. from Washington University and a bachelor's degree in business administration from the University of Illinois. Her specialties in consumer marketing include strategic planning, P&L management, advertising, digital commerce, innovation, loyalty/CRM, and customer experience management.



## Kathleen Donovan

**Title:** Chief Financial Officer

**Brand:** Liberty Tax

**Years in franchising:** 3

**Years with current brand:** 3

**Franchised units:** 4,177

**Total units:** 4,487

**Brand revenue:** \$173.4 million

**Background:** Kathleen Donovan is the strategic, results-oriented Chief Financial Officer at Liberty Tax, Inc., where she has served in that role since February 2014. She has more than 30 years of financial experience, including 15 years as a CFO. She came to Liberty Tax after 8 years at Catapult Learning where, as Executive Vice President and Chief Financial Officer, she was responsible for accounting, financial planning, human resources, IT, and legal. From 2005 to 2008, she served as Senior Vice President and Chief Financial Officer at Medquist, Inc. Before that, from 1997 to 2005, she held various finance positions of increasing responsibility, including Senior Vice President and Chief Financial Officer at Dendrite International. Before that, she held finance positions at Unisys, including Director of Financial Planning. She has B.A. and B.S. degrees from Georgetown University.



## Jennifer Durham

**Title:** Senior Vice President & Chief Development Officer

**Brands:** Checkers and Rally's Restaurants

**Years in franchising:** 16

**Years with current brand:** 16

**Franchised units:** 543

**Total units:** 843

**Brand revenue:** \$830 million

**Background:** Jennifer Durham joined Checkers and Rally's in 2001 as an accounting manager, following her time at KPMG and Intermedia Communications in senior auditing and accounting positions. She grew steadily from her financial role into franchise development. In 2006 she was named Vice President and Corporate Controller, and then was promoted to Vice President of Finance and IT. In her current role she is responsible for developing the strategy, systems, and sales approaches that will energize franchise development and shape the future of the brand. She earned a bachelor's and master's degree from the University of Florida. She is a member of the AICPA, the Women's Foodservice Forum, and is involved with Leadership Tampa Bay.





## Vanessa Fox

**Title:** Vice President & Chief Development Officer  
**Brands:** Jack in the Box, Qdoba Mexican Eats  
**Years in franchising:** 7  
**Years with current brand:** 20  
**Franchised units:** 2,170  
**Total units:** 2,954  
**Brand revenue:** \$1.6 billion

**Background:** Vanessa Fox has been Vice President and Chief Development Officer overseeing development for Jack in the Box and Qdoba since 2014. Her experience includes 25 years in real estate development and almost 20 years with Jack in the Box. She started with the company in 1997 as a Development Coordinator in Portland, Ore. A licensed real estate agent, she's served as Lease Administrator, Senior Manager of Real Estate Assets, Director of Franchise Sales, Division Vice President of Franchise Business Development, and Vice President of the Franchise Business Development Department. She received an MBA from the University of Redlands and a bachelor's degree in business administration from the University of Phoenix. She has a culinary certificate from the San Diego Culinary Institute.



## Vicky Garcia

**Title:** Chief Operating Officer & Co-owner  
**Brand:** Cruise Planners  
**Years in franchising:** 19  
**Years with current brand:** 23  
**Franchised units:** 1,800+  
**Total units:** 1,800+  
**Brand revenue:** \$395 million

**Background:** Vicky Garcia is the Chief Operating Officer and Co-owner of Cruise Planners, an American Express Travel Representative. She learned the industry from the ground up starting at Royal Caribbean International, and is among the most respected women in travel. As Chief Operating Officer, she oversees the overall strategic and operational responsibility for all business development and marketing programs. She is an advocate and volunteer for many causes close to her heart. In 2012 she was named the Leukemia and Lymphoma Society's Woman of the Year, Ft. Lauderdale, after raising an unprecedented \$115,000 to support lifesaving blood cancer research and services. She has a lot of "Cruisitude," a positive attitude about life and a zest for travel, and spreads it wherever she goes.



## Debbie Gonzalez

**Title:** Chief Brand Officer  
**Brand:** Massage Envy Spa  
**Years in franchising:** 3, this May  
**Years with current brand:** 3, this May  
**Franchised units:** 1,160  
**Total units:** 1,160  
**Brand revenue:** NA

**Background:** Debbie Gonzalez has been Chief Brand Officer at Massage Envy Spa since May 2014. She is responsible for leading the development and execution of brand strategy in support of the overall business plan and strategic direction of the company. As such, she oversees marketing, brand development, retail, merchandising, and industry relations. She has more than two decades of marketing and retail experience. Before moving into franchising with Massage Envy, she held marketing leadership roles at Kellogg's, Gerber, Herman Miller, and PetSmart—companies that all share a focus on health and well-being, two personal passions she has been able to extend to her professional passions. She received her bachelor's degree from the University of San Diego and her MBA from Thunderbird School of Global Management.



## Alice LeBlanc

**Title:** Chief Quality, Supply Chain, and Commercialization Officer  
**Brand:** Popeyes Louisiana Kitchen  
**Years in franchising:** 35  
**Years with current brand:** 7  
**Franchised units:** 2,559  
**Total units:** 2,631  
**Brand revenue:** \$259 million

**Background:** Alice LeBlanc assumed her current position in October 2009. Before Popeyes, she worked at Papa John's International from 2006 to 2009 as Vice President, Global Strategic Supply Chain and Quality Control Center Management. She sits on the Board of Directors for Supply Management Services (Popeyes' purchasing co-op). From 1996 to 2006 she provided supply chain management support to Yum! Brands restaurants in North America. She is involved with the National Restaurant Association Supply Executive Council, the Women's Foodservice Forum, the National Minority Business Council, and is a Board Director on the Georgia Council for International Visitors. She holds a B.S. in Food Science from McGill University, is married and has two sons. In her spare time, she enjoys engaging in volunteer work with seniors.





## Phyllis Levy

**Title:** Senior Vice President & Chief Marketing Officer  
**Brand:** Rita's Italian Ice  
**Years in franchising:** 4  
**Years with current brand:** 1  
**Franchised units:** 625  
**Total units:** 625  
**Brand revenue:** NA

**Background:** As Senior Vice President and Chief Marketing Officer, Phyllis Levy leads the development and execution of marketing strategies and corporate communications, as well as research and development at the world's largest Italian ice chain. Her career spans more than 30 years as both an executive within and as a consultant to a number of franchise brands and Fortune 500 firms in the food, pharmaceutical, and general consumer packaged goods industries. She is a nationally respected developer, acquirer, and marketer of new products and services for companies including Campbell Soup, Johnson & Johnson, Kraft Foods, and GlaxoSmithKline. Before joining Rita's, she was Chief Executive Officer for Growing Points, a company she founded to develop new entrepreneurial ventures in both the educational and health and wellness marketplaces.



## Christina Maxwell

**Title:** Chief Financial Officer  
**Brand:** Quiznos  
**Years in franchising:** 4  
**Years with current brand:** 4  
**Franchised units:** NA  
**Total units:** 1,200 (est. 2016)  
**Brand revenue:** NA

**Background:** Maxwell joined Quiznos in 2012. As Chief Financial Officer, she is responsible for the direct oversight of all accounting, finance, tax, and IT functions for the company. After receiving a B.S. degree in Accountancy from the University of Missouri-Columbia, she began her career by spending four years as an auditor with accounting firms Deloitte & Touche, followed by Ernst & Young. After that, she moved to the private sector as Corporate Controller and Senior Analyst with the Apartment Investment and Management Company. She next served as Director of Corporate Finance for Gaia, a consumer products company focused on healthy living and sustainable products, followed by a term as Vice President of Finance at Real Goods Solar. She is a licensed CPA in the state of Colorado.



## Sandi Moody

**Title:** Vice President and Chief Accounting Officer  
**Brand:** Chick-fil-A  
**Years in franchising:** 26  
**Years with current brand:** 26  
**Franchised units:** NA  
**Total units:** 1,967 (est.)  
**Brand revenue:** \$6.7 billion (est.)

**Background:** Sandi Moody began her career at Chick-fil-A in 1991 as an Accountant. Over the years, she advanced through several positions: Administrator, Finance; Supervisor, Finance; Manager, Business Analysis; Senior Manager, Business Analysis; and Vice President, Business Insight. In November 2015 she was promoted to Vice President and Chief Accounting Officer, where her role is to create the vision for Financial Services based on anticipated business growth, and to lead the Financial Services Leadership Team (consisting of representatives from Restaurant Reporting, Corporate Reporting, Payroll and Benefits, Treasury, Tax, and Business Insights). She is a CPA and a Chartered Global Management Accountant. She earned her B.S. in Accounting from Berry College and attended the Harvard Business School Executive Education Advanced Management Program. She is Treasurer for the Landmark Christian School.



## Monica Nicolau

**Title:** Chief Technology Officer  
**Brand:** Sylvan Learning  
**Years in franchising:** 16  
**Years with current brand:** 6  
**Franchised units:** 740  
**Total units:** 750  
**Brand revenue:** \$29.5 million

**Background:** Monica Nicolau joined Sylvan Learning in March 2011 as Senior Director of Software Development, and in April 2013 became Vice President of Software Development. In June 2015 she was promoted to her current position of Chief Technology Officer. Building a technology team and working together with many other functions in the organization to design and build SylvanSync, the brand's digital tutoring delivery platform, is among her proudest business accomplishments. Before coming to Sylvan Learning, she worked at Micros Systems (now Oracle Hospitality), where she began as a Software Engineer and moved up to Director of Software Engineering before her arrival at Sylvan. She holds an M.S. in Computer Science with a specialization in Software Engineering from Johns Hopkins University.



## Martha O'Gorman

**Title:** Vice President of Marketing & Chief Marketing Officer

**Brand:** Liberty Tax

**Years in franchising:** 30

**Years with current brand:** 20

**Franchised units:** 4,177

**Total units:** 4,487

**Brand revenue:** \$173.4 million

**Background:** Martha O'Gorman is one of the founders of Liberty Tax Service. Before Liberty, she was Director of Communications for Jackson Hewitt Tax Service. With more than 30 years in advertising, marketing, and public relations, she is responsible for developing brand awareness in every major market in the U.S. and Canada. Liberty prides itself on being a fun company, and she has conveyed that message through marketing and promotion, perhaps most noticeably in the creation of Liberty's iconic Statue of Liberty Wavers. She received a Women in Business award from *Inside Business* magazine for her accomplishments in Hampton Roads, Va., where she resides. She is a member of the Franchise Consumer Marketing Conference Advisory Board. She also is a Liberty Tax Area Developer and franchisee in the Fort Myers, Fla., region.



## Heather Passe

**Title:** Chief Marketing Officer, Regis Corp.

**Brands:** Supercuts, Cost Cutters, First Choice Haircutters, Magicuts, Pro-Cuts, Roosters, Cool Cuts 4 Kids, Beauty Supply Outlet

**Years in franchising:** 8

**Years with current brand:** 4.5

**Franchised units:** 2,528

**Total units:** 9,455

**Brand revenue:** \$1.8 billion

**Background:** Heather Passe leads commercial marketing and revenue strategy for Regis Corp., including branding, marketing communications, pricing/revenue optimization, guest relationship management, and digital capabilities. Previously, she served as Vice President of Marketing, Loyalty, and E-commerce for Carlson Hotels (Radisson, Radisson Blu, Country Inns & Suites, Park Inn, Park Plaza) where she led initiatives to engage customers and develop global marketing and loyalty programs. Before that, she held management roles at Northwest Airlines in marketing, planning, strategy, and analysis. She earned an MBA from the University of Minnesota, Carlson School of Management and a B.A. in Business Management from the College of Saint Benedict. She lives in Minneapolis with her husband and two children.



## Stacy Peterson

**Title:** Chief Information Officer

**Brand:** WingStop

**Years in franchising:** 2.5

**Years with current brand:** 2.5

**Franchised units:** 826

**Total units:** 845

**Brand revenue:** \$78 million

**Background:** Stacy Peterson was named Chief Information Officer at WingStop in August 2014. She joined the company in September 2013 and served as Senior Vice President of Information Technology before becoming CIO. Before Wingstop, she was Vice President of Information Technology for CB Richard Ellis (now CBRE), a major commercial real estate company (Oct. 2011 to Aug. 2013), having previously served as Director of IT (Oct. 2010 to Oct. 2011). Before that, she was Director of IT for FedEx Services (Aug. 2009 to Sept. 2010), and Director of IT for FedEx Office (Dec. 2006 to Aug. 2009). In her more than 15 years of information technology experience, she also held management roles at Kinko's and Blockbuster. She earned her B.S. in Business Management from Florida Atlantic University.



## Abigail Pringle

**Title:** Chief Development Officer

**Brand:** The Wendy's Company

**Years in franchising:** 15

**Years with current brand:** 15

**Franchised units:** Nearly 6,100

**Total units:** 6,500 (approx.)

**Brand revenue:** \$1.9 billion (2015)

**Background:** Abigail Pringle, Chief Development Officer since December 2014, is responsible for design, construction, real estate planning, site selection, portfolio management, and franchise development and services. She leads the brand's re-imaging, new restaurant development, and system optimization growth initiatives for North America. Previously, as Senior Vice President, she led the company's Image Activation efforts, involving the creation of new restaurant designs and uniforms and partnering with the marketing team to redesign the brand logo and packaging. Before being named SVP in 2012, she served as Vice President, Strategic Initiatives and Planning, responsible for facilitating the company's brand planning process and driving key strategies such as pricing, breakfast, sustainability (CSR), and franchise excellence. Before joining Wendy's in 2002, she worked for Accenture in process reengineering, systems implementation, organizational design, and change management.



## Amy Przywara

**Title:** Chief Marketing Officer  
**Brand:** Sylvan Learning  
**Years in franchising:** 21  
**Years with current brand:** 14  
**Franchised units:** 740  
**Total units:** 750  
**Brand revenue:** \$29.5 million

**Background:** Chief Marketing Officer Amy Przywara has been part of the Sylvan family for 13 years, where she has served in various leadership roles including Vice President, Marketing; Senior Marketing Director, Brand and Customer Acquisition; Director of National Advertising; and Director of Co-op Advertising. She has been instrumental in delivering integrated marketing campaigns for Sylvan centers that include national components working in conjunction with a locally focused strategy to drive business to the local centers. Before Sylvan, she held senior roles in the media department of Doner Advertising, a full-service ad agency where she worked with Arby's and ADT dealers. She is a graduate of Penn State University and likes to read, attend sporting events, and travel with her husband and three children.



## Karen Raskopf

**Title:** Senior Vice President & Chief Communications Officer  
**Brands:** Dunkin' Donuts, Baskin-Robbins  
**Years in franchising:** 30  
**Years with current brand:** 8  
**Franchised units:** 19,784  
**Total units:** 19,784  
**Brand revenue:** \$10.14 billion

**Background:** Karen Raskopf was named Senior Vice President of Corporate Communications for Dunkin' Brands in 2009. With more than 20 years in the communications field, she is responsible for all aspects of the company's global public relations, including internal and executive communications, marketing and crisis public relations, event management, corporate philanthropy, and community relations. Previously, she spent 12 years as Senior Vice President, Corporate Communications for Blockbuster. She also served as Manager of Corporate Communications for 7-Eleven, where she led all aspects of public relations. Her background also includes leadership positions at Gannett Broadcasting. She has received several communications awards and is a featured speaker at international conferences on best PR practices. She graduated from the University of Dallas with a B.A. in English.



## Claudia San Pedro

**Title:** Executive Vice President & Chief Financial Officer  
**Brand:** Sonic Drive-In  
**Years in franchising:** 10  
**Years with current brand:** 10  
**Franchised units:** 3,273  
**Total units:** 3,559  
**Brand revenue:** \$590.1 million

**Background:** Claudia San Pedro began with Sonic in 2006 as Treasurer. Today she is responsible for the company's financial planning practices, as well as its relationships with lending institutions, shareholders, and the financial community. She also leads public relations and external communications. Since 2009, as Vice President of Investor Relations, she directed financial planning, procurement and investment of funds, formulated investor relations strategy, and oversaw communications with the investment community. Previously, she was Director for the Oklahoma Office of State Finance, the first female and first Hispanic in that position. She earned her B.A. in Economics from Smith College, and her MBA from the University of Oklahoma. Born in Mexico City, she resides in Oklahoma City with her family. She is a volunteer board member of the Foundation for Oklahoma City Public Schools and Downtown OKC.



## Terri Snyder

**Title:** Chief Marketing Officer & Executive Vice President  
**Brands:** Checkers and Rally's Restaurants  
**Years in franchising:** 29  
**Years with current brand:** 10  
**Franchised units:** 543  
**Total units:** 843  
**Brand revenue:** \$830 million

**Background:** As CMO and EVP, Terri Snyder is responsible for all facets of brand management including brand, social/digital and field marketing, advertising, R&D, research, PR, retail sales, development marketing, and guest experience management. She also is a Member of the Board of Directors. Previously, she was Chief Global Marketing Officer and Senior Vice President at TGI Fridays. Before that, she was Senior Vice President for Brand Growth at Domino's Pizza, Senior Vice President for Marketing and Concept Development at Metro-media Restaurant Group, and Senior Director of Marketing for Pizza Hut. She has a bachelor's degree in advertising from the University of Kansas, and she serves on multiple boards, including the NPD/Crest Industry Advisory Board and the Franchise Consumer Marketing Conference Advisory Board.





## Melissa Strait

**Title:** Chief People Officer  
**Brand:** Arby's  
**Years in franchising:** 32  
**Years with current brand:** 32  
**Franchised units:** 2,288  
**Total units:** 3,339  
**Brand revenue:** \$3.5 million

**Background:** Melissa Strait began her tenure with Arby's in 1984 behind a restaurant counter, learning leadership and guest service skills at the front line of the company's operations as she worked her way through college. In 1995, she became Director of Training, and in 2000 was named Vice President of Training and Development. Shortly afterward, she was named Vice President of Human Resources, Training, and Development, and later became Senior Vice President of Human Resources and Leadership Development. In October 2014, she was promoted to Chief People Officer reporting to CEO Paul Brown. In this role she is responsible for leading the strategy, development, and execution of human resources and key organizational effectiveness and talent management programs across the company. She graduated from Hope College with a B.A. in psychology.



## Cara Whitley

**Title:** Global Chief Marketing Officer  
**Brand:** Century 21 Real Estate  
**Years in franchising:** 20  
**Years with current brand:** 1.5  
**Franchised units:** 6,950  
**Total units:** 6,950  
**Brand revenue:** NA

**Background:** Cara Whitley, a 20-year veteran of loyalty marketing, business development, strategy, and change management, joined Century 21 in September 2015. Since then, she has re-focused the organization-wide marketing strategy to enhance brand pride and preference, increase franchised acquisitions and sales, and recruit and retain relationships with both real estate consumers and industry professionals. The brand's revamped national advertising, marketing, and public relations campaigns included a series of new television commercials that were recognized with a Gold Stevie Award for Women in Business. Previously, she was Chief Marketing Officer of Squaw Valley Ski Holdings. Before that, she served in executive roles for American Express, Epsilon, and Hilton Hotels. She earned her B.S. in Communications from the University of Miami Coral Gables.



## Ann Yett

**Title:** Chief Financial Officer  
**Brand:** Keller Williams Realty  
**Years in franchising:** 10+  
**Years with current brand:** 10+  
**Franchised units:** 800+  
**Brand revenue:** \$67.1 billion

**Background:** Ann Yett joined Keller Williams Realty in 2006. She leads the accounting, finance, and tax teams and oversees global financial operations for the world's largest real estate franchise (by agent count). Her more than 30 years as a financial professional include 7 years with Price Waterhouse, and leadership positions in the consulting, publishing, and technology sectors. During her tenure as CFO, Keller Williams has achieved record growth, productivity, and profitability gains. In 2015, the Austin business community recognized her achievements with the *Austin Business Journal* CFO Legacy Award. She earned her BBA, Accounting from the University of Texas at Austin and is a CPA. She lives in Austin with her husband Tracy and their black lab Sadie. Hook 'em Horns!



## Lynne Zappone

**Title:** Chief Talent and HR Officer  
**Brand:** Popeyes Louisiana Kitchen  
**Years in franchising:** 19  
**Years with current brand:** 6  
**Franchised units:** 2,559  
**Total units:** 2,631  
**Brand revenue:** \$259 million

**Background:** Lynne Zappone joined Popeyes in April 2011. She has 30 years of experience in global human resources, talent development and learning, and business management. From 1998 to 2011, she served in senior human resources positions with InterContinental Hotels Group, rising to Senior Vice President, Americas, Human Resources and Global Learning. Previously, she was a consultant with Phillips Associates, and in organizational development and training roles with Fidelity Federal Bank and Sheraton Universal Hotel. She is Past Board Chair for the Georgia Council for International Visitors, is an SHRM Atlanta Board Member, and a member of the HR Leadership Forum and the Women's Foodservice Forum HR Advisory Council. She has a B.A. in Education from Flagler College and an M.A. in Organizational Management from the University of Phoenix.



# Building your franchise empire?

## Let's talk about your growth plan

The number one issue impacting multi-unit growth is lack of a long-term financial plan. ApplePie Capital provides a clear, predictable path forward. Our Guided Growth™ program delivers a custom financial roadmap and quick, efficient, flexible financing that maximizes the liquidity essential to fund your entire rollout on schedule.



"The reason I chose ApplePie Capital is that they don't just focus on where you are, but where you are going."

JD Penland, Multi-Unit Franchisee  
East Coast Wings & Grill



Ready for a fresh approach to financing? Let's talk.

1-800-720-0241 | [loans@applepiecapital.com](mailto:loans@applepiecapital.com) | [applepiecapital.com](http://applepiecapital.com)

Multi-unit Planning | First-time Franchisees | Debt Refinancing



## WOMEN IN THE C-SUITE

### Expanding their brands from behind the scenes

Name	Brand	Job Title	Franchised Units (US)	Company Units (US)	Total Units*
Amy Bass Messersmith	Pizza Hut	Chief People Officer	7,612	514	8,126
Sally Baldridge	Jazzercise	Chief Operating & Financial Officer	7,015	0	7,015
Liz Williams	Taco Bell	Chief Financial Officer	5,971	929	6,900
Marisa Thalberg	Taco Bell	Chief Marketing Officer	5,971	929	6,900
Abigail Pringle	Wendy's	Chief Development Officer	5,090	632	5,722
Tricia Tolivar	GNC	EVP & Chief Financial Officer	1,084	3,220	4,304
Sandra Anderson	Great Clips	Chief Legal Officer	3,733	0	3,868
Kathleen Donovan	Liberty Tax Service	Chief Financial Officer	3,739	121	3,860
Martha O'Gorman	Liberty Tax Service	VP of Marketing & Chief Marketing Officer	3,739	121	3,860
Claudia San Pedro	Sonic Drive-In	EVP and Chief Financial Officer	3,273	286	3,559
Karri Callahan	RE/MAX	Chief Financial Officer	3,434	21	3,455
Melissa Strait	Arby's	Chief People Officer	2,210	1,004	3,341
Heather Passe	Supercuts	Chief Marketing Officer (Regis Corp.)	1,373	1,056	2,429
Vanessa Fox	Jack in the Box	VP & Chief Development Officer	1,819	431	2,250
Cara Whitley	Century 21 Real Estate	Global Chief Marketing Officer	2,204	0	2,204
Stacy Anderson	Anytime Fitness	Brand President	2,090	33	2,123
Vicky Garcia	Cruise Planners	Chief Operating Officer & Co-Owner	2,105	1	2,106
Lynne Zappone	Popeyes Louisiana Kitchen	Chief People Officer	1,913	70	1,983
Alice LeBlanc	Popeyes Louisiana Kitchen	Chief Quality, Supply Chain, and Commercialization Officer	1,913	70	1,983
Sandi Moody	Chick-fil-A	VP & Chief Accounting Officer	1,934	31	1,967
Victoria Blackwell	Papa Murphy's	Chief Legal Officer	1,368	127	1,495
Krista Gibson	Chili's Grill & Bar	SVP & Chief Marketing Officer (Brinker Int'l)	433	826	1,259
Amy Snyder Hackbart	Merle Norman Cosmetics	Chief Operating Officer	1,172	2	1,174
Debbie Gonzalez	Massage Envy	Chief Brand Officer	1,127	0	1,127
Karen Raskopf	Dunkin' Donuts, Baskin-Robbins	SVP & Chief Communications Officer	1,056	0	1,056
Ann Yett	Keller Williams	Chief Financial Officer	1,001	12	1,045
Julie Cary	La Quinta	Chief Marketing Officer	543	341	886
Lurlene Klein	Hot Stuff Pizza	Chief Financial Officer (Orion Food Systems)	829	0	829
Karen Luey	Jamba Juice	EVP, Chief Financial & Administrative Officer	748	70	818
Stacy Peterson	WingStop	Chief Information Officer	767	19	786
Suk Singh	Outback Steakhouse	Chief Development Officer (Bloomin' Brands)	105	648	753
Deanna Watts Castello	Proforma	Chief Marketing Officer	629	1	677
Cynthia Archer	APlus	EVP & Chief Marketing Officer, Sunoco	270	384	654
Phyllis Levy	Rita's Italian Ice	SVP & Chief Marketing Officer	621	0	621
Linda Meyer	Godfather's Pizza	VP & Chief Financial Officer	536	15	551
Amy Przywara	Sylvan Learning	Chief Marketing Officer	527	11	538
Monica Nicolau	Sylvan Learning	Chief Technology Officer	527	11	538
Terri Snyder	Checkers & Rally's	Board Member, Chief Marketing Officer, EVP Marketing	362	174	537
Jennifer Durham	Checkers & Rally's	SVP & Chief Development Officer	362	174	537
Pat Drea	Visiting Angels Living Assistance	Chief Operating Officer	508	0	508
Erika Gileo	EXIT Realty	Chief Operating Officer	463	0	501
Candra Alisiswanto	Charleys Philly Steaks	Chief Financial Officer	423	48	471
Sarah McAloon	Cicis	Chief Marketing Officer	403	41	444
Marina MacDonald	Red Roof Inn	Chief Marketing Officer	430	13	443

\*Total Units includes international. **Source:** FRANdata. **Note:** Data is drawn from the latest FDDs available and may differ from more recent data in the 28 profiles starting on p. 7.

# SUPERCHARGE YOUR MARKETING



888.300.0409

[www.ScorpionFranchise.com](http://www.ScorpionFranchise.com)



"NO FREAKING WAY I was expecting one week to be so powerful."

- HEATHER MCLEOD, THE CLEANING AUTHORITY



# FINDING THE SUITE SPOT

## *Inspiration and advice for female franchise leaders*

**T**o learn how women can succeed at the highest levels in franchising, we asked women at the top of their brands (or in one case, 11 brands) how they arrived at their leadership positions. Each acknowledged that when they started out in franchising, they were as nervous and uncertain as the young women who approach them today with questions, seeking advice, friendship, or mentorship. Let's begin with the different ways they got where they are today.

One way is to be the daughter of a franchise company founder (clearly not for everybody). Four are daughters of founders: Melanie Bergeron, whose mother founded Two Men and a Truck after her two sons started a summer moving business, is now chairwoman of the brand and was 2015 chairwoman of the IFA; Dina Dwyer-Owens, who was thrust unexpectedly into a leadership role at The Dwyer Group following the untimely death of her father, Don Dwyer, Sr., is now co-chair of the \$1.5 billion company; Barbara Moran-Goodrich, whose father founded the automotive repair and aftermarket company she now leads, Moran Family of Brands; and Christine Specht, whose father and uncle founded Cousins Subs.

Another is to found a franchise company yourself. Two did just that: Shelly Sun, who founded BrightStar Care with her husband J.D. in 2005; and Shane Evans, who founded Massage Heights with her husband Wayne in 2004.

A third path is to start out as a franchisee and work your way up. After leaving the U.S. Marine Corps, Mary Kennedy Thompson, chief operating officer at Dwyer Group, began her career in franchising in 1994 as a Cookies

by Design franchisee. She spent 6 years as president of the brand before coming to Dwyer as president of Mr. Rooter in 2006. In July 2015 she was promoted to her current position.

And finally, join a franchise brand and work your way up. Meg Roberts began her career in the advertising industry and moved into franchising at Molly Maid in 2007 as director of marketing. In 2008, she was promoted to vice president of marketing, and in 2012 became president.

We asked them to tell their stories, provide practical, how-to advice for women who look up to them as role models of success, and perhaps throw in a dash of inspiration while they were at it.

### **Speaking for franchising**

"I've never seen a more exciting time in my 12 years in franchising, never seen more women in leadership roles," says Shelly Sun, CEO of BrightStar Care. She points not only to her role as IFA chairwoman this year, but also to other women on the IFA's executive committee: Catherine Monson, CEO of Fastsigns International, secretary of the IFA, and Franchisor Forum chairwoman; Mariana Huberman, a UPS Store franchisee and chairwoman of the Franchisee Forum; and Mary Ann O'Connell, founder of FranWise and first vice chairwoman of the Supplier Forum.

"We're also seeing more new faces of women in leadership positions at large brands appointed to the board," she says, referring to Karen Satterlee, vice presi-

dent and senior counsel, global franchise development for Hilton Hotels.

Sun also points to the growing numbers of young women entering franchising, for example as entrants in the NextGen Global Competition, including the 2017 grand prize and FranShark winner, Jennifer Turliuk, founder of MakerKids, which runs programs on robotics, coding, and Minecraft for 8- to 12-year-olds. "I think you see women at the youngest ages who are just now starting their foray into franchising and competing on a pretty large stage with lots of applicants, men and women, who are being singled out as best of the best and are getting their opportunity for scholarships and other assistance to help their businesses get to the next level," she says.

Sun says she's also seeing more women leading franchise businesses at industry events she's attended just in the past year, whether it's FranConnect's event in Mexico, Franchise Update's Leadership & Development Conference, or the IFA Convention. "In recent years I'm seeing more women actively involved in franchising," she says. "I think you're seeing this across franchisees, franchisors, and suppliers." And at this year's Emerging Franchisor Bootcamp, she estimated that 25 to 30 percent of the attendees were women founders and entrepreneurs of franchise brands. "I think

that's really cool and exciting," she says.

"You see women in positions of leadership really contributing in their own businesses, but also contributing to the



**Shelly Sun**



# WHY SHOULD YOU CARE ABOUT FRANCHISEE SATISFACTION



## OUR CLIENTS SAY IT BEST.

"A successful franchise community relationship depends heavily on having good information and insights that can drive and guide the business. The **Franchise Research Institute®** helped Arby's achieve just that through their methodology and surveying practices, which are second to none."



- Paul Brown, CEO,  
Arby's Restaurant Group



"Ensuring **franchisee satisfaction** is a cornerstone in ensuring franchisee success. As the pillars of this company, the support of each individual franchisee is pivotal in the system's success. To be recognized as a **World-Class Franchise®** for the quality, support, training and open communication for our franchise system as well as the growth potential of our brand is an incredible honor. This reaffirms that our team implements the right practices and that our franchisees recognize and feel the impact of those efforts."



- Catherine Monson, CEO,  
FASTSIGNS International, Inc.



"There are a lot of 'Best of' and 'Top' lists in franchising, but there is only one list based upon fully inclusive, transparent, third-party research. At BrightStar, we are pleased that our company has been (and continues to be) recognized by numerous organizations, but we are especially proud to be a **World-Class Franchise®**."



- Shelly Sun, CEO and Co-Founder,  
BrightStar Care

FRI offers high-quality franchisee opinion research that provides **intelligence** crucial for **increasing sales and profits!**

Visit  
[FranchiseResearchInstitute.com](http://FranchiseResearchInstitute.com)



**Jeff Johnson**  
CEO and Founder

Jeff@FranchiseResearchInstitute.com  
Toll Free: 1.800.410.5205



FRI is the original auditor of franchisee opinions.  
Our focus is research -  
we do NOT sell leads or advertising!

FRANCHISE RESEARCH

**I N S T I T U T E**

FRANCHISEE OPINION RESEARCH



industry as a whole. It's fun and exciting and is hopefully setting a good example for the next generation," says Sun. "They're a great example of seeing that women don't see a glass ceiling in franchising. They see they have every opportunity along with anyone else to make their mark. It just takes determination and hard work and a passion for what they're doing—and I don't think that relates to gender."

## The sky's the limit

"I can remember the seminal moments of development for me as a woman in franchising," says Meg Roberts, president of Molly Maid. "One of them was walking up and introducing myself to Shelly Sun at the IFA in San Diego 8 or 9 years ago. She was a panelist in a small breakout session—you'd never see her in that role any more! She wasn't as intimidating to me as an up-and-comer

then as she might be now, but I could tell this was someone who was going to be remarkable. So I walked up, introduced myself, and made sure I created an impression. Since that time we've been in constant contact."

Roberts says there are two lessons to be drawn from that. One is that women who stand out and have something to say need to make sure they keep doing it. Second, she says, women in leadership positions need to extend their hand, introduce themselves, and take the hand back from today's emerging female leaders. "I'm sure Shelly stood out to a lot of people in the room, and I don't know how many had the courage—which I think is something that as women we need to remind ourselves to harness—to not to be held back because of something as simple as gender," she says.

Roberts remembers that as a very important moment at the beginning of her franchising career. "Certainly any woman reading this will fall into that spectrum of already having achieved where Shelly is now, having been in the spot she was in then, or where I was then as a first-time attendee," she says.

"I hope people recognize the incredible contributions women have made to franchising already—whether they're the founder of a franchise organization, the offspring of a founder who has done amazing things since then, or a brand president or CMO. I think the sky's the limit in franchising for women, and the more we support one another and encourage young women to appreciate the endless opportunities, the more amazing, successful women we'll have."

After a decade in franchising, Roberts says she can see the path to success in ways she couldn't when she was younger. "It really boils down to polish and professionalism and having a precise focus on what you want to achieve in your future and making a plan to get there. There are so many people who want to help you execute those plans if you've got it figured out."

When Roberts made the shift into franchising she was accustomed to the competitive, individualistic culture of the advertising industry where she'd been working. She contrasts that with the collaborative, familial nature of franchising. "It's much more of a team sport," she says.

"I recall 10 years ago being told that

## WOMEN IN THE TRADES

About 15 years ago, Dina Dwyer-Owens was eating at a restaurant and observed how hard the waitresses were working, and what a good job they were doing serving customers. At the time, her company was short on technicians, and had only a few women working on the front lines. That's when the idea hit her: start a program to train women to be drain cleaners for the Mr. Rooter brand. It was the beginning of The Dwyer Group's "Women in the Trades" initiative.

She tested a 2-week program at a nearby technical college in Waco, training women who were on welfare. She lined up a woman-owned Mr. Rooter franchisee in Dallas who agreed to hire anyone who completed the program. She would pay them \$35,000 a year, mentor them, and teach them to be a plumber. But that franchisee was too far away, and none of the women took her up on the offer. "That didn't work the way we hoped it would," says Dwyer-Owens. But she didn't give up on the idea.

About 10 years later, in 2012, she appeared on "Undercover Boss." In that episode, millions of viewers watched a young lady working on the front lines for Mr. Appliance. "Within two weeks of that show airing 647 women contacted us to say, 'How do I get a job like that?'"

Later that year, Dwyer-Owens, now co-chair of the company her father founded in 1981, revived the Women in the Trades program and added a scholarship component. To date more than 24 women have received scholarships. "My goal is to award at least 50 scholarships a year to women who are interested in getting involved in the trades," she says.

And it's not just the licensed trades, she adds. The \$1,500 scholarships can be applied at a trade or technical school of their choice for HVAC, plumbing, electrical repair, glass repair and replacement, appliance repair, restoration, painting, landscaping, residential cleaning, and handyman services.

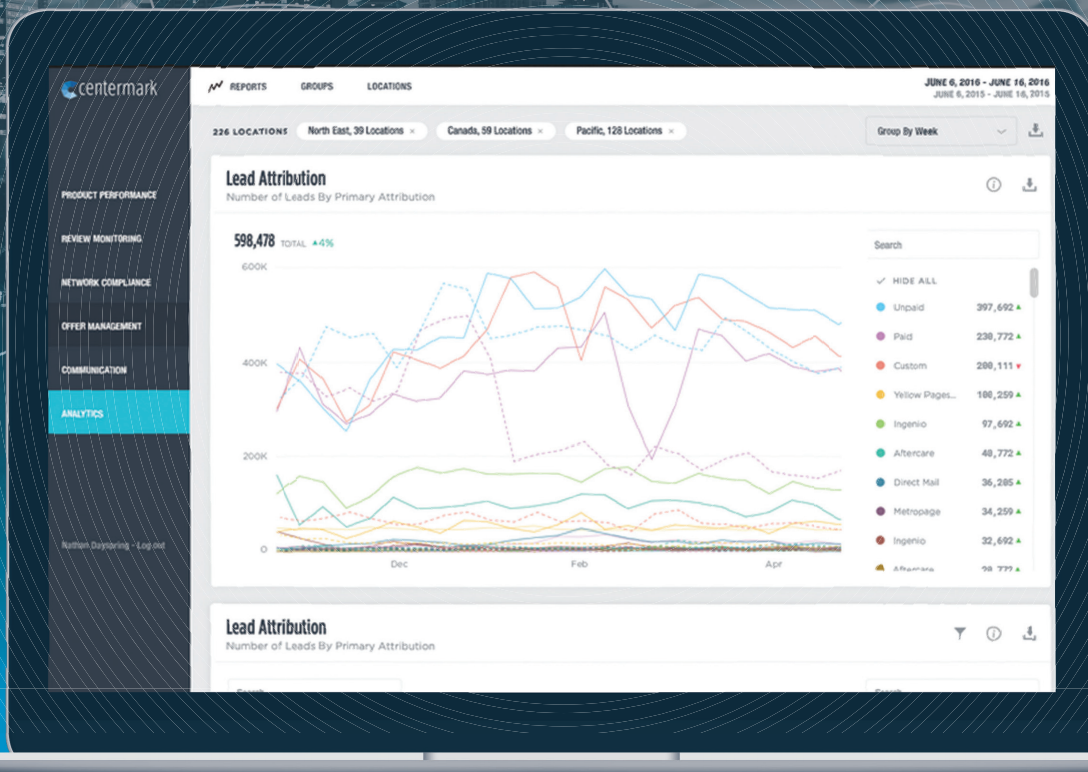
"My vision for those women who want to own their own businesses is that they will have a career path. They can start with a franchisee and learn the business while they're earning a living, and the longer they work for a Dwyer brand franchisee the greater discount they can receive toward the purchase of their own franchise territory," she says. "That's the vision: showing these women that they can run their own business one day—start at the front line, but one day be a small-business owner and employ other women and men."







## THE DISTRIBUTED MARKETING AUTOMATION PLATFORM FOR FRANCHISE NETWORKS.



# BUILD YOUR BRAND. ENGAGE YOUR CUSTOMERS. GROW YOUR BUSINESS.



### READY FOR A DEMO?

Send us an email at [WBN-Marketing@web.com](mailto:WBN-Marketing@web.com).  
If you mention this ad, we'll cater lunch for you and  
five guests in the comfort of your office.

the real satisfaction in my job was going to be seeing the rewards and the benefits achieved by our franchisees. And I'm thinking, 'Yeah but I need a raise.' There's no doubt we're all motivated by our own financial success, but those words could not have been more true. I didn't believe it because I had just started in franchising. I hadn't been lucky enough to be in an industry where my day-to-day hard work, creative thinking, collaboration, and problem-solving were actually going to result in a sense of contribution to *someone else's* visible success," she says.

"I knew them the day they wrote the check, I knew them 5 years later when they won their first incentive trip, and I knew them 10 years later when they could afford to send their daughter to an Ivy League college because of their decision to enter franchising. That is so satisfying, and that is franchising."

## It's a woman's world after all!

When we spoke with Barbara Moran-Goodrich last month, she was getting ready to leave for the Women in Auto Care winter conference, where she serves on the board. She was excited at the prospect of spending time with more than 100 women executives involved in the automotive industry. After all, she's had to overcome the stereotype that women don't belong in this male-dominated field (especially at the top), most notably from her father. "Dad was old school and thought I should be at home taking care of my family, but my passion drove me," she says. But that was a long time ago, and a story we told in our 2015 women's issue.

"I know many women in the automotive aftermarket, more so on the sales side. This is an opportunity to meet more women on the marketing and executive side," she says. "I have not been as active on the automotive side as I've wanted and am looking to get more involved."

Moran-Goodrich says she has seen the number of women in franchising grow a lot in the past 15 years. "It was a handful, but more and more are coming in and I'm excited to see that. I'm also



**Meg Roberts**

starting to see that in the automotive industry, and that's exciting too," she says. "The more stories out there about women going into fields that were never expected, the more it helps the next generation of women to come in and say 'That's an opportunity, that's an option for me.'"

In the small world of franchising of earlier years, her father knew Don Dwyer, Sr., founder of The Dwyer Group. She didn't know his daughter, Dina, but in the late 1990s heard her talk about her family dynamics and business and immediately set out to meet her. The parallels were strong: they both were in a man's environment in the trades, with Dwyer-Owens taking over because her father passed away, and her own father with heart problems having to step back from leading the company.

Moran-Goodrich says she was impressed by Dwyer-Owens' willingness to hear from other women and guide them and help raise them up. "I always believe you have to be there to help the next generation of women, and I'm happy to be a part of that. I love to mentor and be mentored," she says. "I'm really excited to see where we go in the next 25 years with women in executive positions."



**Barbara Moran-Goodrich**

## Making it on merit

Christine Specht also is a daughter of a founder who didn't particularly see her as the next leader of his company, Cousins Subs, which he founded with his cousin in 1972. But there's something to be said

about growing up in the business.

"When I was named president in 2008, I replaced a gentleman from the outside who was taking the company in a direction my dad wasn't comfortable with. At the same time, if I'd been named president 4 years earlier (that's how long he was there), I don't know that I would have been ready. I think the timing was better for me when I did ultimately get that opportunity in 2008. Maybe it was not the time for me in 2004. It's almost like the company had to go through certain changes for me to be ready—and me being mature enough and skilled enough to handle that position."

Specht says she tries not to evaluate herself based on her gender. If she's interested in or wants to do something, she says, "I'm going to do it, regardless of whether I think I'm breaking a glass ceiling, or that it's not traditional for



**Christine Specht**

some women or some men. I'm not going to let that 'woman factor' influence my decision one way or another."

Working in her family business, she says the one person who needed to have confidence in her was her father, and he did. "And because I was able to demonstrate an ability to fill a need that the company had at the time, he made me the president."

For women who want to gain traction in the franchising world, whether looking to work for a franchisor or have their own business, Specht says one of the best things they can do is attend conferences and trade shows and get themselves known in ways that don't have a tremendous cost. "When you're just starting out, try to get out there and network, and attending conferences is one of the best ways to do that. You start to build a name for yourself. It's a lot of work, a lot of travel, but at the same time you make those connections and will continue to get noticed."

Even in 2017, this can be harder for a woman than for a man because of embedded cultural biases. But for women, younger ones especially, this is less of a problem with each passing generation. "If a woman wants to be out there, she has to put herself out there. Nobody's



# Business is personal.



Over 19,000 qualified prospects from around the world will converge on New York City. Join 400+ leading franchise brands at this premier global exposition. Don't miss this opportunity to meet the right franchise candidates!

***Get personal at IFE***



## RESERVE YOUR SPACE TODAY

Visit [www.IFEinfo.com](http://www.IFEinfo.com) or email [ife@ifeinfo.com](mailto:ife@ifeinfo.com)

*Where the franchise world gathers.*



**JUNE 15-17, 2017**  
Jacob K. Javits Convention Center, NYC

Sponsored by:



**FRANCHISING**  
Building local businesses,  
one opportunity at a time.



going to do it for her. She can look for mentors and look up to people who can help her, that she can learn from, but the only person who can take that first step is her."

One obstacle for many women seeking to advance is the idea that one has to be "perfect" to apply for or even accept a promotion. Not so, says Specht.

"This idea of wanting to be perfect and do the job perfectly—it's a myth. What is perfect in an industry? Every leader is different somehow. There are thousands of leadership books that all tell you something different. Ultimately, you have to find what works for you and realize you're not going to be perfect. I'm far from it, but my style is working, and my style enables me to secure really great people on my team, and collectively we do have answers," she says. "My leadership is my own. Recognizing the fact that you're not perfect, but can do things to compensate for that, shouldn't stop you from going after what you want."

When Specht went after the job she holds today, she says, "I certainly didn't know a lot about that leadership position. But at the same time I was smart enough to realize that I needed to make sure I was continuing to evolve—grow in emotional intelligence, grow in practical leadership, and doing that through ongoing education and training to make sure I was taking seriously the role that I was given, and that I was going to be successful in it."

Her advice to women looking to become better leaders?

- Serve on nonprofit boards, observing and working with leaders of organizations larger and more successful than their own.
- Get involved in ongoing, practical leadership development training, not only yourself, but also your team, learning the best ways to hold meetings or review individuals, for example, and get exposed to different perspectives and approaches.
- Read leadership books.
- Align yourself with other professionals, surround yourself with people who are better, smarter, and brighter so you can continue to learn from the best.
- Attend conferences such as Franchise Update's CEO Summit, where you can spend an entire day with top executives from different franchise brands, sharing common problems and solu-



## WORDS OF WISDOM

■ I think the future of franchising looks very bright for all people. Whether you like the new administration or not, it has taken an incredible amount of pressure off the franchise business model.

■ To be successful you need to know your weaknesses, hire against those, and have social and organizational skills. You need amazing DRIVE!!!! And you need to know how to budget.

■ Never stop learning. Join the IFA, get a mentor through the IFA (you don't need to be a member for this), get your CFE. There is a wealth of information through the IFA. Two Men and a Truck leaned very hard on them in the beginning, then in later years gave back.

■ As a franchisee, work with a mentor in your system, work closely with your franchisor, stay away from negative people, and be your best.

■ My last word of advice in business: Treat others the way you would want to be treated—no matter how they treat you.

**Melanie Bergeron** is chairwoman of Two Men and a Truck. She served as the IFA chairwoman in 2015.

tions and establishing new and ongoing relationships. Networking doesn't stop once you become a leader, she says. In fact, it increases.

• Find a mentor. Don't be afraid to ask. Try to find a mentor who's going to help with feedback, advice, and wisdom, "so that maybe some of your lessons along the way won't be as painful and you can move into leadership in franchising a little bit more smoothly. I think the power of a mentor is just tremendous," she says. "Women want to help other women, by and large. They want to see success in the industry, they want to see success in others."

### Inspiration and diligence

"I'm inspired by women who are smart, who have been able to be successful and build great businesses," says Shane Evans, president of Massage Heights. Those women include Shannon Wilburn, CEO of Just Between Friends, one of two moms who co-founded the company in 1997.

Another is Kendra Scott, who started her business in 2002 with \$500, making jewelry in her spare bedroom. She opened her first retail store in Austin in 2010 and today has hundreds of stores across the U.S. In December, Berkshire Partners announced it would acquire a significant minority stake in her company, Kendra Scott Design, reportedly valuing the company at more than \$1 billion. Others outside of franchising include Sheryl Sandberg and Tory Burch.

Evans, who isn't doing too badly at providing inspiration herself these days, co-founded Massage Heights in 2004 with her husband Wayne and began franchising in 2007. Today the brand has 150 units open. Her advice to young women with entrepreneurial or C-suite aspirations?

"With every company, franchise or not, it's about having a vision for what you're trying to create, and having a plan behind it. Work the plan and stay diligent. You have to follow up and follow through, do what you say you're going to do, and have good values and ethics, especially in franchising. It could be easy for people to get into franchising for the wrong reasons. Obviously we're all in it to build a company and a revenue stream and all those things, but we have to put the franchisees first. Be prepared to understand that in franchising, with-



## FINDING THE SUITE SPOT

out your franchisees you can't build your organization. It has to really be about them and mutually beneficial. To be able to do that, you have to understand the franchise model—not only from a financial performance perspective, but from what really makes it work: the relationship aspect of franchising.”

She says networking with different kinds of groups has been an invaluable part of her growth as a franchise leader. She was in the Entrepreneurs' Organization and has been involved with the Young Presidents Organization for about two-and-a-half years.

“I think women definitely need to be part of organizations or have mentors and people who are in the same space, not necessarily in the same industry but in the same space in franchising,” she says. “Align yourself with people who have done it before and get that mentorship, or hire companies that can consult in franchising because that really helps with the learning curve.” She also speaks highly of the benefits of coaching.

Evans also sees value in looking beyond franchising for inspiration and advice. “I think diversity is good. Don't stick with just franchise conferences or women's franchising groups, but go outside of that as well so you get a variety of perspectives.”

### Work your way to the top

The oldest of 9 children, Mary Kennedy Thompson, COO at The Dwyer Group, jokes that when she graduated high school her gift from her parents was a set of luggage. She joined ROTC to put herself through college, followed by nearly 8 years in the U.S. Marine Corps, departing as a captain. After the Marines, she was in sales for a couple of years before becoming a Cookies by Design franchisee. In her rise to her current role overseeing 11 brands, she's held many positions, including multi-unit franchisee, franchisor, field consultant, vice president, and president. During her 9 years as president of Mr. Rooter, she also became a licensed plumber.

“If a girl from a large family with a degree in English and a minor in astronomy

can become chief operating office of a company that does \$1.5 billion in retail sales, it's because franchising taught me how to read a P&L, how to understand a balance sheet, how to grow a business, how to market a business, and how to train people the proper way. I knew leadership because the Marine Corps taught me leadership, but I didn't even know what P&L stood for when I started my first shop,” she says.

For women (or anyone) considering a career in franchising, there are two routes, she says. One is to become a franchisee and build a business, as she did. “What's wonderful about that is it doesn't

matter what gender you are, because it's all about creating results, building a team, and working toward a common mission. As a franchisor we don't care if you're a man or a woman, we care if you're somebody who can move the needle and lead a team together toward a common cause and follow the system. And women are systems people, especially when they run families, because you have to be in order to run a family.”

The second route is to research franchisors and go to work for one whose culture and values match your own, get in on the ground level, and work your way up, which she also did.

The Dwyer Group operates on its Code of Values, which she says is a framework for how they do everything. “It's a whole lot easier making decisions when you know what the rules are. We have a clear set of rules on how we conduct ourselves, and it attracts other people who are similar to us.” She says it was the first place since the Marine Corps that she found a group of people “who had a collective set of values that they all agreed on, that I get to belong to, and I love that.”

Franchising, she says, is about relationships, getting to know a person, building trust, and helping them meet

their goals—traits women are ideally suited for, especially mothers. “What were the things you did in raising a child, in loving them, telling them the hard truths, encouraging them to go do the things they were really good at doing, and showing them where their weaknesses were? Those are the exact same skills you need in franchising. If you don't love your franchisees, you don't belong in franchising.”

Franchising also offers virtually unlimited opportunity for advancement. At The Dwyer Group, she says, six of the 11 brand president are former franchisees. “Franchising has that path. If you're good at building trust and relationships, inspiring people to change, to do things they wouldn't ordinarily do on their own, and to create results, you rule your own destiny in franchising,” she says.

“I consider myself a student of leadership. I'm always studying it and trying to figure out how I can better serve and inspire others. I think franchising is the purest form of leadership because franchisees are not your employees.

Yes, you have an agreement, but you can't say ‘I'm going to fire you.’ So you have to inspire and sell and encourage and show and push and pull to get people to do things.”

For Thompson, leadership is not about gender. When she took over as president of Mr. Rooter, she was flooded with requests for interviews because, they told her, she was the first woman

to head up a major plumbing company. “They would always say, ‘What's it like being a woman leading this company?’ Well I don't know. I don't think leadership is gender-based. I think leadership is about taking care of your people, being technically and tactically sound, making sure that you're growing as fast as your organization is, that you're listening and collaborating, and then showing and lighting the way, saying ‘Follow me.’ I don't think it matters what gender you are,” she says.

“Franchising is the greatest opportunity, no matter which side you start on. Why would you not want to be part of it?” ■



Shane Evans



Mary Kennedy Thompson



BY KERRY PIPES

# FIT FOR LEADERSHIP

Growth is a team sport at Title Boxing Club

In 2015, when opportunity came knocking, Susan Boresow answered the bell. At the time she was CMO at Massage Envy. Today she's president of Title Boxing Club, the boutique fitness franchise that specializes in boxing and kickboxing fitness classes with more than 160 locations in the U.S. and abroad.

Boresow knows her way around franchising. Before Massage Envy, she served as vice president of marketing at Pump It Up and BounceU, and has spent time behind the controls in both marketing and leadership positions at Cold Stone Creamery, Godfather's Pizza, Mr. Goodcents Subs & Pastas, and at McDonald's, where she began her franchising career in 1985 with an entry-level marketing job.

Since she joined Title Boxing in June 2015, Boresow has been instrumental in developing the strategy guiding the direction and evolution of the brand, strengthening franchisee relationships, and helping spread the news of the brand's mission of health and wellness. As president, she has helped lead the development of the brand, which was recognized in 2015 by *Inc.* magazine as the nation's fastest-growing franchise. She says you can expect that rapid pace of development to continue in 2017 and beyond.

Building a great team and making allies is important to her leadership style and success. It's vital for the corporate team to work together in close harmony with franchisees, she says, and imperative to stay focused on the big picture and achieving the brand's goals and objectives. Communication is critical to Boresow, who relies on a collaborative approach with a skilled team she looks to for input and perspective when making decisions.

Boresow says in the near future she expects the company will continue its fast growth track, both domestically and internationally. Demand in the boxing/kickboxing fitness segment is growing fast

and the market should continue heating up this year.

And she loves being part of a brand that changes the lives of its members for the better. "Our mission is to be the best hour of someone's day, and our focus of ensuring the experience is at a premium level is what we will deliver."



## Leadership

**What is your role as president?** I joined the Title Boxing Club executive team in mid-2015. Since then, I have put my focus on developing a strategy that is guiding the direction and evolution of our brand, strengthening franchisee relationships, and evolving Title Boxing Club's mission of health and wellness. Building a collaborative, skilled team to achieve the goals of our company has also been a focus.

### Describe your leadership style.

As a leader, I pride myself on my ability to listen and learn and I have always tried to remain down-to-earth and grounded. Franchising is such a collaborative business model, so naturally my leadership style tends to gravitate toward connecting with people and working together to devise solutions that are scalable across a system. You have to take the time to build relationships, especially in this business.

### What has inspired your leadership style?

I have been very fortunate in my life and have had several wonderful mentors, leaders, and coaches. My current boss, John Rotche, CEO of Franworth and Title Boxing Club, is such a down-to-earth person. His vision and style is so incredibly inspirational to me. I learn so much from him. I also would add my parents to the list of the most influential people in my life and in business. My values came from them, and not a day goes by that I am not influenced by what they taught me.

### What is your biggest leadership challenge?

One of the biggest challenges I face as a leader is keeping everyone—both franchisees and our corporate team—focused on the big picture and achieving the goals we have set. As a leader it's important to stay focused on what we have committed to. There are always so many new ideas to explore (which is good), but we have

**NAME:** Susan Boresow

**TITLE:** President

**COMPANY:** Title Boxing Club

**UNITS:** 160 open, 250 in development

**AGE:** 56

**FAMILY:** I come from a very large family. I have 8 brothers and 5 sisters and 52 nieces and nephews.

**YEARS IN FRANCHISING:** 31

**YEARS IN CURRENT POSITION:** 1.5

# LEADERSHIP & DEVELOPMENT LEADERSHIP & DEVELOPMENT LEADERSHIP & DEVELOPMENT LEADERSHIP & DEVELOPMENT LEADERSHIP & DEVELOPMENT LEADERSHIP & DEVELOPMENT



## SAVE THE DATE!

2017 FRANCHISE LEADERSHIP & DEVELOPMENT CONFERENCE

| OCT. 11-13, 2017 in Buckhead, Atlanta, GA |

LEADERSHIP & DEVELOPMENT  
LEADERSHIP & DEVELOPMENT  
LEADERSHIP & DEVELOPMENT

## president profile

to stay the course on what we believe is best for the brand.

**How do you transmit your culture from your office to front-line employees?** I believe that company culture is organic and that it has to come from the people and the team. When it comes to culture, communication is key—from communication days to informal staff meetings, it is imperative to hear what everyone else is doing and be able to feed off each other.

**Where is the best place to prepare for leadership: an MBA school or OTJ?** My experience with leadership has been on the job and having great mentors and coaches in my career. I have also found value in conferences and networking with other leaders in the industry.

**Are tough decisions best taken by one person? How do you make tough decisions?** Tough decisions can be made alone, but my theory is that it is best to get input from other experts and use that information to help make the decision. It's always good to get others' perspectives but I always remember at the end of the day, it is most important to stick to your values and make decisions based on what's best for the brand and the franchisee.

**Do you want to be liked or respected?** Both. As a leader in the world of franchising, I make decisions that affect hundreds of small-business owners every single day. In light of this massive responsibility, I've come to realize honesty and fairness are two of the most important qualities a business leader can possess. While fairness runs the risk of upsetting someone, staying true to your values and knowing at the end of the day you believe in your decisions is just as important.

**Advice to CEO wannabes:** Don't let others define what your boundaries are. Everyone can have their own opinions. Dream big!

### Management

**Describe your management style:** Same as leadership style outlined above.

**What does your management team look like?** My management team consists of great leadership and skill. CEO John Rotche is our visionary and leader who constantly challenges our team to think outside the box to make the brand the best it can be. In our

Kansas City office I am surrounded by other driven leaders including marketing, training, operations, finance, IT, and franchise development professionals. We all work together toward the common goal of propelling our brand to the top of the industry.

**How does your management team help you lead?** I pride myself on listening to and learning from those around me. I am the first to admit that I don't have all the answers, so I take advice and thoughts from my management team in order to execute and lead to the best of my ability.

**Favorite management gurus: Do you read management books?** There are many management books I have read including *Good to Great*, *Leading Change*, and I reread *The New One Minute Manager* each year!

**What makes you say, "Yes, now that's why I do what I do!"** Since joining Title Boxing Club, I have been absolutely blown away with the life-changing attributes that this business has on not only its members but its franchisees. I wake up every day thinking, "Wow, I am part of a brand that is truly making a difference," and that is what motivates me.

### Operations

**What trends are you seeing with consumer spending habits in your stores?** A recent Nielsen survey of consumers has shown that more Millennials are doing gym-type activities than any other generation, making them one of our most important target markets. Millennials want to be around like-minded people, and when it comes to exercise they want to get in, get results, and get out. This mindset fits perfectly with our business model as we have designed our workouts to be results-focused and time-efficient. Because of this, spending habits or memberships have been on the increase as people are looking for shorter workouts and more bang for their buck.

**What are you expecting from your market in the next 12 months?** 2016 was a tremendous year for the fitness industry, particularly the boxing fitness industry. In fact, according to a recent Popsugar.com article, boxing overtook cycling as the "go-to" choice for workouts, and the outlook for 2017 is just as bright. Demand for these types of workouts isn't showing any signs of slowing down and we expect this to be a big year for the boxing fitness

segment. With celebrities' influence and awareness around the sport at an all-time high coupled with the calorie-torching workouts, we are confident 2017 will be a record-setting year for us.

**Are your franchisees bullish or bearish about growth and adding additional units?** Our franchisees absolutely want to grow the brand and ensure that we continue growth in the system.

### Personal

**What time do you like to be at your desk?** When I am at my desk it's very early in the morning. The majority of my time is spent with my team collaborating and in the field with franchisees.

**Exercise in the morning? Wine with lunch?** I prefer to work out in the evenings, sometimes at lunch. When I am out in the field, I will take morning classes and try to get a workout in 5 or 6 days a week. I don't drink wine at lunch. I'll save that for the weekends with dinner.

**Do you socialize with your team after work/outside the office?** Our team has become a family. We have the occasional happy hour, dinner, and team-building events but we don't overdo it since it's important to continue to keep a happy work/life balance.

**Last two books read:** *Coming Back Stronger* by Drew Brees and *Competing Against Luck* by Clayton Christensen.

**What technology do you take on the road?** My iPad, 2 iPhones, and my Fitbit!

**How do you relax/balance life and work?** I love what I do and I enjoy working out and spending time with family and friends. I am a big believer in planning, prioritizing, and being efficient with my time and that of others. Working out has always been a part of my lifestyle so I make time for that.

**Favorite vacation destinations:** The Caribbean is one of my favorite destinations. I love any place that has sun, the beach, and great food.

**Favorite occasions to send employees notes:** I write handwritten notes regularly. I like to acknowledge my team's milestones, achievements, appreciation for their hard work, and the little things they do to enhance each other's lives. I also be-



lieve in the importance of sending notes to franchisees. It's not old-fashioned—it's classy business!

**Favorite company product/service:** Our Power Hour is a phenomenal workout and I love it. In addition to the Power Hour, I enjoy our Technique Training because it helps me with not only my technique but my strength and endurance.

### Bottom Line

**What are your long-term goals for the company?** I am most looking forward to continuing to help grow the brand, increase profits for franchisees, and help them find innovative ways to help their economics.

**Where can capital be found these days?** There are so many banks and firms today where capital can be found as long as you have solid balance sheets and are on a growth platform.

**How do you measure success?** By my team's success. As a leader, you are only as successful as the people you are leading and managing. And, because of that, each and every day is another opportunity to help make my team successful, in turn, making Title Boxing successful.

**What has been your greatest success?** My greatest success has been centered around the people side of my career. After 32 years in franchising, I pride myself on still being connected with old colleagues, and I have forged strong relationships. It is so gratifying to me to run into someone I used to work with who has grown in their career and they say to me, "Hey, I will never forget what you said to me." That is so rewarding.

**Any regrets?** I've had lots of lessons in life, but no regrets. I am so fortunate to have a wonderful family, great friends, and a career that has been so rewarding as I work with phenomenal people every day. I wouldn't trade any of it.

**What can we expect from your company in the next 12 to 18 months?** Our company will continue to grow, not just domestically but internationally, with great franchisees and team members. We will continue to change the lives of thousands with our product. Our mission is "to be the best hour of someone's day" and our focus of ensuring the experience is at a premium level is what we will deliver. ■

# Franchising.com

*is the largest, most-trusted  
information provider  
in the world.*

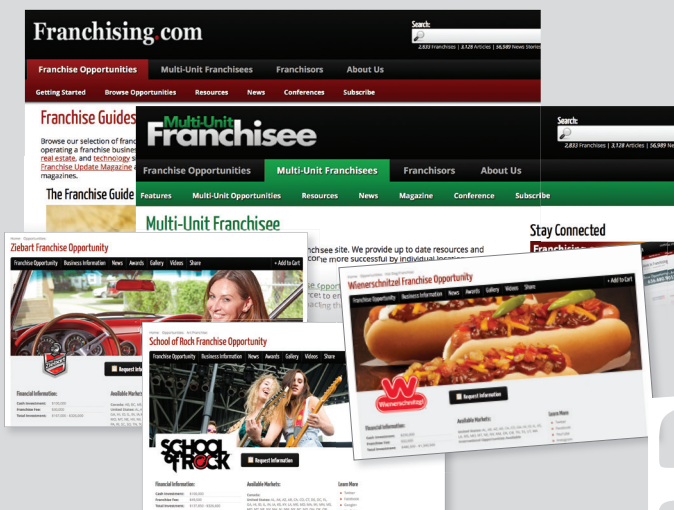
# Franchising.com

*provides the information  
your target customer is  
looking for and offers the  
following benefits:*

- Appeals to multi-unit franchisees, franchisor executives & franchise opportunity seekers
- 2 Million+ annual visitors
- Individual brand listing pages
- Advertiser features: press release distribution, direct website links, pixel tracking, mobile and social media friendly

*Call your account  
representative today!*

**Sales@franchiseupdatemedia.com**  
**800.289.4232 ext. 202**





BY KERRY PIPES

# TOP SHELF

Empower, innovate, delegate, and disrupt

**A**llan Young will tell you straight up that his job begins and ends with accountability. It's just the way the 46-year-old CEO of Noble Brands sees it. "My job is to remain accountable for the entire organization, while delegating almost every responsibility," he says. Even though that may seem, as he puts it, an "uncomfortable dynamic to understand and live with," he embraces it with gusto and says it has been life changing to his role as a CEO.

Young also understands that it's imperative for him to set the vision of the organization. "I am passionate about my vision for the future of our companies and rely strongly on my leadership team to accomplish that vision," he says. And he

**NAME:** Allan Young  
**TITLE:** CEO  
**COMPANY:** Noble Brands  
**UNITS:** 160 ShelfGenie, 8 Outback GutterVac  
**AGE:** 46  
**YEARS IN FRANCHISING:** 10  
**YEARS IN CURRENT POSITION:** 10

sees himself as a better leader when he's encouraging the team to push decision-making as far out into the organization as possible.

Noble Brands is an Atlanta-based franchisor of two concepts. ShelfGenie began

franchising in 2008 and has 160 locations throughout 29 states and Canada. Outback GutterVac, was launched in 2012 and just began franchising in late 2016.

Young doesn't shy away from progressive strategies such as empowerment, innovation, and disruption. In fact, he embraces it. "In 2015 we acquired a manufacturing and distribution company to get vertically integrated and control our quality, production, and delivery model," says Young. "In 2016 we turned our different service departments into separate companies that operate as autonomous start-ups in a Noble Brands incubator model."

Young says these moves and more have set the foundation for rapid growth with their current brands and set the stage for new products and companies in the future.

Allan Young



## Leadership

**What is your role as CEO?** My role starts and ends with accountability. My job is to remain accountable for the entire organization, while delegating almost every responsibility. If you truly embrace that as a CEO, you have a big issue to solve. Accountability comes after the execution of a plan or task is done, not done, or not done well. Responsibility should happen both before *and* after the execution of a plan or task. If you fully embrace that you need to delegate responsibility and are ultimately accountable for everything, your first reaction is probably going to be, "That's not fair." Early on, I spent many years saying I understood that dynamic, but I didn't take the difficult steps necessary to fully embrace that reality and work successfully in it.

Learning how to delegate responsibility while remaining accountable for the actions of my team was life changing in my role as a CEO. I had to learn that my job is to lay out a clear vision for the organization, which is the "what" and "why" of where we are going. Those are the responsibilities I can't delegate. I had to get comfortable with fully delegating the "how" to the rest of my team. Most of us are wired to not give up the "how" because when we do, our natural assumption is that we lose control. I've found that as you begin to delegate more responsibility, mistakes and

failure happen more often. The keys are to ensure your team embraces and learns from failure and not give into the immediate reaction to regain a sense of control by taking back responsibility.

**Describe your leadership style.** I focus on the fundamentals. The first is to set out a vision that everyone sees clearly. That is almost a full-time job since it's not a single event. The second is to spend time with my senior leadership team to help them evaluate more clearly that all of the roles in the organization are filled with the right people in the right positions and to ensure everyone is embracing our values and living our culture.

**What has inspired your leadership style?** I'm always inspired by great leaders who set out a vision that no one could see at the time, and then successfully led their team to fully see and finally accomplish that vision. Studying those environments, and what happened along the way, is very inspiring when you understand how much ambiguity and chaos existed between the vision being shared and its successful execution. Many leaders assume that high-performance companies made it relatively easily to that point, which no one saw until the trail was blazed. I don't think that's ever been the case.

**What is your biggest leadership challenge?** Building a strong culture, by far. Vision has always come naturally to me. And while it's been a challenge to ensure I'm effectively communicating that vision with clarity, it pales in the challenge of building a strong culture that can execute on it—especially when the culture you build flies in the face of everything people are taught in school and much of corporate America. When our teams are all aligned around our culture, the strategic and tactical steps necessary to execute on the end-state vision comes very easily.

**How do you transmit your culture from your office to front-line employees?** The first step in building our foundational culture was to establish core values that we are willing to both hire and fire on. I learned a hard lesson early on: you can't establish your values by committee, especially when you don't have a well-defined culture in the first place. After learning that, I spent hundreds of hours determining the values that would lead to a culture that could easily execute on my vision. I landed on three core tenets: *Honesty, Integrity, Respect*. If you don't live by them, you get ejected from the team im-

mediately. Next, I defined our core values: *Entrepreneurial Thinking, Courage, Candor, Reliability, One Team*. The detailed behaviors that exhibit those values are crucial to successfully executing on our highly aspirational vision. Our leaders measure everyone in the organization each quarter on those values. If any team member isn't living all of those values, they are given at least three specific examples and are coached in those areas by our leadership team for 30 days. If they still aren't there after 30 days, they are given another 30 days of coaching to improve. If they can't get there during that time frame they are released from the team.

Culture building is my biggest leadership challenge because most teams and leaders don't value culture as much as they do strategies and tactics *while* you are building a culture. They don't appreciate what they don't have and don't instinctively appreciate that building a strong culture has to come first. Strategies and tactical execution fall into place easily if you get your culture right and the entire team embraces it, lives it and protects it. When we don't do that well, it's always a tactically chaotic environment full of confusion, blame, and excuse.

**Where is the best place to prepare for leadership: an MBA school or OTJ?** OTJ for sure. While an MBA is helpful for a foundation of understanding all the moving pieces of a company, nothing prepares you for success better than failure. I'm a huge fan of failure. It's really the only place I've ever learned anything of real value. However, the skills that need to be developed to excel at failure aren't taught in any schools. Those skills have to be learned on the job, and you learn them in our companies by living our culture. I believe that anyone has the potential to learn how to be a great leader if they are willing and able to plan, reduce risk down to an acceptable level, embrace failure when it happens, and celebrate those failures by sharing what they learned with their team.

**Are tough decisions best taken by one person? How do you make tough decisions?** Decisions *always* need to be made by one person. We identify the decision-maker up front and encourage decisions to be made as far out in the organization as possible. However, when you do that, be ready for your team to push back. While people generally like to complain when not being able to make decisions or complain about the decisions made "higher up," you can watch most of them push back on making a deci-

sion that was traditionally made by one of their leaders. We encourage vigorous debate with the decision-maker's entire team. This is a place where all of our values become extremely important. The person making the decision needs to have the *courage* to be vulnerable and ask for help. We have to *rely* on all team members to have the courage to be *candid* when expressing their views and use *entrepreneurial thinking* to discover all the available possibilities. Finally, when the decision-maker decides on a course, *one team* is used to ensure that everyone, regardless of how they feel about the decision, gets behind the decision and supports the person who made it.

**Do you want to be liked or respected?** I draw a clear line between like and respect at work. Every day I'm asking my team to embrace risk and take responsibility for their decisions without fear of retribution if they fail. To build that kind of trust with your team, there must be mutual respect. In my personal life, I want my family friends to both like and respect me. However, being "liked" in the work environment is too subjective to be productive and doesn't allow for making tough decisions when parts of the organization aren't aligning with my vision.

**Advice to CEO wannabes:** Being a CEO means you always have to look at the overall organization, which includes your entire team (employees), partners (franchisees and their teams), and clients or customers. Understand that all of the decisions and actions you and your team make have a profound effect on that entire ecosystem. This will allow you to be a better CEO. Remember that if you set a precedent, you'll have to stick with it for a long time, especially in franchising. This will also help ensure you think through and explain the "why" you or your team used when you make decisions, and help them understand the reasoning behind those decisions won't be a moving target. Finally, all leaders, and especially CEOs, should be extremely curious and constantly looking for ways to learn, understand, and develop. Doing so will allow you to be both confident and humble, and that's one of the best leadership examples you can ever set.

## Management

**Describe your management style:** Since my main role is to lead by communicating our vision and set the best example on how to live our core values and culture, I rarely manage.



But I do when I see the team isn't pointed in the direction of the vision. It's usually a quick adjustment and I get out of the way after that. Since we're a relatively flat and non-hierarchical company, I am also there if anyone on my team hits a roadblock or isn't getting anywhere with their normal reporting structure. Those moments are almost always a culture issue and I can provide perspective to everyone involved to get to the real issue, which is rarely what is normally reported. I also like to walk around and ask questions. This allows me to understand what's really going on so I can provide that clarity to my leadership team, who can sometimes miss some of these observations. I've found these misses happen when the leadership team is knee-deep in execution and managing issues they don't feel comfortable pushing out. As a result, they are not always as close as they should be to the action/transaction. When that happens my job is to back them up with information and clarity.

**What does your management team look like?** Our leadership team are highly autonomous, entrepreneurial thinkers who love to go against the traditional norms of a corporate environment. I have an outstanding COO, Gillian Harper, and everyone ultimately reports to her. She leads the team on finding and executing on the "how" of the vision. Throughout our leadership team, asking for help is not viewed as a sign of weakness, it's encouraged. It's how we build trust and get to the best thinking very quickly. I encourage my leadership team to share their failures with everyone so together they can address how to move forward.

**How does your management team help you lead?** They've recently become very good at questioning success. They use that as a highly effective way to encourage people to embrace failure. They've found that many of our successes don't often have as many of the positive elements that exist in embracing failure, learning from it, and adjusting. They also mentor me and provide me with feedback on my own leadership blind spots.

**Favorite management gurus: Do you read management books?** I usually read 3 to 4 leadership books a month. The one that stands out is *Traction* by Gino Wickman. His book outlines his Entrepreneurial Operating System (EOS) that takes many of the great thought leadership pillars from people like Patrick Lencioni, Jim Collins, and Stephen Covey and puts them into a

"Our leadership team are highly autonomous, entrepreneurial thinkers who love to go against the traditional norms of a corporate environment."



Allan Young and  
COO Gillian Harper

process that's extremely helpful when running a fast-growing company of our size. I've found that *Mindset: The New Psychology of Success* by Carol Dweck is useful every day. The principles of having a growth mindset align with our values and culture perfectly. Whenever encountering a culture issue, it's usually a result of a fixed mindset.

**What makes you say, "Yes, now that's why I do what I do!"?** Seeing our employees embrace disruption and get behind a shared vision and culture. It's thrilling to watch them grow as we begin to launch several new brands outside of ShelfGenie and Outback GutterVac.

## Operations

**What trends are you seeing with consumer spending habits in your stores?**

Everyone is now seeking out the best value, but not necessarily the best price. The latter is what's often assumed. Since we provide a higher value proposition than anyone in our industries, and each company is driven by its own "Noble Purpose," it keeps us out of the competitive commodity arena, where no one wins. We choose clients who are attracted to our Noble Purpose (our "why") and who appreciate our approach to delivering value that always exceeds what we charge. Those are the reasons many of our same store KPI metrics increased more than 20 percent in Q3 for our current brands.

**How is the economy driving consumer behavior in your system?**

Our brand has remained economy-neutral, so we don't necessarily attribute any slowdown to economic factors. We never use the economy as a crutch because we want our franchisees to focus on delivering value that exceeds the expectations of our clients. Our measure of success in this area is best reflected in our Net Promoter Score (NPS), which averages above 80 when combining our current brands.

**What are you expecting from your market in the next 12 months?**

ShelfGenie made the market for custom glide-out shelving. We have built the standard for our fragmented industry and view ourselves as our best competitor. After several years of successfully piloting Outback GutterVac in Atlanta and licensing to further test in several other markets, we've just begun franchising. In 2017 we plan to onboard more than 50 franchisees with more than 150 territories.

## Are your franchisees bullish or bearish about growth and adding units?

Our franchises are growing same store sales with strong double digits and are confident in both their value proposition and in the home office team to continue to support their growth both rapidly and responsibly.

## Are commodity/supply costs any cause for concern in your system?

We own much of our supply chain and have significant buying power in the areas we don't own, which allows us to significantly mitigate that risk. We also have the capital necessary to purchase significant inventory when prices are low.

## Personal

### What time do you like to be at your desk?

Our office is very fluid and non-traditional and I'm never at my desk for very long. I encourage our team to telecommute when they need some extra time to focus and take a break from the high levels of interaction that exist in our office. I've found this approach leads to increased productivity, and with the implementation of Slack messaging and other communication technology it is easy to stay up to speed, regardless of where we are working.

### Exercise in the morning? Wine with lunch?

I believe waking up early is one of the consistent habits of highly successful leaders and exercising is a great way to kick off the day. I have my same-page meeting with my COO every Monday at 8 a.m. I don't do wine with lunch during the work day as that would certainly cause a severe reaction with the 8 cups of coffee I drink each morning, but we do have a "Thirsty Thursday" event at 4 p.m. from time to time, which includes a choice of beer or wine.

### Do you socialize with your team after work/outside the office?

I believe passion and teamwork should be celebrated, so we make a point to schedule offsite events with the team and, of course, a Thirsty Thursday on occasion.

**Last two books read:** *Primed to Perform* by Neel Doshi, and *Grit: The Power of Passion and Perseverance* by Angela Duckworth.

**What technology do you take on the road?** I prefer technology that can easily fit into my travel backpack. That normally includes my MacBook Air, iPad mini, Kindle

Paperwhite, iPhone, and all the necessary adapters and chargers.

### How do you relax/balance life and work?

We have a remote cabin in North Georgia where I go with my wife Teresa and son Paige on weekends. No TV, lots of outdoor activities, meals, and board games. Each year, we usually take a long trip out of the country, or at least out of cell coverage, where I completely disconnect from work.

**Favorite vacation destinations:** Our family rarely takes the same vacation twice, so our favorite destination can change frequently as we explore new places. However, a family favorite has always been renting a sailboat in the British Virgin Islands for about 10 days and sailing it ourselves. On those vacations, we set our itinerary each morning based on the best-looking island in sight and we're completely unplugged from the rest of the world.

### Favorite occasions to send employees notes:

I want to get rid of those traditional lines of hierarchy in the corporate structure. So the best interactions I can have with employees are when I can share a great example where one or more of them has fully embodied our culture in a tough situation, or when I can share one of my recent failures with them. Finding the time and place to share, celebrate, and be vulnerable with my team is one of those "important but not urgent" priorities. But any Stephen Covey fan will tell you that's where the important stuff happens. When I prioritize correctly and do it, they always turn out to be some of the best moments in my professional career.

### Favorite company product/service:

I've always been a technology geek. There are so many new productivity technologies—and they all integrate seamlessly with each other! Slack, Trello, and Zendesk are examples. They've given me an amazing arsenal to fight my biggest antiquated tech nemesis: email. We've completely irradiated email in our internal communications. One day I'd like to send email back to the '90s where it belongs.

## Bottom Line

**What are your long-term goals for the company?** My three-year vision for Noble Brands is a \$100 million company of brands that all have a Noble Purpose

and live the same values within our well-defined culture.

### How has the economy changed your goals for your company?

I don't let the economy dictate my vision. However, I've been known to adjust my vision to take advantage of economic conditions, usually through disruption and innovation. I think it can be easy for a company to look to outside forces when things may not be going their way, instead of focusing on developing and executing on a vision that takes advantage of the current and ever-changing economic conditions.

### How do you measure success?

By seeing that we're better today than we were yesterday. We can achieve that only by embracing failure and adjusting when that happens. Continuous improvement aimed toward a well-defined vision is the only way I know to measure success in an organization.

### What has been your greatest success?

Getting to the point where I can see failure as the necessary ingredient to improvement. It took many years of analyzing my past and finding my biggest successes and tracing them back to a failure. This was essential in my development as an entrepreneurial leader of a larger organization.

### Any regrets?

I don't have many, but I do regret not getting an executive coach and getting involved with a peer group sooner. In the last few years, I've made up for lost time by hiring several amazing coaches with different skill sets and backgrounds, starting my own franchise CEO peer group, and joining the Young Presidents' Organization. All three experiences have been invaluable and I wish I had started doing them at least a decade ago.

### What can we expect from your company in the next 12 to 18 months?

Right now, we have seven companies operating independently within a supportive framework with an employee population of more than 140 who support a network of more than 500 people in our franchise brands. While our growth this past year has been good, our team spent much of the year preparing the organization for the scale we'll need in the next 3 years, and that work is almost complete. The next year to 18 months will be full of growth and extremely exciting. ■



BY DAVID DAVOUDPOUR

# SHONEY'S RESURGENT?

## 70-year-old brand resets for the future

**W**hen I acquired Shoney's Restaurants a decade ago, I was presented with an opportunity and a challenge to bring this 70-year-old iconic American brand back to its glory days. Since 1947, Shoney's has been one of the most popular family dining brands, dedicated to serving fresh quality food at a terrific value with honest and friendly service. While Shoney's has always been championed for these qualities, the early 2000s were a redefining moment for the restaurant industry. With more emerging concepts entering the market than ever before, consumers were presented with new dining options, and legacy restaurant brands like Shoney's couldn't rely on the past to help them succeed in the future. This philosophy has guided me to reimagine Shoney's to become more contemporary and in step with guests' expectations today.

### Shoney's kitchen + bar

One of the first sweeping changes we made was to our menu. It is imperative to make sure our food quality is exceptional. We overhauled the menu to serve exclusively fresh food, never-frozen meat, and added more creative dishes to attract a wider range of guests. Once the new menu standards were established, we decided that an even more drastic change was needed. In an unprecedented move for a family restaurant chain, we added a full beverage bar to some of our corporate and franchised restaurants. While we will always uphold our family-friendly dining experience, the addition of a bar has helped us overcome the "restaurant veto"—the decision to not visit a restaurant because it is lacking something. Now, adult guests with families have the option to enjoy an alcoholic beverage with their meal, or stop in with friends to eat dinner, have some

drinks, and watch a big game. The move has allowed us to expand our customer base and provide an all-encompassing restaurant experience.

### The design process

The largest project in the brand rejuvenation process was updating the appearance of our restaurants. For nearly 70 years, Shoney's had virtually the same look: a beige palette with pops of Shoney's classic reds made the restaurant identifiable from miles away. Although the look was iconic, it also felt dated and tired. We knew it was time to introduce a more modern design.

One of the most challenging aspects of a full system-wide remodel of a legacy franchise like Shoney's is that you must prove to franchisees that investing in a remodel is a viable business decision. While it's possible to update every corporate location, franchi-





## ANATOMY OF A BRAND



sees must finance the remodel on their own. We had to make sure that the new look we presented would result in a proper return on their investment.

From conception to execution, today's restaurant design was years in the making. In the past, we've made slight adjustments

The exterior design features natural wood and stone siding, turned-down black awnings, and a prominent, white backlit Shoney's logo. Adding to the casual appeal of our fresh look, new and some existing remodeled locations will have a large outdoor patio that can be enclosed by sliding and garage-style glass walls for multi-seasonal use.

The restaurant's interior will also take on a renewed design that features a full-service beverage bar highlighted by bright red tiles. A long community table lit by cast-iron chandeliers will allow for large parties or multiple smaller groups to share a meal together, and the dining room will be separated from the bar

son, Tenn., which will serve as the design prototype moving forward. A half-dozen corporate restaurants are planned to be remodeled by the end of 2017 and we have already secured initial commitment from existing franchisees to remodel an additional six restaurants.

Today, with Shoney's new look, redefined menu, and famous all-you-care-to-eat fresh food bar, along with the addition of the full beverage bar, we are confident that Shoney's can uniquely compete in the full-service, fast-casual, and quick-serve restaurant segments. There is tremendous joy for me in being able to invest in bringing this iconic American brand to the forefront of today's consumers. My hope is that other entrepreneurs will recognize the opportunity to become a part of revitalizing history alongside with me. ■



to older locations and built new restaurants with more updated looks, but we knew that to compete in the current restaurant environment the new design had to be perfect. We wanted our guests to see the new Shoney's and say, "Wow, Shoney's is better than ever!"

Between our striving for perfection and the understanding that we needed to make a good investment for our franchisees, there are an endless number of variables to consider in the design. From selecting the right architect, to sourcing materials and maximizing square footage, to finding the right contractor who would work with every franchisee in the execution of their remodel, no stone was left unturned. Another major factor to consider was how to modernize Shoney's while still preserving the brand's iconic history—a delicate balancing act that could make or break the new design.

### Shoney's new look

Our new look starts with a transformative exterior that still pays homage to the brand's rich heritage with classic Shoney's elements.



area by large, curved booths. As part of our mission to rejuvenate the brand, Shoney's famous freshly prepared all-you-care-to-eat food bar will take on the additional purpose of a Freshly Prepared Food Market, where guests can purchase quality meals from the bar to take home.

### The future of Shoney's

The first location to take on this new look will be our corporate restaurant in Donel-

**David Davoudpour** is chairman and CEO of Shoney's Restaurants. During his more than 30 years in the restaurant and hospitality industry, he founded Lone Star Steakhouse, All Star Sports Bar & Grill, and is the largest multi-unit franchisee of Church's Chicken. In 2007, he acquired Shoney's and is on a spirited mission to revive and reinvigorate the family-friendly, Southern-style restaurants to the premier family casual dining concept it once was.

# Consumer Marketing

CONSUMER MARKETING INITIATIVES



## **40 CMO Q&A**

Debbie Gonzalez melds the personal and professional at Massage Envy

---



## **43 CMO Roundtable**

"What changes to your marketing strategies and tactics do you plan in 2017?"

---

## **44 Social Media**

Connected retargeting via social media is changing the game

---

## **46 Customer Service**

Disruption – how prepared are you for the inevitable?

---

# TAKE THE GUESSWORK OUT OF YOUR MARKETING

Visibility into  
unit economics

Local marketing execution

Better brand control

DATA DRIVEN MARKETING - SUREPULSE FROM SUREFIRE LOCAL

- ✓ See all your local marketing results in one place.
- ✓ Visibility into which tactics work best for each location.
- ✓ Know the exact ROI from your local marketing.



See how Surefire Local can give you more visibility. Call us now.

[marketing@surefirelocal.com](mailto:marketing@surefirelocal.com) | (888) 804-8685 | [www.surefirelocal.com](http://www.surefirelocal.com)



## CMOQ&amp;A

# Chief Brand Massager

## Melding personal and professional passions

BY KERRY PIPES

**D**ebbie Gonzalez loves trying new and fresh ways to market a brand. Before moving into franchising with Massage Envy in 2014, she held marketing leadership roles at Kellogg's, Gerber, Herman Miller, and PetSmart. Today, as chief brand officer for the Scottsdale, Az.-based company, Gonzalez says the work she does has a familiar feel. "These companies all share a focus on health and well-being, two personal passions I have been able to extend to my professional passions."

Gonzalez is an active leader who believes in the power of social media. Last year, for example, Massage Envy introduced a rebranding campaign called "Because Everything." The goal was to educate consumers on the importance of total body care, and to get them thinking differently about massages and skincare services and incorporate them regularly into their wellness plans. (See the brand launch video: <http://bit.ly/1o7efmu>).

Gonzalez was also behind the controls last summer when the brand launched its first Father's Day social campaign, #HugDrive, which arose from the idea that hugs, like regular massages, can also improve overall well-being. "The campaign garnered 24,000 pledges, and for every pledge Massage Envy donated \$1 to the Arthritis Foundation up to \$10,000," she says.

Market research and customer data analytics are front and center for Gonzalez. One of the first tasks she took on when she joined the company was to pore through all the information she could find about the industry, marketplace, competition, consumer perceptions of the brand, and member/guest behaviors. She and her team then filled in any gaps with additional

research on customer segmentation, brand tracking, and behavioral analytics.

"Once we pulled the insights together, developing the next chapter of the brand's story became clear and exciting: getting consumers to understand that this category is not just about convenient and



affordable massage and skin care. These are things that should be proactive and integral parts of everyone's well-being journey," she says.

With two decades of marketing experience on her resume, Gonzalez says she is relishing working with her team to develop new programs to drive new guest counts and increase revenue per customer and member retention.

**Describe your role as CMO.** My actual title is chief brand officer, and I think that is an important distinction in this business.

My role is to help grow the business for our more than 1,150 franchised locations. This requires a deep understanding of the beliefs, behaviors, and motivations of our target consumer, and developing programs that drive new guest counts, increased revenue per customer, and member retention.

**What's unique about the CMO position at Massage Envy?** My position (chief brand officer) at Massage Envy is different than that at most companies. We are in the service business and we count on more than 35,000 associates across our franchise locations to deliver the brand promise more than 50,000 times each day. So when I use the word "customer," I am often referring both to members and guests, as well as the therapists, estheticians, managers, and front-desk associates who work in our locations. My team is organized into two groups: one that manages consumer brand marketing, and one that manages employee brand programs. The two groups work closely together to ensure that we are delivering the brand promise, "We help you take care of you," for both "customers."

### What's the most challenging part of being a CMO today?

The role has certainly evolved as technology has advanced and provided more sophisticated and effective ways to reach existing and prospective customers. Marketing used to be considered primarily a creative field, but today it is critical that a CMO also be versed in data analytics and technology innovation.

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

The role of CMO today extends far beyond what was once defined as marketing. Technology has changed the way customers behave and their expectations of businesses and brands. They expect you to know them and give them a seamless experience: what they want, when they want it, and how and where they prefer to engage. Effective CMOs must leverage data and analytics to fully understand



# Find Your Best Franchise Prospects

## Obtain More Leads



**Select** from 300,000 existing franchisees and more than 150 million adult Americans



**Search** nationwide or just in your specific territories



**Use** demographic filters to target your most likely prospects

customer wants, needs, and behaviors; develop a vision for this end-to-end customer experience; and work hand in hand with IT and operations partners to deliver it across all customer touch points.

**How do you prepare a marketing plan and execute the strategies?** I start with the very simple premise that there are only two ways to grow sales: grow your customer base and/or increase revenue per customer. We look at what the data tells us about customer acquisition, retention, frequency, and spend per visit trends to determine where opportunities exist and where to prioritize our focus. Customer research is critical in this process to help diagnose the “why” behind the trends and develop effective plans based on customer insights and behaviors. Then, as we think about execution, we determine what tactics are best managed nationally, regionally, or even most effective if done at the unit level. Cross-functional collaboration, open lines of communication out to the field, and clear definition and tracking of success metrics are critical throughout the process to ensure flawless execution.

**How do you measure marketing results and effectiveness?** We use a combination of a brand tracking study to understand how we are affecting perceptions in the marketplace, and analytic tools to understand the return on our marketing investments. We’ve made it a priority to have the tools and data to build models that help us measure impact and ROI, and optimize marketing spend across vehicles.

**How do you go about creating a “customer-centric” marketing and brand philosophy?** One of the favorite parts of my job has always been market research and customer data analytics. When I joined the company, one of the first tasks I took on was to pore through all of the information we had about the industry, marketplace, the competition, consumer perceptions of the brand, and member/guest behaviors. We then filled in the gaps with new pieces of research, including customer segmentation, brand tracking, and behavioral analytics. Once we pulled the insights together, developing the next chapter of the brand’s story became clear and exciting: getting consumers to

understand that this category is not just about convenient and affordable massage and skincare. Rather, these are things that should be proactive and integral parts of everyone’s well-being journey.

**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?** I think it is important for prospective franchisees to understand the vision of the brand, key insights about the consumer they will serve, and the brand promise we strive to deliver every day. Massage Envy delivers a very personal service to members and guests, and understanding the consumer point of view helps a prospective franchisee realize what it takes to make a location successful.

**Do today’s prospects expect more from the franchise marketing department? What, and how do you provide it?** It’s a dynamic marketplace, and the expectations of marketing departments to demonstrate their leadership and expertise has never been greater. In a service business like ours, and given consumers’ changing expectations for engagement, franchise prospects know that the more they understand about the brand and its customers, the more they set themselves up for success. That’s why arming prospects with the brand vision and key insights we’re collecting at every consumer touch point is a priority for us.

**How is today’s consumer and marketing data helping you fine-tune your marketing initiatives?** Brands like Amazon and Google have really figured out how to leverage data to engage consumers most effectively. They’ve set the bar for what consumers expect you to know about them when you are communicating with them. For us, that means capturing data at each touch point (unit-level transactional information, online behavior, even down to the types of services performed) to get to know our customers better than anyone in the category.

**Describe the evolving role of social media in your brand’s marketing efforts.** Communicating through social channels is a priority for us. We are a ser-

vice provider, first and foremost, so we have to be both proactive and reactive in how we engage through social media. We leverage social media to highlight positive comments about the services customers receive. And we pay equal attention to the negative comments so we can get better at satisfying the customer’s needs, while also diagnosing operational issues. We’ve brought in a new social agency and additional staff to manage the brand’s social presence. They perform reputation management functions as well as the development and deployment of social content.

**How do you work with other internal departments and does technology help?** Despite the brand’s overall footprint and scale, we are a relatively small corporate team. We are evaluating technology solutions to help us communicate better internally. But for now we are still a face-to-face, talk it out kind of culture.

**What advice would you offer to aspiring CMOs?** As early in your career as you can, begin to see your role as an enterprise leader, not just a marketing leader. It’s not enough anymore to be an expert in marketing without understanding the depth of the business operations around you. Dive into the data, understand the business, and ask every day how you and your team can help make a difference.

**Do you see vendors as business partners? Why/why not?** It’s a little bit of both. I see some vendors as just vendors because the relationship is transactional and price-driven on both sides. But I view strategic or creative agencies and promotional partners as true business partners because we’re exchanging goals and objectives and working together to activate plans and achieve mutual results.

**How is your marketing/branding strategy developed, and how does it flow through the system?** In a franchised network, it’s all about communication. Franchisees are bombarded with a lot of competing priorities from operating their businesses, HR-related items, and, of course, marketing. We need to be simple, clear, and always provide them the “why” behind what we are doing, along with the what, how, and when. ■



# CMO roundtable

## "WHAT CHANGES TO YOUR MARKETING STRATEGIES AND TACTICS DO YOU PLAN IN 2017?"

### Larry Miramontes Vice President of Marketing Always Best Care Senior Services

Since joining Always Best Care in August 2015, my primary focus has been to overhaul the brand. In 2016, our major marketing objective was to build the brand's overall marketing platform and system. As part of this strategy, we launched a new corporate website. In addition, we showcased a revamped franchisee microsite design for a more user-friendly experience, including a more comprehensive link to our territory-specific care services and resources. We also added a new call center and upgraded our email platform to ensure optimal communication between franchise owners and their clientele. In an effort to further streamline our branding, we released a comprehensive digital library platform containing all the marketing materials for franchisees to promote their businesses at the local level. This year we will be reviewing a new logo design to appeal to our core demographic: seniors.

While the preceding efforts were necessary for the overall brand, the plan for 2017 is to take a more strategic grassroots marketing approach. The goal is to focus on more community-based efforts to continue the momentum of building brand recognition and trust with both



prospective and current clients. We want to empower all our franchisees to build the brand within their own communities by getting involved in various initiatives and local organizations. We're starting out the year with a prescription drug drop-off program, with the intention of honing in on senior centers and communities. In addition, we plan to get more involved with our nation's veterans and individuals with Alzheimer's disease through various initiatives, in addition to hosting free pet adoption promotion and holiday food drives to benefit seniors over 65.

The ultimate objective of our grassroots efforts is to be a trusted resource for seniors and their families in communities nationwide. We are very excited about the opportunities that lie ahead for our growing brand.

### Charissa Costa Bauhaus Director of Marketing Glory Days Grill

A great marketing strategy is able to adapt to the times, and 2017 is no exception. 2016 brought a number of challenges to our industry, and Glory Days Grill has been hard at work developing a number of initiatives to increase overall foot traffic, improve profitability and, most important, to do all of this while staying true to our brand.

We are currently in the final stages of planning a significant radio and online initiative that will span the entire calendar year, likely the largest we've done to date, with the purpose of reaching new guests and drawing those guests into our restaurants. This initiative will include promotions, endorsements, contests, and an awareness campaign surrounding our seasonal menus.

We are also working to improve margins by *decreasing* discounts and focusing our messaging on what sets us apart from the competition: a diverse and seasonally relevant food selection, a love of all things sports, and a commitment to our communities and the families who dine with us. We are purging programs that aren't

achieving results, and we are promoting all of the value we already bring to our guests through our weekly specials. We have had a complete nutritional calculator and allergen wizard online for years, as well as an extensive gluten-free menu for those who prefer to follow a gluten-free lifestyle. These programs bring an inherent value to diners that discounts and coupons cannot.

Perhaps most important, we need to stay true to who we are and the attributes that brought us to the table. Glory Days



Grill is a full-service, sports-themed family restaurant featuring great food at very affordable prices and outstanding service. For us, 2017 is the year of *hospitality*. Our restaurants look great and our food tastes great, so this year we are refocusing much of our training on injecting new life into what hospitality means for us and to our guests.

Through new initiatives, increased profitability, and by highlighting what makes our brand different from other casual dining restaurants, we are confident that we can achieve positive results in a challenging economy. Every employee from our executive team to our hourly team members will be re-committing to the practice of hospitality excellence. We feel confident that 2017 will be a year of record-setting achievements for our brand. ■

# Social media

## Connected Retargeting

### Defining, refining, and aligning your social audience

BY TODD JUNEAU

**W**hile the conventional method of using interests and behaviors to segment an audience still exists in large scale, the more recent tactic of connection-based targeting is quickly picking up traction because of its versatility and effectiveness. This intersection is where connected retargeting flourishes, and the robust options available to use this approach in marketing efforts are always increasing.

The traditional notion of retargeting is straightforward: define a group of people who have shown an affinity toward your brand, product, or service and leverage them to maximize campaign efforts. Affinity can be classified in many ways, but it is most commonly associated with a specific web action taken by the user. That action—a website visit, an e-commerce purchase, or even a newsletter signup—is often tracked by a small snippet of code (called a pixel or tag) that is placed on the website. Although these tactics have helped marketers qualify their audiences for more than a decade, they only begin to tap into the potential that connected retargeting can have for a business.

The next step is to think about sustaining a retargeting audience over time, and that is where connected retargeting comes in. What happens when we exhaust our retargeting audience, or are not finding success with it? Do we wait until more people visit our website to replenish or refine our retargeting pool? The answer, at least when using social platforms, is that it doesn't just stop there.

The great thing about social media is that it provides its own ecosystem that remains active both before and after an ad is served. Users can see an ad and come back to it later, or even share it with their friends and followers. This dynamic inter-

action is what makes social media such a unique medium—and brings in two very important factors of social strategy: audience sourcing and audience expanding.

Sourcing a connected retargeting audience on social media is actually pretty exciting. While the options vary between each platform, the general concept (largely pioneered by Facebook) is fairly consistent because, frankly, it works.

The easiest (and arguably the most im-



portant) audience to source is our followers—the people who have already made a commitment to a brand and are likely to support it. The problem, though, is that this is usually the smallest audience available to us, which makes other follower sources favorable too. Platforms like Twitter allow you to target followers of other pages, which is a great option for competitor conquering. For brands looking to target influencers and advocates, it's possible to set a threshold so that only users who have larger followings are targeted. While these are effective methods for maximizing follower support, there are ways to source an audience that do not rely on followers.

Imagine being able to create a historical index of all users who have seen a brand; to be able to control what they see, when they see it, and how often that interaction occurs. Page retargeting, which enables us to target any user who has interacted with a page within the past year, brings that concept closer to a reality. We can even take it a step further, with methods that allow us to target users who have not just seen a brand but also have engaged with it. Using engager retargeting, we can target users who have liked, commented, shared, or watched—basically any action that required someone to click.

Expanding a connected retargeting audience may not be as exciting as sourcing, but it is equally worthwhile. With so many sources, it's crucial to deploy strategies that will empower you to maximize the potential of each audience segment. One of these strategies involves the ability to target users who are similar to an existing list of users. This similarity can be tiered from 99 percent similarity down to 90 percent, which enables marketers to significantly expand their initial audience source. Another technique allows you to leverage connections between users and target the friends of people who follow a page. For brands that operate in tight-knit communities or genres, these connection-based insights can be invaluable.

Connected retargeting tactics are revolutionizing how we define, refine, and align our audiences on social media. By capitalizing on connections, rather than website actions, we are taking a necessary step toward fortifying our target audience and the approaches we use to reach them. Once those retargeting audiences are sourced, we must continue to implement methods that expand and magnify them so that we can sustain our social marketing efforts each quarter.

Social media is an ever-changing digital landscape, and the way we reach our target audience on social platforms continues to evolve. Franchisors and franchisees need to stay on course with the changes or face playing catch-up at a cost. ■

**Todd Juneau** is managing director at Mindstream Interactive in San Diego. To learn more, call 858-777-5007 or email [tjuneau@mindstreaminteractive.com](mailto:tjuneau@mindstreaminteractive.com).



# The public and policymakers need to understand franchising.

## Our purpose

@OurFranchise is an industry-wide campaign created to spread the word about the value of franchising and share the stories of men and women just like you, who are leading the way as franchisors, franchisees, and franchise employees. The franchise business model has been proven time and time again to work, but it's threatened when the public and politicians don't understand how it operates to benefit local, independent franchise establishment owners and their communities. Putting a spotlight on real leaders succeeding with the franchise model is how we'll ensure franchising is stronger than ever before.



## Follow us

Share the tools and resources offered on [AtOurFranchise.org/resources](http://AtOurFranchise.org/resources)



Our Franchise



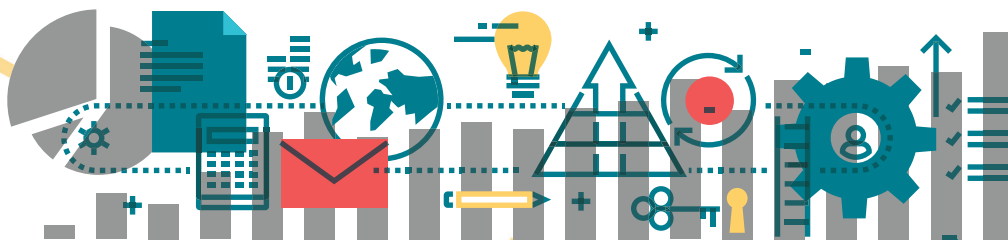
@OurFranchise



@OurFranchise

## Help us keep the momentum going

Since our launch in June 2016, we've reached 1.7 million people through outreach efforts, including events in key cities and states, where we spoke directly with business owners, employees, policymakers, and the media. Additionally, we've reached people across America through our website and social media channels, digital advertisements, and the promotion of We the Franchisees on Politico – but there is much more work to do. As a franchisor, franchisee, or franchise vendor, you are a leader in your community – and we need your support, now more than ever.



## You benefit by joining

By joining @OurFranchise, you'll get access to exclusive stories and resources that can help grow your franchise business, educate employees at all levels about the franchise business model, and share the economic importance of franchising with consumers. You will also have the opportunity to share your franchise success story with your peers.

## This is just the beginning

Make sure you stay up to date with the campaign's latest efforts through email updates and social media. Visit our website to read and share the latest stories of franchisors and franchisees making an impact in their communities. Become a franchise advocate to help ensure Americans, now and in the future, have the opportunity to start franchise businesses. Take the lead today!

## Visit [AtOurFranchise.org](http://AtOurFranchise.org)

Contact Erica Farage, Senior Director of Political Affairs and Grassroots Advocacy and Multi-Unit Franchisee Engagement  
International Franchise Association  
[efarage@franchise.org](mailto:efarage@franchise.org)  
(202) 662-0760



# Customer service

## Are You Ready for 2020?

Every industry must prepare for disruption

BY JOHN DIJULIUS

**R**emember when we used to hear Prince's song "1999" and it seemed so far into the future? Well, how about the year 2020, which is just 3 years away?

Today, robots assemble our cars and move Amazon fulfillment center shelves around. And, as technology advances, they're spreading into other areas of our lives. For instance, many customers get irritated when speaking with customer service reps who seem to just be going through the motions, giving scripted answers, and rushing because they are trying to adhere to their allowed time per call. If you think that is bad, just wait—the future is here.

Within a few short years, we will be speaking with *actual* robots working in contact centers. Many companies that run outsourced call centers are working toward turning these jobs over to machines. An article in the *Consumerist* ("As Expected, Robots Are Taking Over Call Center Jobs," June 21, 2016) tells how advances in artificial intelligence will mean that call center representatives and chat representatives can be replaced with cheap and reliable workers who don't need sleep or meal breaks and who don't get sick or have emergencies at home.

### Are you Uber-proof?

Every industry has an Uber coming. Every business is in danger of being made obsolete as a new business model, with cutting-edge technology, enters your industry and market and steals the majority of your market share. Digital disruption is the new buzzword in business, warns

CMSWire.com in an article "Has Your Business Been Ubered?" (June 9, 2016). This lengthy excerpt is worth thinking about as you look ahead.

*We see business model after business model disrupted by the ridiculously fast evolution in mobile tech. New marketplaces are popping up all over the place, and increasingly faster communication keeps connecting buyers and sellers in new ways. Technology has truly punched the accelerator on business transformation in so many industries.*

*But through all of this, one immutable fact remains — the customer is king.*

*Customers today expect immediate answers and instant gratification. You may have a fantastic product or service, but if you don't put an outstanding customer experience at the center of all your business planning, you will lose. This means the most impactful digital transformation strategy for your business centers around transforming your customers' experience with your company.*

*In short: Make it easy. Make it awesome.*

The more you intersperse technology between the customer and the company, the more you create complex systems

prone to breakdown, and the more you remove the sense of dealing with a human being. Whether the technology is complex voicemail systems or social media, the net effect is to de-personalize contact between customer and company.

Technology can never be empathetic, build relationships, or make a brilliant comeback when your company drops the ball. Customers crave recognition and a personalized experience. In short, technology cannot provide genuine hospitality. It cannot make people feel good, take care of others, express emotions and vulnerability in a relatable way, or make people laugh.

We have subconsciously sent the wrong message to all our employees that it is about the technology: our website, apps, social media, virtual tour, iPads, kiosks, self-checkout. So our employees start using the technology as a crutch, thinking they have less importance, less of a role with the customer. They rely on the technology to provide the experience. We need to reverse that. Customer experience is 10 percent technology and people are 90 percent.

### urX

We need to make sure every single person working in your business knows and understands one critical thing: *You Are the Experience*, or urX.

Those who understand that the human touch is an indispensable part—and the most important part—of a great customer experience will make the difference. Customers and people are starving for a humanized experience, to be a person, someone who matters, with a life. It's really about human connection. Whether it is face to face, ear to ear, or click to click. ■

**John R. DiJulius III** is the author of *The Customer Service Revolution* and president of The DiJulius Group, a customer service consulting firm whose clients include Starbucks, Chick-fil-A, The Ritz-Carlton, Nestle, PwC, Lexus, and many more. Email him at [john@thedijuliusgroup.com](mailto:john@thedijuliusgroup.com).





# FRANCHISE CONSUMER MARKETING CONFERENCE

## **WILLIAM ESPEY**

Branding Visionary,  
Chipotle Mexican Grill



## **SETH MATTISON**

Workforce Strategist &  
Management Trendspotter



## **ROBERT STEPHENS**

Geek Squad Founder &  
Former CTO of Best Buy



## REGISTRATION NOW OPEN

SAVE THE DATE: TUESDAY JUNE 20TH - WEDNESDAY JUNE 21ST

## SIMPLIFY FOR SUCCESS.

Streamline your strategy at the 7th Annual Franchise Consumer Marketing Conference. The only event for franchisor consumer marketers. From brand building to utilizing technology, the Franchise Consumer Marketing Conference covers it all! #FCMC

REGISTRATION NOW OPEN!

[www.franchiseconsumermarketing.com](http://www.franchiseconsumermarketing.com)

Where: Intercontinental Buckhead Hotel, Atlanta GA

© 2017 Franchise Update Media. All rights reserved.

**Franchise Update**  
MEDIA

# Growing Your System

FRANCHISE DEVELOPMENT INTELLIGENCE



## **50 Challenge the Pros**

"What are the keys to building, training, and retaining a great sales and development team at your brand?"

---

## **51 Sales Smarts**

Are you selling your brand's marketing expertise to candidates?

---

## **52 Growth Strategies**

How to help your operators multiply their growth

---

## **56 Supplier Spotlight**

FranchiseGrade.com makes the grade for franchise brands

---

## **58 1st European Multi-Unit Conference**

Franchise Update Media goes international in Florence, Italy

---

## **60 Market Trends**

For capital providers, three big uncertainties loom in 2017

---

## **62 International**

2017's franchise development outlook by country and region

---

## **64 It's Closing Time**

Steve Olson bids adieu to his popular column with his Top 3 list

---



# GROW YOUR BRAND BY JOINING OURS



**40+ years** connecting  
franchisors to franchisees



**3 million** highly  
affluent readers



**#1 resource** for  
qualified buyers

## RECOGNIZED, REFERENCED & RESPECTED WORLDWIDE

Every day millions of business buyers turn to Entrepreneur in search of new opportunities to start and new ways to grow their business. We continue to lead as the only major business publication to have dedicated, objective franchise editorial content in every issue and the most comprehensive and well-respected franchise rankings. We are where business buyers go for help. Help us help them.

**For More Information, Please Contact**

**Paul Fishback | VP, Franchise**  
pfishback@entrepreneur.com

# Entrepreneur.

## Challenge the pros

### "WHAT ARE THE KEYS TO BUILDING, TRAINING, AND RETAINING A GREAT SALES AND DEVELOPMENT TEAM AT YOUR BRAND?"

**Rashid Khan**  
**Vice President of Franchise Development**

**Kids 'R' Kids Learning Academies**

For more than 30 years, Kids 'R' Kids Learning Academies has been committed to providing world-class education to children 6 weeks to 12 years old. Aside from its proven business model, the company's success has been driven by an ongoing passion for cultivating strong franchisor-franchisee relationships built on trust and communication. Since joining Kids 'R' Kids 18 years ago, I've learned that a franchise is only as good as its franchisees, and this



couldn't be more true in today's landscape. It all begins with having a strong development team in place.

For one thing, hiring the right talent is one of the greatest challenges of a business operation. This makes it all the more important for managers to not only identify strong candidates, but also to gauge whether they will fit the corporate culture. In addition to the company's vision and overall annual goals, prospective team members need to have a clear understanding of what success looks like to the organization in order to be effective team members.

Once the right talent is in place, leaders need to ensure a strong onboarding experience and set realistic performance expectations to measure results and hold

team members accountable. In addition, a winning sales team should be knowledgeable in all aspects of the business to become confident and productive in their roles. This will also give employees a better understanding of what type of franchise prospect will be successful in their respective systems. Furthermore, management should provide their teams with opportunities for ongoing training, which is crucial not only for the overall growth of the franchise, but also for employee development and retention.

Given the growing number of franchise concepts, it has never been more important to have an effective franchise sales team to drive development. Ultimately, if both management and team members genuinely care about the success of the franchisees, only greatness can be achieved.

**Renuka Salinger**  
**Vice President of Development**  
**Camp Bow Wow**

At Camp Bow Wow, we strive to hire and retain top talent regardless of what department they are in. Our goal is to provide the very best customer service to our franchise owners and franchise candidates, and every department plays a role in this. Our motto is servant leadership, and this comes from the top down.

In my experience, the key to building, training, and retaining a great sales team (or any team) is support and accountability as a manager and team member. On my team, we all have different roles, responsibilities, and personalities. People and teams have varying work styles and needs, so as a manager you must be able to adjust your style if needed to produce the best results. I take a holistic approach. If you don't take care of your team you may still produce results, but you may not have high engagement and employee satisfaction.

Additionally, high-performance sales teams are very knowledgeable about what they are selling, company goals and policies, and their candidate's needs and goals.

Our franchise development team spends a lot of time cross-training and collaborating with every team in the company to make sure we are always up to date on everything related to our brand. We also spend significant time researching, learning, and executing best practices in the sales process, sales psychology, and current franchise law and trends. This intellectual acuity sets us apart from other sales teams I have encountered.

We are a relatively high investment franchise and our candidates are sophisticated, high net worth individuals. Our candidates expect a high level of knowledge and customer service throughout the sales exploration process. We actually do not call ourselves a sales team, we are a recruiting team and our role is opportunity manager. We also are brand ambassadors with a mission to recruit the right franchise candidates for our system. The ultimate goal in awarding franchises is to open them and have happy, successful franchise owners, not just sell them.



I believe that to succeed in sales you must work together as a team and break the individual performer mentality that is prevalent in sales. Competition is healthy and you will have overachievers and underachievers at times, but if you cannot work as a team toward group goals you will not reach your full potential. ■



# Sales smarts

## Marketing Expertise

### How did we leave that out?

BY JIM BENDER

If you have been around the franchise sales profession for more than just a cup of coffee, you personally know, or have been told repeatedly, that the decision to invest in a franchise is far greater than buying furniture, fixtures, equipment, and software. The investment in a franchise is about fulfilling personal goals, whether achieving a lifestyle, leaving a legacy, or resolving a particular event in life.

To make the monumental and life-changing decision to invest in any franchise concept, a candidate must envision how to apply their personal assets—knowledge, experience, and money—to a franchise model, the success of which will support their lifestyle, legacy, or resolution.

So how does this happen? Over the years, my largest, multi-unit franchise owner regularly repeated a favorite line that answers our question well. He would say, “Jim, nothing happens till somebody sells something.” And how do franchise owners sell things? They attract customers through effective marketing strategies ranging from face-to-face sales to online ordering, depending upon the model.

While often refined by franchise owners, most effective strategies are developed by the brand, a capability I refer to as knowing how to “put butts in the seats.” Franchise candidates buy the marketing knowledge, experience, and expertise of the brand. Yet, as we all know, more franchise candidates are qualified to learn operating systems, customer sales, or service than how to develop successful marketing strategies. Perhaps this is best supported by the consternation that exists between franchise owner and franchisor over the marketing fund spend or the claim that marketing strategies “do not work in my market.”

Why is it then, that as franchise sales professionals, the topic we spend the least amount of time on is marketing expertise? A telltale sign: Does marketing training even *appear* on the new owner training curriculum under Item 11?

Far too often, the marketing presenta-

tion given during the franchise sales process highlights only the services provided by marketing staff, such as identifying local promotional opportunities, cost/inquiry analysis, adapting the annual/national promotional calendar to local market conditions, or grand opening support. While all are great topics that require review, they are not sufficiently powerful to demonstrate how our marketing knowledge is the *point*

**Most effective strategies are developed by the brand, a capability I refer to as knowing how to “put butts in the seats.”**

*of differentiation* for our brand and franchise model. As a result, candidates simply bundle “marketing” under “franchisor support services” and continue to search for a compelling reason to join.

The topics we typically fail to discuss are: How do we know what we know about our target customer, and what do we know about influencing their behavior? Most important, how does our influence over their behavior create a positive return? Stated more bluntly, “We know how to put butts in the seats and are willing to share that information with you.”

When reviewing the franchise development programs of most new clients, from zero franchise owners to emerging brands to hundreds of locations, they are remarkably silent on the topic of marketing expertise. Throughout the sales process—and especially during program review and again at discovery day—they should present the following:

- The brand vision and values (and no, it is not your product or service), how we communicate it, and how franchise owners are expected to support that vision.
- The specific market niche the brand occupies in terms of audience, product, or

service benefit.

- What we know about target consumers, how we know it, and how we back it up.
- How we can influence the target consumer’s behavior.
- How we quantify the results of marketing strategies and activities.
- How we transfer marketing expertise to franchise owners on an ongoing basis.

Likewise, franchisors are qualifying the marketing expertise of each candidate by gauging: 1) their understanding, agreement, and buy-in of the brand’s vision and values they will represent to consumers; 2) their commitment to funding and consistent execution of marketing strategies; and 3) their past sales and marketing experience relevant to the business model.

Of the thousands of hours we spent with candidates in 2016, we devoted the majority of our time together to reviewing the marketing expertise of the brand they selected. Once that is established as the key point of differentiation among the competition, we reinforce how the brand’s marketing capability is the driving force behind best-in-class average unit volume, operations, and profitability.

In our experience, a sales program that has a sharp, consistent focus on the marketing capabilities that drive unit success and profitability is the most compelling of all franchise presentations. This year we plan to spend even more time unveiling each brand’s marketing expertise.

It does not take long to audit a sales program. How do you present the marketing capabilities of your brand (if at all)? Is it the review of a laundry list of support services, or a demonstration of the driving force behind your success? Do candidates believe the brand has the marketing expertise and experience to help them achieve their goals?

Knowing how to put butts in the seats doesn’t just apply to selling a product or service, it applies to all of us in the development business as well.

Happy Selling,  
Jim

**Jim Bender** is president and owner of Franchise System Builders. He has been in the franchise business for more than 35 years and has provided clients with sales outsourcing and concept packaging services since 2002. Contact him at [jtbender@franchisesystembuilders.com](mailto:jtbender@franchisesystembuilders.com) or 248-647-1989.



# Growth strategies

## From One to Many

### Helping your operators multiply their growth

BY KAY AINSLEY

A typical multi-unit agreement provides to the developer the right (and obligation) to open a certain number of units according to a specified timetable within a defined territory. In exchange, the developer pays a fee that usually is based on the number of units to be opened. The number of units, opening timetable, territory, and fee are all agreed upon between the franchisor and developer before the multi-unit agreement is signed. Then, as each unit opens, a franchise agreement is signed for the operation of that unit.

Strategically, multi-unit agreements are an ideal way for most franchisors to develop their network and should be considered for inclusion along with single-unit franchises in any expansion plan. Multi-unit agreements provide an attractive opportunity for investors looking to build a larger business, while enabling the franchisor to better forecast growth, project revenues and resource needs, and reduce their overall cost of franchise sales and support.

Among the risks, however are that the development schedule is not met and/or growth is not what either side had anticipated. For the developer this can result in the termination of their multi-unit agreement and the loss of their right to open additional units. In addition, since area fees typically are non-refundable, the termination of the multi-unit agreement may result in forfeiture of their fee as well. For the franchisor, brand awareness and market penetration are not achieved, revenues are lost, and there is added cost and relationship management time in working through a resolution with the developer.

#### Making the transition

To lay a foundation for the success of a multi-unit developer and enable both sides to achieve their goals, there are several things a franchisor can do. Franchisors looking for organic growth through existing franchisees should also ask them-

selves if they have the proper structure in place to enable the single-unit franchisee to make a successful transition to a multi-unit franchisee.

The first is to provide training and education in operating a multi-unit business. The role of the developer is different than that of an owner-operator. While learning to operate a unit of the business is fun-

For franchisees who begin as the owner-operator of a single unit, the transition to multi-unit ownership can be difficult.

damental to both groups, the developer must also be trained in managing multiple units. Many of the subjects are the same, but the content and depth may be different, such as planning and forecasting, supply chain management, building an organization, and leveraging marketing programs and budgets, to name a few. For franchisees who begin as the owner-operator of a single unit, the transition to multi-unit ownership can be difficult. Having the proper training provides the confidence necessary to make the change.

The second issue may seem at first to be counter-intuitive: the development schedule provides for too much time between openings, especially at the beginning of the agreement. Too often we've witnessed someone open one unit and continue to manage that first unit while opening the second. Once the second unit is open they divide their time between the two and struggle to open unit three. If they open number three they find it overwhelming

to divide their time between all three units so numbers four, five, six, and more are never even started. Compressing the opening schedule eliminates the option for the developer to become settled in an owner-operator role, and in some respects forces delegation of unit management to managers. While this approach helps ensure the development schedule is met, it also requires that the multi-unit developer have the necessary financial resources available before signing the agreement to execute a more aggressive opening schedule.

Franchisors with multi-unit franchisees should also examine the way they provide field support. Multi-unit franchisees may face different issues and have different concerns than their single-unit brethren. In many cases, support programs can be provided to the developer, and they will bear the responsibility for implementing the program in each of their units. Franchisors can consider having a field consultant dedicated to multi-unit franchisees who is trained in delivering the advice and support necessary to add value to the developer's business.

Another option for maximizing the value of a multi-unit agreement is to offer the developer an incentive for meeting or exceeding their development schedule. There are several ways to provide incentives. For example: if the developer has the total number of required units open and operating before the expiration of the development agreement; and if both the developer and the franchisor agree that the territory can hold an additional unit (or units); and if the developer begins the construction of the additional unit (or units) before the expiration date, the franchisor waives the initial fee for that unit (or units).

Developing a multi-unit program is more than simply setting the fees and preparing the documents. The proper types and levels of support must be provided for both franchisor and franchisee to realize the benefits. ■

**Kay Ainsley** is managing director of MSA Worldwide, a leader in franchise consulting that provides strategic and tactical advice based on real-world experience to new and established franchisors. Contact her at [kainsley@msaworldwide.com](mailto:kainsley@msaworldwide.com) or 770-794-0746.



REGISTER  
TODAY

# 2017 Multi-Unit FRANCHISING conference

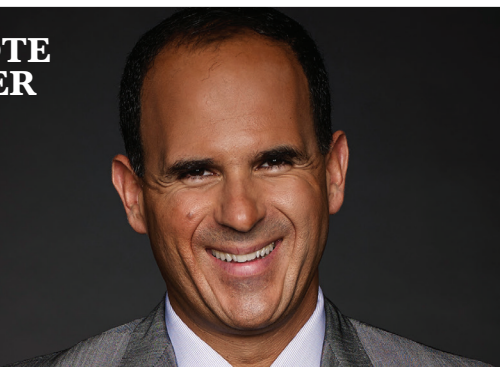
*The Premier Event for Multi-Unit Franchisees*

**Sunday April 23rd – Wednesday April 26th, 2017**  
at the beautiful Caesars Palace Hotel in Las Vegas

## Build Relationships and Grow Your Infrastructure at the **17th Annual Multi-Unit Franchising Conference**

Join your peers, share experiences and get your questions answered at this one of a kind event!

**KEYNOTE  
SPEAKER**



**MARCUS LEMONIS**

Businessman, investor, philanthropist  
and star of the CNBC show The Profit

**CONFERENCE  
CHAIRMAN**



**GUILLERMO PERALES**

President/CEO of Sun Holdings Inc. &  
Multi-Unit Franchisee of 710 locations

[www.multiunitfranchisingconference.com](http://www.multiunitfranchisingconference.com)

**Franchise Update**  
MEDIA

© 2017 Franchise Update Media. All rights reserved.



# THE 2017 ANNUAL FRANCHISE DEVELOPMENT REPORT

## Unique Information Source

*"This is the only place we can get a benchmark—the numbers to give us an idea of how we're doing. It shows us where we are, where the industry is, and where it's going."*

Pete Lindsey, Vice President of Franchising, Sport Clips

## Metrics and Spending

*"I use the AFDR to analyze my individual metrics: my request-to-application ratio, applications-to-'join the flock' day (discovery day) ratio, and lead conversion. I also look at how we're spending money as a percentage of our advertising budget compared to others."*

Paul Pickett, Chief Development Officer, Wild Birds Unlimited

PRESENTED BY:

**Franchise Update**  
MEDIA



OW MORE. SELL MORE.

# HOW DO YOUR SALES MEASURE UP IN TODAY'S ECONOMY?

Franchise Update's **2017 Annual Franchise Development Report** is packed with timely information and benchmarking data that can help your franchise system grow faster and close more deals.

**This in-depth report features results from more than 167 organizations actively expanding their franchise systems.** The thoroughly researched report spotlights the latest trends and reveals franchise success drivers that are sure to boost the octane rating in your sales department.

Smart franchise organizations are watching lead-generation and sales trends, making adjustments, and selling more deals. **And you can stay ahead of the curve with this report.**

**\$350 - Order your copy today.**  
<http://afdr.franchiseupdate.com>

- Target top sales producing sources.
- Report organized by industry categories, investment levels, number of units, systemwide sales, and more...
- Ideal benchmark for building budgets and media plans.
- The report represents companies totaling over 60,989 franchise units and over 40 industry categories!



# Supplier Spotlight:

BY KERRY PIPES

## MAKING THE GRADE

**FranchiseGrade.com** helps franchising “Find the Best”

**F**rom a strictly financial point of view, franchising is an investment vehicle with an expectation of return. While prospective franchisees may like a particular brand, they are investing in it because they want—and expect—a solid financial dividend. Having access to comparative data on the financial performance of different brands would be invaluable in their decision-making process. This is the heart of the idea behind the creation of FranchiseGrade.com.

Jeff Lefler, a franchisee and an avid stock market investor for years, founded FranchiseGrade.com in 2013 and today is president and CEO. His background and personal observations of the franchise sector led him to identify a better way to evaluate and rate franchise investments. “I saw that a large percentage of franchisees were investing into certain brands based solely on their preference for the brand’s products or services,” he says. He thought a more analytical, data-based approach would produce better results for franchisees and franchisors alike.

### What They Do

FranchiseGrade.com objectively grades franchise systems on behalf of franchise shoppers based on the performance of each franchise system. The company’s methodology includes benchmarking identical data points within FDDs, which enables franchisee candidates to make one-to-one comparisons between franchise systems and thus help them make better informed, more educated investment decisions.

This raises the bar for franchising as a whole, says Lefler, because it means that franchisees can find healthy investments suited to their needs and goals—increasing their chances of success, raising overall satisfaction within franchising itself, and decreasing litigation across the board.

Lefler says that while his company’s research and analysis is built to support franchisee decisions, that data and research can be used to provide support to franchise systems as well. The company’s franchisor clients have included Jimmy John’s, Brain Balance Achievement Centers, and Tropical Smoothie Cafe.

“We have two target customers, both the prospective franchisee and the franchisor,” says Lefler.

**FRANCHISEGRADE**  **COM**



“We work with prospective franchisees by promoting healthy franchise systems and identifying investment opportunities in their investment range and geographic location. We work with franchisors to highlight their investment value and match them with our prospective franchisees.”

### Wanted: Reliable Information

The demand for reliable information about franchise brands is on the rise, especially among multi-unit operators, as well as entrepreneurial, tech-savvy Millennials considering franchising as an investment vehicle. And with the number of brands also on the rise, the choices can be overwhelming, especially for new entrants to franchising.

Lefler notes that in the past 6 years more than

199,000 franchise outlets have been opened, and future opportunities are virtually unlimited. In addition, new kinds of concepts, many made possible by technology, continue to appear. But for someone trying to figure out which brands actually are best suited to their financial and personal goals, the devil is in the data.

Prospective franchise buyers can benefit from the intelligence FranchiseGrade.com gathers about franchise system performance and its grades for 2,500 of today's approximately 3,800 franchise systems. "We give them an easy way to find the franchises that meet their business and financial profiles, and pinpoint the ones that are graded at the top," says Lefler.

For example, he says, it can be tricky for prospects to understand such basics as a brand's longer-term growth potential using traditional resources. This is where FranchiseGrade.com can assist. "We've found that 55 percent of franchise systems in our database have 50 or fewer locations. There are several franchise systems that have great unit economics, but have not seen significant growth."

Meanwhile, on the other side of the franchise equation, information his company gathers also gives franchisors a way to improve their offering by providing them with insights into how their "franchise grade" compares with those of other franchise systems, both within and outside their particular industry. Franchisors also are able to promote their A or A+ grading on FranchiseGrade.com's website.

### **New Services for Franchisors**

FranchiseGrade is now expanding its proprietary Made The Grade platform for franchisors. "We just launched our Brand Density Scale in January," says Lefler. "This new tool will help franchisors examine and map growth and development options for expansion." This diag-

nostic tool will calculate the number of franchisee locations in a specific state by franchise sector, brand, and 3-year growth or contraction for total franchise systems, locations, and individual franchise brands, as well as provide competitive analysis and key performance indicators.

Lefler says this move will further help the company match its growing number of prospective franchisee clients with the franchise systems that are best for them. And with higher-quality candidates, franchisor sales teams can

be more efficient with their time and efforts, presenting their brand opportunity to more appropriate candidates rather than vetting unqualified leads.

Lefler says FranchiseGrade.com wants to work with brands that align with their own values: improving franchising for all parties. "When done right, both the franchisor and franchisees can grow and be very successful. We work with franchisors that know that their long-term success is based on their franchisees' long-term happiness." ■

## **Grading the Graders**

**L**ast year FranchiseGrade.com was asked by FranNet to review the franchise systems in its portfolio and help them assess which systems should be included going forward. Using its proprietary Franchise Index, FranchiseGrade's research analysts reviewed the requested franchise systems based on seven key investment risk variables used to determine a brand's grade: Investment Structure, Ongoing Fees, Franchise Relations, Franchisee Rights, System Growth, System Turnover, and Financial Transparency.

Each report identifies the competitive strengths and weaknesses of a franchise system and provides analysis and explanation of why it is assigned its grade. It also compares each franchise system with competitors, sector, and industry, offering detailed insights into the comparative value of the potential franchise investment. In the past year, FranchiseGrade.com analyzed and reported on 121 franchise systems for FranNet.

"FranNet is a great franchise and is an A grade in our database," says Lefler. "Their desire to better understand the investment risk of their franchisor clients is a testament to why they are graded favorably." In addition, he says, "The culture of their brand is about ensuring that their brokers' prospective franchisee clients, like ours, are buying healthy franchise investments."

FranNet was pleased with the experience says Monica Pleasant, franchisor relationship manager at FranNet. "The information we receive in the FranchiseGrade report is helpful in our decision process to bring a franchisor into our inventory," she says. "We have built a reputation on showing our clients strong, growth-positive franchisors to consider. FranchiseGrade gives us insights into potential franchisors that is very valuable to our process."





# FIRST ANNUAL EUROPEAN MULTI-UNIT CONFERENCE

Going international? So are we! This past December, Franchise Update Media co-produced its first conference in Europe, partnering with the Best Franchisee of the World. The First Annual European Multi-Unit Franchising Conference was held December 2-3 at the beautiful, historical Palazzo Borghese in Florence, Italy. Attendees included franchisees, franchisors, investors, association heads, and government representatives from across the world.

"This event was created as a platform for continued education and sets the stage for upcoming trends that are important to franchisees," said Franchise Update Media Chairman Gary Gardner upon his return home. "Our goal was for franchisees to go home with new ideas to help take their businesses to the next level."

For nearly two decades, Franchise Update has presented conferences in the U.S. for franchise sales and development professionals, multi-unit franchisees, and marketing executives, along with hundreds of magazine articles reporting on international franchising.

This new conference provided attendees with information-packed sessions, networking opportunities, and plenty of time to meet with sponsors from around the world. The sessions and speakers covered global multi-unit franchising

growth trends, as well as an overview of the master franchising model as a vehicle for international expansion.


An international panel of multi-unit operators addressed the benefits and challenges of building, growing, and operating multi-unit and multi-concept companies. The panel included three members of Franchise Update's Multi-Unit Conference Advisory Board: Michael Kulp (KBP Foods), Tony Lutfi (MarLu Investment Group), and John Metz (RREMC and franchisor of Hurricane Grill & Wings).

U.S. sponsors for the inaugural event were Denny's, Dairy Queen, Carl's Jr./Hardee's, MSA Worldwide, and Sky Zone Trampoline Park.

"For being the first conference in Europe, I think it went extremely well.

I worked a little, learned a lot, and met some very interesting people," said attendee Daniel Alley.

Historical note: The Palazzo Borghese, a beautiful facility located in the historic center of Florence, is characterized by its unique 16th century architecture, enhanced by ongoing renovations in the ensuing centuries. The Reception Hall, a true architectural and artistic jewel, contains more than 2,000 square feet of frescoes, plasters, bas-reliefs, niches, statues, columns, and draperies.

Stay tuned for more details and information about next year's event. 





**Franchise**  
update  
BUSINESS INTELLIGENCE FOR GROWING FRANCHISORS

# 2017 Smart TECHNOLOGY GUIDE

**NEW FOR  
2017**

# 2017 Smart TECHNOLOGY ISSUE with

## Smart Technology Vendor Guide

*The second quarter issue of Franchise Update Magazine will focus on various technologies to help franchisors support their franchisees and grow their businesses.*

In addition to technology focused feature content, a Smart Technology Vendor Guide will be included in the edition. The separate section within the magazine is dedicated to technology vendors through preformatted listings.

### FEATURE CONTENT:

**Protecting Sensitive Data** (from corporate to franchisee to consumer)

**Choosing Technology Partners** (evaluating vendors, selecting, partnering, getting results)

**Understanding the Customer Experience** (measuring feedback, evaluating, responding, ensuring change and consistency that keep customers coming back)

**Big Data as a Franchise Recruitment Tool** (tactics and strategies that help find the best and brightest franchisees ... and eliminate the bad ones)

### LOGISTICS:

Listing pages can be included for the price of \$1500 per full page. Two formats for the listing page are available:

- Full 8-3/8" x 10-7/8" listing page
- Half page listing & half page ad

Listings include 400 total word count of copy and can include hi-res images you provide, space permitting.



Participating companies will be included in the Smart Technology Index. Indexes will be shown two ways:

- Alphabetical order
- With services listed (up to 5)

### DISTRIBUTION:

- 7,000 print Franchise Update Magazine Subscribers

- 12,000 digital distribution
- Bonus Distribution – Franchise Consumer Marketing Conference, International Franchise Expo, Franchise Leadership & Development Conference

### ACT NOW!

*Call your account rep for details on this special edition!*

**SALES DEADLINE: March 20, 2017 AD MATERIALS DEADLINE: March 27, 2017**

**Contact: Sales@franchiseupdatemedia.com**  
**Main: 800.289.4232 ext. 202**

# Market trends

## Capital Uncertainty

### Three big issues loom for 2017

BY DARRELL JOHNSON

**W**e enter 2017 with a greater than normal number of economic uncertainties for all three major participants in the franchise business model: franchisors, franchisees, and capital providers. In most years they all are fairly predictable. While that should be the case for franchisors and franchisees, it may not be the case with capital providers this year for a few reasons that bear understanding—and closer attention—for franchise systems seeking to stay on track with their growth and stability plans.

Lenders are in a constant battle with two adversaries: uncertainty and risk. As we move into 2017, lenders face three big uncertainties: 1) the economic cycle, 2) the regulatory implications of the Trump administration, and 3) SBA rule changes.

**1) The economic cycle.** We are in the third-longest recovery in U.S. history. Only the 1961–69 and the 1991–2001 periods were longer. It certainly could go on beyond 2017, due in large part to this expansion also being the weakest pace of growth since WWII, thereby not creating any overheated sectors. However, the odds are increasingly working against continued expansion as we are now double the duration of expansions in the past 100 years. Lenders become more conservative heading into downturns to avoid loan portfolio problems.

**2) The regulatory implications.** The past eight years have been difficult for banks as the significant expansion of regulations have forced more-conservative lending practices, increased lending and compliance costs, and pushed many smaller banks into mergers. Banks will continue to move cautiously into new lending programs and will emphasize deeper due diligence and greater loan documentation.

**3) SBA rule changes.** SBA-guaranteed lending to franchising provides a vital

source of higher-risk capital. Effective January 1, the SBA has a new franchise affiliation process involving lenders and franchisors that introduces a new level of uncertainty to SBA lenders. The new SBA process both simplifies and complicates franchisee access to SBA-guaranteed lending.

Simplification comes in the form of a single standard addendum that will address all *franchise-specific* affiliation issues. Franchisors will make one of four decisions: 1) sign the new addendum for all franchisee requests; 2) sign it for some but not other requests; 3) not sign the new addendum (early indications are about a quarter of franchisors may choose this decision); or 4) sign the new addendum but require additional documentation. Lenders won't easily be able to determine how franchisors will proceed absent a centralized information source.

A new uncertainty is created since the SBA will no longer review *any* franchise documentation, not just franchise agreements. There are business affiliation and credit issues arising from franchise operations manuals and other franchisor-required documentation that the SBA previously reviewed on behalf of lenders as part of the franchise affiliation review. Now that falls on lenders to assess on their own.

Most lenders are not experienced in addressing business affiliation and other issues in a franchise context. Many of those assessments undoubtedly will require franchisor involvement, something clearly more easily solved in a centralized way rather than with one-off lender/franchisor interactions.

The average franchisee agreement is about 40 pages, which is the document the new SBA rule has eliminated from further review. The associated documentation that lenders will now be responsible for understanding, relative to

business and other affiliation issues, range from 300 to 800 pages. Fortunately for franchisors, the Franchise Registry was originally designed—even with lots of other lender services added in the past 18 years—and still continues to address lender uncertainties around all these issues. However, until new processes are understood and refined, uncertainties exist for lenders, which will lead to less capital to franchising than otherwise would be realized. (For example, will the SBA accept electronic signatures on the new standard agreement?)

Addressing uncertainties provides the framework to assess risks lenders must also address. Risk is a relative issue for lenders. At any point in time some borrowers, sectors, and franchise systems are lower risk than other borrowers, sectors, and franchise systems. The question a lender must figure out in a constantly changing and uncertain world is: Which ones are which?

Lenders are pretty good at assessing borrower and sector risks. Since the last recession a lot of progress has been made to help lenders assess franchise system risks. This is important, as the franchise business model has been associated with higher-risk lending without solid evidence. For instance, the SBA recently added franchise loan concentration as a separate lender portfolio risk category. The FUND risk-scoring model for franchise systems (similar in concept to the FICO risk-scoring model for borrowers) has been designed to show the relative credit risk performance of a franchise system across an entire economic cycle. Essentially, it shows how the likelihood changes for a lender to get its money back from a borrower depending on which franchise system the small business borrower chooses.

Addressing these risks has become more important in 2017 as uncertainties with the economy, regulatory adjustments, and SBA changes combine to put pressure on continued franchise capital access. As the points above should make clear, better information and better communication will be necessary. ■

**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](mailto:djohnson@frandata.com).



# 6 Ways to Reach Multi-Unit Franchisees with Franchise Update Media

Our multi-media product line offers an opportunity to build awareness of your brand to multi-unit franchisees.



## Multi-Unit Franchisee Magazine

*Published quarterly, this is the only publication dedicated exclusively to multi-unit franchisees — today's successful drivers of franchise growth.*



## Multi-Unit Franchisee Annual Buyers Guide

*Special annual edition of Multi-Unit Franchisee Magazine featuring full page brand profiles*



## Multi-Unit Franchising Conference

*The annual Multi-Unit Franchising Conference is the ultimate deal-making event for franchisors, multi-unit franchisees and service providers.*



## Custom Email Blasts

*Our highly refined subscriber list places your message directly in front of multi-unit franchisees.*



## Multi-Unit Franchisee Sponsored eNewsletters

*Multi-Unit Franchisee eNewsletter keeps franchisees current with news and trends in franchising. Exclusive sponsor opportunities available.*



## Franchising.com

*Franchising.com, featuring the Multi-Unit Franchisee Channel, will drive franchisees to your brand or service.*

***Our products provide the media outlets multi-unit franchisees are using to find and research new brands. We understand the multi-unit franchisee and we have the products to deliver your message.***

**Call your account rep today!**

**Sales@franchiseupdatemedia.com**

**Main: 800-289-4232 x202**

**Download our 2017 Media Kit**



FRANCHISE UPDATE MEDIA, 6489 CAMDEN AVE., SUITE 204, SAN JOSE, CA 95120

# International

## Predictable Unpredictability

### Global franchise development in 2017

BY BILL EDWARDS

*"It is not given to human beings... to foresee or to predict to any large extent the unfolding course of events." —Winston Churchill*

**F**ollowing the unexpected results of the U.S. presidential election in November, U.S. franchisors that our company assists in taking their franchises global, asked us to assess the impact on international franchising in key countries. We analyzed 240 articles, studies, and reports issued since the election that focused on doing business internationally, specifically international franchise development.

First the good news. My 42 years of living in 7 countries and doing business in a total of 70 countries demonstrates that things are really the same: always changing. The key is to know what is going on around the world to determine the best countries to take your franchise, now and in the near future. While it may appear that the world has become a more unpredictable place to do business, excellent potential remains for signing international area licenses and master franchises in 2017.

As we look at countries that are active for franchising we have to take into account the global impact of major 2016 economic and political developments such as: the Brexit vote in the U.K., the U.S. elections, Middle East turmoil, the potential for lower taxes and less business regulation in the U.S., the rise of the dollar relative to other major currencies, and the rise of nationalism around the world. Many countries have begun looking more inward and becoming anti-globalization. In addition to the developed countries, a

number of developing countries began to see the aging trend accelerate, leaving fewer working to pay the pensions of senior citizens. Social media continued to grow as a communication and consumer tool with almost 2 billion Facebook users worldwide at year's end. Lower oil prices caused some Middle East oil-producing countries to cut government salaries and subsidies.

The price of oil ranged from US\$30 to US\$50 per barrel.

War raged on in parts of the Middle East with millions of refugees from North Africa and the Middle East entering European countries.

• **Free trade and the new U.S. president.** Canada's prime minister and Mexico's minister for the economy both said the week after the U.S. election that they were open to "modernizing" NAFTA. The proposed trade policies of the new U.S. administration could cause some countries to put up barriers to entry for U.S. brands. This must be watched very carefully when deciding which countries to market your franchise into in 2017.

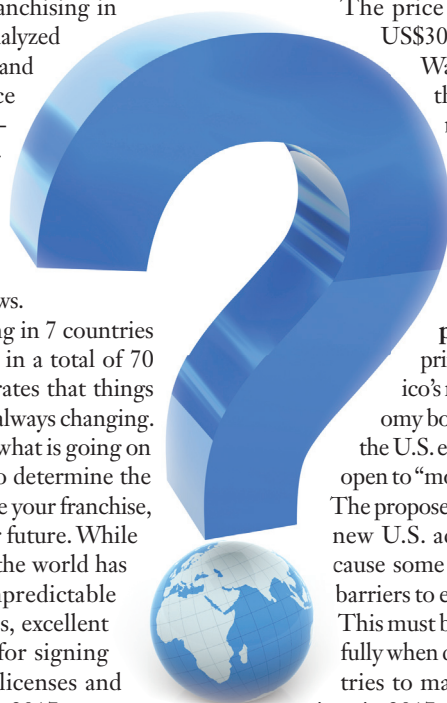
• **The strong U.S. dollar and franchise fees and royalties.** A strengthening U.S. dollar is making U.S. company earnings less valuable. Franchisors find it harder to charge high up-front license fees because of the impact of the strong dollar on local currencies. For example, an up-front fee of US\$250,000 that translated to £170,000 at the start of 2016 is now £207,000. Franchisors are also seeing lower U.S. dollar royalties from international licenses, despite the licensee's same store sales increasing year to year in local currencies. One of the

U.S. food and beverage franchise companies we work with saw a 15 percent reduction in royalties from their licensee in an Asian country this year—even though the local restaurants had same store sales growth of more than 10 percent in local currency.

• **The Americas.** Argentina, Chile, and Peru are a tale of three countries. The socialist government in Chile has seen lower annual GDP growth and more business taxes and regulations. This has discouraged bringing foreign franchises to the country. Argentina had a major government change at the start of 2016 and is seeing a resurgence of investment optimism, which should result in new foreign franchises entering the country in 2017–18. Peru also had a 2016 presidential election that resulted in a pro-business, lower-tax government that has resulted in the highest GDP growth in the Americas. U.S. food and beverage franchises are especially sought in this country. On the other hand, the 2017 forecast for Mexico's GDP growth is an anemic 1.8 percent. And the fears to the Mexican economy over the trade policies of the new U.S. president have effectively stopped new franchise development.

• **Asia.** China is slowly but surely moving its economy up the value chain to produce and assemble many of the inputs it once imported, with the intent of increasingly selling to itself. China is in the early stages of a protracted shift toward an economic growth model grounded in private consumption and high value-added manufacturing. But it will be many years before consumption becomes China's engine for growth. Meanwhile, the Chinese government continues to add more regulations and taxes that limit profitability for licensees of foreign franchisors. The new populist Philippines President, Rodrigo Duterte, has turned away from the West and embraced China and Russia as economic partners. As a result, foreign direct investment in the Philippines shrank by 41 percent from a year earlier. Recently, the Philippine peso slumped to an eight-month low against the U.S. dollar, and to its lowest rate in 7 years. S&P Global Ratings warns of "rising uncertainties surrounding the stability, predictability, and accountability" of the Duterte administration. This may hurt new franchise development in a country that has been a star the past few years.

• **Europe.** In June 2016, the U.K. voted to leave the European Union after more





than 40 years. This is the so-called Brexit event. The British pound's value dropped 20 percent relative to the U.S. dollar. The already analysis-focused British investors are now taking even more time to decide whether to invest in a new franchise. Spain is forecasted to have a full-year gross GDP growth rate of 2.8 percent in 2016 and 2.9 percent in 2017. Poland should have growth of 3.2 percent in 2017. New investment is happening in the franchise sector in both countries after several years of stagnant or negative growth. France is expected to have 1.4 percent growth in 2017, Germany 1.8 percent, and Italy 1.1 percent.

• **The Middle and Near East.** Turkey has been an active market for U.S. food and beverage and retail franchises for several years. Turkey has a relatively educated work force, developed infrastructure, and a resilient consumption-based economy. There is now concern, however, about the deterioration of the rule of law and the security situation as a result of multiple terrorist attacks. Little new investment is likely in Turkey for the near future. New franchise development has stopped.

In the Middle East, new franchise development has been limited to the Gulf Cooperation Council (GCC) countries (Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the United Arab Emirates) where there are few, if any, protests and the law is well established. The fall of oil prices from about US\$100/barrel to less than US\$50/barrel has severely hurt the economy of these countries. Saudi Arabia has cut subsidiaries in food and gasoline and salaries of public employees. Other GCC countries have delayed major investment projects. New franchise development has slowed but remains moderately strong.

#### The bottom line

For global franchise development in 2017: Choose your target countries carefully based on economic and political market research. But keep franchising your brand outside your home country! ■

**William 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

# Franchise update

BUSINESS INTELLIGENCE FOR GROWING FRANCHISORS

## READ THE FULL DIGITAL EDITION

**NEXT ISSUE:**  
Smart Technology Issue with Smart Technology Vendor Guide

**RELEASE DATE:**  
May 8, 2017

**GET STARTED NOW:**  
[magazines.franchising.com/franchiseupdate](http://magazines.franchising.com/franchiseupdate)



# Multi-Unit Franchisee

PEOPLE ■ INVESTMENT INSIGHTS ■ EXIT STRATEGIES

## READ THE FULL DIGITAL EDITION

**NEXT ISSUE:**  
Power Players - Top Multi-Brand Franchisees

**RELEASE DATE:**  
April 10, 2017

**GET STARTED NOW:**  
[magazines.franchising.com/multiunitfranchisee](http://magazines.franchising.com/multiunitfranchisee)





# It's closing time

## My Top 3 List

And it's time to pass the baton

BY STEVE OLSON

Before bidding farewell to this popular, long-running column by Steve Olson, all of us at Franchise Update Media would like to thank him and wish him well in his next venture. Over his more than 7 years as president of Franchise Update Media, we had the privilege of getting to know, respect, and appreciate him for both his expertise and his inspiration. During those years, we worked closely with him to publish his #1 Amazon best-seller, *Grow to Greatness: How To Build a World-Class Franchise System Faster*. In his 30-plus years in franchising, Steve has consistently shown himself to be a friend, advisor, and one-man support system for individuals, companies, and franchising as a whole. We'll miss him, but we're happy to know that others will benefit as he reprises his role as a franchise consultant. It's closing time.

**D**uring the past several years I've enjoyed writing this column, contributing my observations, tips, opinions, and sales stories, with the intent of sharing best practices in franchise development. I hope some of the perspectives provided have been of value to help further grow your brand. Periodically engaging the expertise of CEOs and recruiting pros has been most helpful, which has ensured that relevant issues and content were addressed.

I am most grateful for having the opportunity to script multiple articles for this column, as well as for the online Franchise Update Sales Report (FUSR) newsletter, and a few other franchise publications through the years. The following are my top three favorite articles that still hold true in today's franchise recruitment environment.

### 1. First industry mystery shopping study

In 1989 when vice president of sales at Money Mailer, I was curious to know how other franchise sales execs were responding to qualified prospects by phone. I also wanted to see how they screened these inquiries about their

franchise opportunity. The findings of these results were initially presented at an industry conference and later morphed into Franchise Update's Annual Franchise Development Report, the AFDR.

**If you don't earn credibility, confidence, and trust with your buyers, you won't succeed in franchise sales.**

Those industry conference attendees were shocked! Ninety-one percent did not pre-qualify for financial and current occupation, nor did they ask when they wanted to start their business. Among other poor practices, 77 percent of the recruiters did not share or clarify any information about their franchise opportunity. As expected, franchise CEOs also were shocked. I was relieved when I realized that I was among the few who pre-qualified inquiries. Naturally, the

first thing I did when returning to the office was ask my boss for a raise!

### 2. Most-read article: 3,650+ reads to date

This best-seller column definitely struck a chord with our readers. You can still read this popular article online. Just search for "Franchise Update You're Measuring What?: Using Metrics that Matter." Let's face it. The lack of analytics is the Achilles' heel of franchise development. You never will improve performance unless you continuously track, evaluate, and measure your results.

### 3. My favorite article

"Mastering the Psychology of Buyers" is clearly my number-one choice (and has nearly 2,600 reads). I have always been fascinated by what turns on and turns off franchise buyers. Unless you understand how buyers think, act, behave, feel, make decisions, and respond to you and your franchise, the chances are you will fail as a successful recruiter. If you don't earn credibility, confidence, and trust with your buyers, you won't succeed in franchise sales. This is not an easy task in today's fight for qualified buyers. Consequently, today's successful sales leaders require the right characteristics, traits, attributes, skill sets, and cultural values. Is this a tall order to fill? You bet it is! As a result, hiring selection and effective training programs are needed more today than at any other time in our franchise history.

### What's next

So what's next in my future? Of little surprise, I will continue to actively engage in my consulting practice, helping franchise brands grow healthy, leverage their strengths, and close their performance gaps. ■

**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](http://www.growtogreatness.net). He can be reached at [OlsonandAssociates.com](http://OlsonandAssociates.com) or by phone at 562-856-1909.

# WE LOVE PRODUCING THE BEST CONFERENCES IN FRANCHISING



## SAVE THE DATE(S) FOR OUR 2017 CONFERENCES!

### MULTI-UNIT FRANCHISING CONFERENCE

CAESAR'S PALACE, LAS VEGAS, NV

Attendees: Franchisors, Suppliers, & Multi-Unit Franchisees

[www.multiunitfranchisingconference.com](http://www.multiunitfranchisingconference.com)

APRIL 23-26, 2017

### FRANCHISE CONSUMER MARKETING CONFERENCE

INTERCONTINENTAL HOTEL, ATLANTA, GA

Attendees: Franchisors; CEO's, CMO's, Presidents, & Marketing Managers

[www.franchiseconsumermarketing.com](http://www.franchiseconsumermarketing.com)

JUNE 20-21, 2017

### FRANCHISE LEADERSHIP & DEVELOPMENT CONFERENCE

INTERCONTINENTAL HOTEL, ATLANTA, GA

Attendees: Franchisors; CEO's, Presidents & Senior Development Officers

[www.franchisedevelopmentconference.com](http://www.franchisedevelopmentconference.com)

OCT. 11-13, 2017

# MARKETING SUPPLY CHAIN MANAGEMENT



VISUALOGISTIX' BRANDED  
MARKETING PORTAL REDUCES  
THE ART REQUEST LOAD ON  
CREATIVE TEAMS BY UP TO

**40%**



VISUALOGISTIX' BRANDED  
MARKETING PORTAL REDUCES  
THE TIME IT TAKES TO ORDER  
MARKETING MATERIALS BY UP TO

**70%**



VISUALOGISTIX POP KIT  
PRODUCTION PROCESS  
REDUCES OVERALL POP  
KIT COSTS BY UP TO

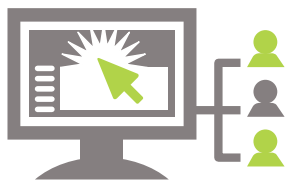
**15%**



WHEN USING THE VISUALOGISTIX  
BRANDED MARKETING PORTAL,  
FRANCHISEE USE OF MARKETING  
COLLATERAL INCREASED BY

**10X**

**VISUALOGISTIX® BRINGS YOUR IDEAS TO LIFE.** Our team of experts can partner with you on everything from developing marketing execution to print and digital production, from distribution to installation. And our extensive experience allows us to become your trusted advisor to ensure consistency and success for all your marketing needs.



**BRANDED  
MARKETING PORTAL**



**EVERYTHING PRINT**



**DIRECT MAIL**



**WAREHOUSING**



**FULFILLMENT**



**REPORTING**

**TAKE YOUR BRAND TO THE NEXT LEVEL.**

CALL 888-245-8480 OR VISIT [VISUALOGISTIX.COM/FRANCHISE](http://VISUALOGISTIX.COM/FRANCHISE)



**visualogistix®**

*Your ideas, delivered.*