

CHRISTINA BOURJ, SVP of Marketing & Brand Development, Rotolo's Pizzeria

ANNUAL WOMEN'S ISSUE

8 CMOs Who Rock and Rule

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OVERSEAS EXPANSION IN FLUX

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NEW YEAR! LOOK!

WRITTEN BY

Kerry Pipes & Eddy Goldberg

We hope you've noticed that *Franchise Update* magazine has a dramatic new look. And what better way to begin a new year than with a stylish new appearance and expanded content? Think of it like remodeling a restaurant or store to keep up with the times: we've updated our product and service (editorial content) and built a new prototype with a refreshed design.

In fact, we're aligning all our conferences, magazines, and newsletters across the board to provide more useful, focused, and targeted information to our growing audience of franchise leaders, consumer marketers, and multi-unit franchisees.

In its 30-year history, this magazine has undergone several updates and changes. But it's been a long time since we did a major overhaul. We hope you like it and find it an easier, more efficient way to keep up on the news and trends affecting your business.

Design styles change over time, just as consumer tastes do. We took a hard look at the magazine and discussed where it looked a little dated or stodgy, studied what leading business magazines are doing, and looked for areas to refresh and improve. We also asked a *lot* of people, including our advisory board members, what they liked and disliked, and for their comments and suggestions on what they want to see in future issues.

Rest assured that nothing has been done simply for the sake of change. It's all been carefully planned to better serve you, our readers. One example: a new regular column on Operations providing valuable tips and lessons on how to run a tighter ship.

Change is good; not easy, but good. There are times in every business when change must happen if the company and its products and services are to remain relevant. We hear that from franchise executives when we interview them, we write about it all the time, and now we are doing it ourselves. Adapt or die, as they say.

We like to say "Content is king—and queen." Franchise Update Media has a long history of providing great content. This will not change, other than continuing to improve. We will still provide the same high-quality content you have come to expect from us, now in a refreshed package. Take a look and judge for yourself!

We hope you enjoy what we've done with *Franchise Update* magazine. Of course, we always want to hear from you, and now is no exception. Write to editorial@franchiseupdate.com and tell us what you think.

Here's to positive change, and a great year ahead! ■

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Franchise Marketing Leaders

It's no mystery why these women are brand leaders

WRITTEN BY
Eddy Goldberg

In this, our annual Women's Issue, we asked 8 franchise marketing leaders from different-sized brands and industries a series of 10 questions. We asked about their evolving roles, greatest challenges, favorite accomplishments, what advice they might have for aspiring marketing leaders, and where they see the role of the CMO in the next 5 to 10 years. We also asked why they think so many CMOs are women. Well, that seems to have been a mistaken assumption on our part—and we're glad to stand corrected! We learned a lot from their responses, and hope you do too.

In addition to our cover story, be sure to turn to page 38 where you'll find our regularly scheduled CMO Q&A interview. This issue it's with Katherine LeBlanc, CMO at Painting with a Twist, the sip-and-paint franchise that acquired Bottle & Bottega in October. This is a more extensive Q&A than the one we tailored for our annual Women's Issue.



ANDREA ZAHUMENSKY

Chief Marketing Officer, KFC U.S.
4,100 total units, 98% franchised

Andrea Zahumensky joined KFC in 2017. As CMO, she leads marketing, advertising, media, and consumer insights, and the brand's digital initiatives. She is responsible for developing and executing innovative marketing strategies and for driving sales overnight and brand over time. Before joining the KFC U.S. team, she served in a number of marketing roles at Proctor & Gamble where she led the P&L, marketing spend, and innovation for well-known brands

including P&G's biggest brand, Pampers, as well as Oral-B, Crest, Luvs, and Glide.

Describe your role as CMO/marketing leader. I lead marketing, advertising, media, and consumer insights, as well as the brand's digital initiatives. I am responsible for developing and executing innovative marketing strategies to continue to make KFC a brand that people trust and champion, and to drive sales overnight and brand over time. There is

no better time to be a leader for the KFC business, helping to lead this brand turnaround.

What's most challenging about being a CMO/marketing leader today? It's not easy to authentically connect with customers with today's fast pace of change and increasingly fragmented media market. This is why we are always finding ways for KFC to be part of pop culture and show up in new and unexpected ways, but in ways that are authentic to our audience. For example, in our partnership with ESPN for "The Ocho," we didn't just do a typical brand sponsorship, but partnered with ESPN to create unique content called, "The Battle of the Buckets," which aired throughout the day, creating new sporting events that ultimately became one of the most viewed ESPN Instagram stories.

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

1) Staying connected with customers. This is something that will always be critical and is more important than ever as the lives of our customers change so substantially and fast. 2) Taking risks. I believe that no big brand was built from staying safe and in its comfort zone. To propel your brand forward to greatness, you must be willing to put yourself out there and make yourself and your constituents uncomfortable. 3) Investing in your team, both your marketing and multi-functional teams; as CMO, you have to depend on them to deliver brilliantly. So everything you invest in your team will come back exponentially.

How do you measure your marketing results and effectiveness? We judge our results on two key metrics: sales overnight and brand over time. Some of the things we do achieve both, while some are really focused on building the brand over time. For each activation or promotion, we establish key objectives and goals and then measure our success based on how we perform against those goals.

How do you budget for and balance your traditional vs. digital/mobile spend? We get a strong return on traditional media spend so we continue to invest heavily there. Still, as our customers spend more and more of their time on digital and mobile platforms, we have shifted our investment to include a healthy mix of digital and mobile to reach our customers where they are and maximize our spend.

How closely do you work with your CEO, CIO, and other departments? I deeply believe that accomplishing anything breakthrough on a brand will happen only through close collaboration across functions. We have a KFC U.S. leadership team that includes all functions, and I partner across these functions on a daily basis. For example, I get to work with a world-class food innovation team led by our Chief Food Innovation Officer Vijay Sukumar. We've been partnering closely together to create an incredible innovation program that began with the launch of Chicken and Waffles in November. With the rise of digital, data, and customers' expectation of getting food when and where they want through online ordering, our partnership with our CIO and his team has never been more important.

Why do you think so many CMOs are women? I'm not sure why many CMOs are women, but I am thrilled that we are seeing more and more women in senior leadership



roles with major brands. I have a personal passion for diversity and inclusion, and the power that diversity at all levels of an organization can have on building a relevant brand. Earlier this year, Greg Creed, CEO of Yum Brands, announced that Yum has established a target to advance more women into leadership and achieve gender parity in senior leadership globally by 2030. I'm so proud to work for a company that values diversity and inclusion at all levels.

What is your favorite accomplishment as a marketing leader? The first year as the KFC CMO has been filled with so many favorite moments! A few in particular stand out to me. First was casting Reba McEntire as the first female Colonel Sanders in our Smoky Mountain BBQ ad campaign. She was the perfect person to play the Colonel, especially for launching that product, and she was even more amazing to work with than I ever imagined! The launch of Chicken

and Waffles in November has been an incredible moment for our brand. Our food innovation team developed an absolutely delicious waffle that pairs perfectly with our fried chicken, and we took our advertising to a totally unexpected and super-fun place with two brand icons, the Colonel and Mrs. Butterworth, reenacting the iconic dance scene from "Dirty Dancing." Our customers really connected with this campaign and loved the craveable food. The last thing I have to include is growing and developing our incredibly talented marketing organization at KFC through important promotions, stretching work, and an unparalleled culture fueled by recognition.

How do you see the role of the CMO/marketing leader changing in the next 5 to 10 years? As digital and mobile channels have exploded, marketing leaders have really had to rewrite the book on how we connect with customers, leverage data, and break through all the clutter. In a franchise business, I can see how that quick shift has also required some education of franchisees who were used to seeing their marketing dollars spent in more traditional ways. Today, we do things that would have seemed crazy 10 years ago, like ask franchisees to commit money to a campaign to name a baby Harland in honor of Colonel Harland Sanders' birthday. Luckily for me, we have a brilliant team of franchisee leaders who not only support us, but push us to think out of the box and have fun with the brand. And we've proven we can generate results. Our campaign to name a baby Harland, for example, had everyone talking about KFC

As digital and mobile channels have exploded, marketing leaders have really had to rewrite the book on how we connect with customers, leverage data, and break through all the clutter. In a franchise business, I can see how that quick shift has also required some education of franchisees who were used to seeing their marketing dollars spent in more traditional ways. Today, we do things that would have seemed crazy 10 years ago, like ask franchisees to commit money to a campaign to name a baby Harland in honor of Colonel Harland Sanders' birthday.

and our founder. It ultimately resulted in 2 billion earned media impressions. The next 5 to 10 years are going to require the same level of agility and willingness to stretch into uncharted territory.

What advice would you offer aspiring CMOs/marketing leaders? Of course, it all starts with hard work. That is the table stakes. I think that of all the things I've done that have really propelled me, it's being willing to take risks. Get outside of your comfort zone, both in your business and in your career. I believe

that nothing great happens when you're comfortable. Building strong relationships up, down, and across internally and externally not only propelled the business and me forward, but has also given me the most reward. And finally, always stay in touch with the customers and be obsessed with delighting them in any way possible. ■



BROOKE BUDKE

VP of Marketing, Title Boxing Club

187 total units, 185 franchised

Brooke Budke, who joined Title Boxing in 2013, is an extremely passionate brand marketing executive who thrives on driving brand strategy, achieving company goals, leading teams, and leveraging professional resources. She leads national and local brand strategies with an emphasis on PR, communications, local store marketing, grand openings, digital, and social media. An avid fitness enthusiast, cancer survivor, marketing executive, and health-and-wellness spokesperson, she makes regular appearances on

Fox News, consults with business owners across the country, and speaks at events and conferences.

Describe your role as CMO/marketing leader. I believe to be great as a brand leader, you must be a product of the product. To truly understand the “why” behind the consumers you serve, you must first walk in their shoes. As the head of marketing and branding, it’s both my honor and duty to understand the fitness industry as a consumer, and the franchise industry as a business executive. My

role changes daily, yet it’s paramount to cast the brand strategy for all areas of our business. Within the pillars of our brand, we dive deeper into the emerging categories that align with our customers and help our franchisees increase their unit value. Our team is responsible for the brand essence, the digital footprint, social media, photography, video storytelling, influencer marketing, ambassador programs, pop-up experience events, charity involvement, local store marketing, and

email marketing. My passion is to hire great individuals, discover what keeps them motivated, and instill gratitude in the culture.

What’s most challenging about being a CMO/marketing leader today? Social media is easily one of the most challenging and emerging trends in marketing to get right. Great brands today are capitalizing on consumer and brand awareness through Instagram specifically. However, when you share that strategy at the unit level, it becomes more difficult to train hundreds of business owners in the art of authenticity, social listening, and engagement to drive customer acquisition and member retention. As such, we are hosting an 8-week live webinar series to break down the do’s and don’ts of Instagram for our brand.

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

1) Gratitude. Our team meets every Monday, and we start by going around the table and sharing the one highlight from last week that we are grateful for in business. Collectively as the team shares, we all are filled with the reasons we love our jobs at the start of every week. Then my request is for each person to write a personal thank-you note to the person they are grateful for. This results in cross-department collaboration, gratitude, and culture. 2) Influence. The art of influence is so key in business. If we have great ideas, yet cannot communicate them clearly and/or influence other departments on the importance of projects and collaboration, you don’t get very far in your work. No matter what situation you are

looking to improve, mastering influence will help you get more out of your business and your life. 3) Fire. You don't have to compromise between passion and profession. To be great, you must have an intrinsic passion that lives within you as a human being, then translate that passion into your profession. When you get out of bed in the morning looking forward to work, your team knows it, your boss certainly knows it, and your results show it.

How do you measure your marketing results and effectiveness? In marketing, many things are not quantifiable when building brand equity. One of my favorite quotes about marketing and branding is, "A brand is no longer what we tell the consumer it is, it's what the consumer tells each other it is." The easiest place to measure results, though, is through digital marketing and social media. The tracking and analytics allow you to identify quickly if your strategies are working.

How do you budget for and balance your traditional vs. digital/mobile spend? I would suggest that "traditional" marketing tactics have changed. A decade ago, standard traditional marketing was tactics such as direct mail, out-of-home, print, or telephone. Today, traditional marketing is digital marketing. Your business card is your website and your social media account is a window into your brand. Digital ads are only as effective as your overall strategy. We like to layer our approach through the website, digital ads, landing pages, social media content, social media boosted posts, now Instagram stories, and also include brand ambassadors

and new age PR such as social media influencers.

How closely do you work with your CEO, CIO, and other departments? Every day we work alongside the leadership team of our company. Our department heads are all craftsmen at their trade, and it helps tremendously that we hire for talent and culture. The leaders of our brand are genuine people with an amazing work ethic, so it's easy to align and conquer together.

Why do you think so many CMOs are women? Oh, I didn't know that many CMOs are women, nor would I have guessed that. *Marketing Week* released an article some years back saying that men are twice as likely to become CMOs as women are. I would bet that it's because women are naturally torn between wanting a career and raising a family at the time in their career path when they would be at that level. However, there are ways to do both! I can't speak for women CMOs as a whole, yet for me it's natural to be chief of a brand where our consumer is 75 percent female. It's easier to get inside her head when forming our brand strategy.

What is your favorite accomplishment as a marketing leader? Retaining, coaching, and cultivating my team is easily the most recognizable achievement of my career. I have had the privilege of coaching some amazing individuals for the past 10 years. Aligning with talented, compassionate people is always the best part of my day.

How do you see the role of the CMO/marketing leader changing in the next 5 to 10 years? The marketing landscape changes by the

minute because of technology advancements and the brilliant entrepreneurs who create new categories for consumers. There is no way to predict the next 5 to 10 years of marketing evolution. What I know for sure is that the consumer is in control. Making your product accessible and unique will continue to be top of mind. I would predict older, established brands will need to invest in updating their systems and thinking to compete with the new, high-tech brands that are at the front of the pack.

What advice would you offer aspiring CMOs/marketing leaders? Read books, listen to podcasts, network with people smarter than you, and always take notes. Be a student of the

game and become obsessed with constant and never-ending improvement. As the world changes so quickly around us, you can create a proactive strategy or a defensive reactive environment. To shift into the offensive strategy, you must carve out time for thinking and not just execution. Create white space in your mind for your business. When you take a step back, the bigger picture is so much clearer. My number-one tip would be to invest in yourself and not expect the company to do it for you. Sign up for personal development seminars, get audiobooks to listen to on your commute, and use the time you have been given to your advantage! ■



TEAR THIS OUT IF YOU'RE FIRING YOUR AGENCY IN 2019.

Sorry to be blunt. But the truth is, a lot of businesses will be changing their marketing partners this year. And we think MGH should be on the short list of those you're considering. Why? Because our approach to client service is as fresh as our ideas. We give you the attention that most agencies can't. Or won't. And we consistently deliver original thinking for a broad array of clients, including Round Table Pizza, Books-A-Million, Great American Cookies, Marble Slab Creamery, Pretzelmaker and Mason's Famous Lobster Rolls. When the time comes - and you know it will - **contact Andy Malis at 410-902-5012 or amalis@mghus.com**

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Christina Bourg, who joined Rotolo's in 2013, leads all marketing, operations, and training initiatives for the Louisiana-based brand. She also is responsible for franchise development and leads the system-wide rollout of new restaurant openings, marketing campaigns, and limited time offers. Before Rotolo's, she was director of marketing for Citizens Bank & Trust where she coordinated all advertising, marketing, and special events for the bank. She prides herself on consistently achieving collaborative results based on her team focus and people skills.

Describe your role as CMO/marketing leader. I wear a variety of hats, all of which include areas of brand development. My primary focus has been on revamping the brand as we transition into the Rotolo's Craft & Crust prototype.

What's most challenging about being a CMO/marketing leader today? In this industry, the landscape is constantly changing. It's vital to stay on top of recent trends and watch as things evolve to stay ahead of the game and remain relevant.

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

1) Google. It sounds silly, but Google has been a huge resource. It's safe to say we'd be lost without it. 2) Understanding your target market. Without knowing who your core consumer is, it's nearly impossible to effectively grow and evolve as a brand. 3) Stay agile. Stay sharp and knowledgeable. Do your best to stay ahead of the trends. Be willing to explore new ideas and opportunities.

How do you measure your marketing results and



CHRISTINA BOURG

SVP, Rotolo's Pizzeria
32 total units, 29 franchised

effectiveness? Results are measured in quality and quantity. While positive sales are always a great sign of successful marketing campaigns, increases in customer visits and their favorable sentiment is also a great way to measure effectiveness.

How do you budget for and balance your traditional vs. digital/mobile spend? As a brand, we've found it more practical to do very little in the way of traditional spends. When we do, it's typically community-focused—local Little League parks, surrounding business publications, etc. Mobile and digital are primarily how we spread the word about

Rotolo's. Of course, it's no wonder why. With us as a society becoming more and more technology-based every day, it just makes sense to get the word out on social media and other relevant digital platforms.

How closely do you work with your CEO, CIO, and other departments? It's vital that C-suite leaders work together, especially at Rotolo's. There are aspects of marketing in every department—menu design, restaurant ambience, uniforms—and marketing is rooted in it all. In recent years, marketing has grown beyond its original boundaries. Now it's the voice of the brand, and

that has to be aligned with the CEO's vision.

Why do you think so many CMOs are women? I can only speak for myself, but I believe we see potential and rely on that to keep us motivated. When I was introduced to the Rotolo's team, there was a great deal of promise in the brand and a spark was lit inside me. I was determined to pull the vision together alongside our founder and CEO, no matter how many hats I had to wear.

What is your favorite accomplishment as a marketing leader? By far, my greatest accomplishment has been leading the rebrand of Rotolo's into the Craft & Crust prototype. When I joined the team, the brand was stale and stagnant. After 18 months of hard work, we've seen it take off and become what it truly had the potential to be.

How do you see the role of the CMO/marketing leader changing in the next 5 to 10 years? I think there's a great possibility of the role transitioning into a branding position. Marketing is a wide-ranging discipline, and its role can vary from company to company. When talking about the brand it is more encompassing, and more accurately defines the varying job roles we marketing leaders take on.

What advice would you offer aspiring CMOs/marketing leaders? Stay ahead of the game. Stay agile, up to date, and knowledgeable about every aspect of your industry. Have a firm grasp on operations, inside and out. Clearly define who you are as a company and what you want the voice to be. Then stick with it. ■

Jodie Conrad leads all marketing and culinary functions at Fazoli's, including advertising, digital/social media, field marketing, consumer insights, off-premise business development, public relations, and new product development and testing. She has been with the brand for 2 years. Before joining Fazoli's, she spent 13 years at Wendy's, rising to a director in the brand marketing group, where she worked on hamburger, value, salad, cause marketing, and other initiatives. She has also served as director of marketing for Donatos Pizza, customer marketing manager for The Coca-Cola Company, and brand manager for the Pillsbury Company.

Describe your role as CMO/marketing leader. I lead the brand, PR, digital, off-premise, and field marketing efforts of our company—as well as culinary—with a team of 10 amazing restaurant professionals.

What's most challenging about being a CMO/marketing leader today? Consumers today have so many choices, it's a constant challenge to stay top-of-mind, especially given that we're a smaller brand (with a smaller budget). Our challenge is to keep the brand relevant for as many occasions as possible.

What are the 3 most important keys to being an effective CMO/marketing leader today? 1) Understand the consumer. Sometimes marketing is the only advocate for the consumer in the organization. You have to know what's important to them and why, so you make the right decisions in areas that affect the customer experience. 2) Develop and support your team. There are so many options for educated



JODIE CONRAD

Vice President of Marketing, Fazoli's
216 total units, 164 franchised

professionals today, it's more important than ever to keep engaged and energized. Oh, and try to have some fun (this isn't accounting, after all!). 3) Influence the organization. Marketing isn't just advertising. A major component of marketing is delivering on your brand's promise, which marketing certainly can't do alone. You have to have influence in the organization on every decision that affects the customer experience.

How do you measure your marketing results and effectiveness? We measure it every day in guest traffic and sales results.

How do you budget for and balance your traditional vs. digital/mobile spend? Our budgets don't allow for considerable traditional media presence, so it's been a pretty easy path for us to shift more spending to digital/mobile. Beginning this year, the company markets ran no traditional broadcast media at all; and the same is true for most of our franchise markets as well.

How closely do you work with your CEO, CIO, and other departments? *Very* closely. We have always worked a great deal with our supply chain, finance, operations, and training teams, but with the impact

of technology on marketing we now spend more time with the IT department than I can ever remember.

Why do you think so many CMOs are women? I'm not so sure we're over-represented among CMOs as under-represented among CFOs, CIOs, and in operations. However, I think many women are drawn to and excel in marketing roles because of our strength in empathy and really wanting to understand people.

What is your favorite accomplishment as a marketing leader? My favorite accomplishments have always been my team members—getting them recognition, promotions, or the ability to move into other roles, either inside or outside the organization. Success and failure in this business are always short-lived, but being able to make a difference in the lives and careers of others is what provides a lasting reward.

How do you see the role of the CMO/marketing leader changing in the next 5 to 10 years? I see marketing having an increasing influence over organizations over the next several years. Marketing is everything. It encompasses all of the consumer journey and experience, so it reaches across the entire organization.

What advice would you offer aspiring CMOs/marketing leaders? Stay curious. People and this world are never-endingly interesting. As marketers, we have the responsibility to watch what's happening with consumers and say, "Why is that—and how does it affect the experiences we're trying to provide for our guests?" ■



CHRISTINA COY

VP of Marketing, Pie Five Pizza Co.
65 total units, 64 franchised

Christina Coy joined Rave Restaurant Group (Pie Five and Pizza Inn) in 2009 and was part of the original team that created Pie Five in 2011. She leads brand marketing for the fast casual pizza concept and has been instrumental in creating digital and in-store marketing campaigns, menu development, and guest engagement platforms including the brand's Circle of Crust rewards and mobile ordering program. Before becoming a pizza aficionado, she spent 5 years at ad agencies working on QSR brands such as Domino's and Popeyes. She is a graduate of Texas A&M University.

Describe your role as CMO/marketing leader. My role is all about creating the Pie Five experience for guests through every step of the journey, from the look and feel of the app and online ordering, to creating our limited-time pizzas, and even to details in the

restaurant decor. Our brand has such a great personality. I love sharing it with others and making them feel like they're part of the brand. This means I collaborate with every department: operations, training, purchasing, IT, and construction. We're all constantly focusing on how to improve the guest experience and help our franchisees be successful.

What's most challenging about being a CMO/marketing leader today? The ever-evolving social platforms and integrations with new technology. We are all on the social platforms, some more than others, but even as some platforms fade away, new ones always appear. Marketing leaders have to be on top of what's trending and what platforms people are actually using and will continue to use. The integrations with companies are challenging as

well, but it's probably the most exciting part. We're now able to connect the guests to our brand in so many ways and then link them all on the back end to make the guest experience seamless. It's a long and time-consuming process to connect all of our partners together and make them all speak the same language, but the end result is worth it.

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

1) Be true to your brand and stay the course. It's easy to see some trends and want to jump on board quickly because trends can be exciting. But you have to ask yourself, Is it worth it? Does it make sense for your brand and your guests specifically? In this business, the competition keeps coming, but if you stay consistent with the quality of your product, the value, and the service the guest receives, the rest falls into place. Scrambling to change because you have competition isn't the answer. When you see competition coming, the question to ask yourself is are you providing the best product, value, and customer service to your guests? If not, that's the first thing that needs to be fixed. 2) Be a team player. Marketers juggle so many projects and wear so many hats, so it's crucial to work well with other departments and not create silos. Marketers are constantly thinking of the guest experience from beginning to end, and that's what makes the business work. So marketing leaders really have the ability to bring the whole organization together in a collaborative way. 3) Have fun! We have a saying on our team: "It's just pizza, let's have fun." It's understandable how restaurant marketers

can get burned out. This is an ever-evolving business with so many twists and turns. At the end of the day, we're marketing amazing food and, most important, making people happy. So we can and should have fun with it. We're always adding entertaining elements to the day-to-day and sharing our wins with each other. We celebrate the wins and learn from everything. One thing I can't leave out is the camaraderie in this industry. Most people in this business are very

When you see competition coming, the question to ask yourself is, Are you providing the best product, value, and customer service to your guests?

like-minded, and when you get us together, watch out! We can have a good time, but we help each other out even if we're competitors. It's amazing to be a part of this community.

How do you measure your marketing results and effectiveness? We use a lot of technology to measure marketing results and effectiveness. We are marketing to guests digitally before they even enter the restaurant, as well as once they're in the restaurant, and again after they leave. Before all of this technology existed, the reporting was based purely on the number of guests and sales. Now we're looking at the dining experience as a whole from when they see our message before they walk in to when they get home. We can see if we brought guests back or brought new guests in. These are the results we care

CLOSE MORE DEALS WITH THESE 7 FRANCHISE SALES VIDEOS

We've all seen poorly produced testimonial videos shot at conferences that make franchisees look more like hostages than brand heroes – the videos look forced and often make a negative brand impression.

This article will outline seven “must have” franchise sales videos and provide insight into producing and marketing more effective sales videos for your brand.



BRAND STORY VIDEO

WHAT:

Make the “About Us” section of your website come alive. The video needs to be emotional, authentic, and include back-story trials and tribulations. It must be about storytelling, not selling.

WHY:

Prospects need to understand and believe in the brand promise before considering the franchise opportunity as a viable option.

CEO/FOUNDER PROFILE VIDEO

WHAT:

Humanize the company and the brand story. Again, it needs to be an emotional story of personal struggles and risks and convey strong passion for the brand.

WHY:

People buy from people. You need to make the Founder/CEO relatable and motivational.

TOP 10 QUESTIONS VIDEO

WHAT:

Speed their journey down the sales funnel by answering key questions up-front. Create a video where different people within your organization answer the 10 most common questions asked by prospects.

WHY:

Show the strength and depth of your staff and the relatable people behind the brand.

FRANCHISEE “DAY IN THE LIFE” VIDEOS

WHAT:

Create a profile video on each of the top 3-4 franchisee candidate personas. The video should be shot at the franchisee’s location versus the annual conference. The story needs to focus on their previous career path and personal struggles before becoming a franchisee.

WHY:

“Do I see myself doing this?” It’s easier to see when a franchisee with a similar background is doing well and loving life.

SUPPORT TEAM VIDEOS

WHAT:

Feature actual support team members (Marketing – Training – Field Support – Real Estate – Financing) showcasing their knowledge and passion for helping franchisees.

WHY:

Address the FUD that creeps in during the evaluation phase.

US VERSUS THE COMPETITION VIDEOS

WHAT:

Create short hard-hitting videos comparing you to competitors. Include clips from franchisees who considered another other brand but decided to go with your brand and why.

WHY:

Remove FUD and quit losing deals at the end of the funnel.

PERSONALIZED THANK YOU VIDEOS

WHAT:

Create a shell video with different staffers saying thanks for coming to a Discovery Day. Insert a personalized intro/close with the CEO or sales person.

WHY:

People like feeling special and appreciated. Egos like to be stroked. “They really want us in the family.”

My firm has produced dozens of videos for franchise brands. Here are a few tips:

- Insist on high quality video and production
- Create videos for specific audiences versus one size fits all
- Stay close to 2 minutes 30 seconds – the length of a TV news story
- Put some marketing muscle (\$) behind videos

Given that video now accounts for >80% of all Internet traffic*, developing an effective video marketing program is critical to making your franchise sales numbers. (Source: SmallBizTrends)

David Chapman is the CEO of 919 Marketing Company, a national franchise marketing agency located in Raleigh North Carolina. To download a free franchise video marketing webinar with additional sales video ideas, go to 919marketing.com/topfranchisingsalesvideos.

David can be reached at dchapman@919marketing.com or 919-459-8156.

about the most. Technology has made the whole experience trackable, and we can see every step of the customer path.

How do you budget for and balance your traditional vs. digital/mobile spend? We still use some elements of traditional marketing, but we complement it with digital media to target and hone in on our guests. We've found that our success with traditional print media is amplified when it's partnered with digital media. We do, however, allocate a large percentage of our budget to digital media and the technology that goes into running our app, email program, and online presence.

How closely do you work with your CEO, CIO, and other departments? Our executive team meets weekly and we all work very closely together. Scott Crane (Rave's CEO) and Bob Bafundo (Rave's president) are always available and consistently provide thought leadership. Our marketing department has always worked with research and development, culinary, and accounting, but these days we spend the most time with the IT department. We're so data-driven, and working with them helps us to think more systematically. We've really learned a lot from them. Our working relationships with other departments ebb and flow based on our marketing initiatives, but the IT department remains constant. I predict we'll work with IT even more as new technology becomes available and integrates.

Why do you think so many CMOs are women? Women make and influence so many purchase decisions. I think they understand and watch behavior, which drives purchasing habits. It really seems fitting

that women are behind so many of the brand voices trying to capture consumer attention.

What is your favorite accomplishment as a marketing leader? I've been with Pie Five since it was an idea, and I'm so proud to have grown the brand to a presence across 18 states. Pie Five has evolved a great deal in 7 years. We've stayed true to a handcrafted customized pizza experience delivered in 5 minutes, but we've refreshed the logo and branding, and rolled out new technology like our app-based Circle of Crust rewards program and mobile ordering. We've even launched a new, smaller "Goldilocks" prototype that delivers the same experience in a smaller, more cost-efficient footprint. I'm also really proud of our menu innovation. We were the first fast-casual brand to launch a low-carb (and delicious!) cauliflower crust.

How do you see the role of the CMO/marketing leader changing in the next 5 to 10 years? In the past few years, there has been a shift from traditional marketing to digital and experiential marketing, and I know we'll continue to see this expand and evolve in the next 5 to 10 years. It will require CMOs and marketing leaders to focus even more on educating themselves and staying on top of the rising trends.

What advice would you offer aspiring CMOs/marketing leaders? Marketing leaders must stay on top of what's trending by noticing what platforms people are actually interested in and identifying what will be trending in the future. Marketing and technology become more in sync every day, so it's crucial to stay ahead of the trends. ■



HOPE DIAZ

Global CMO, Popeyes Louisiana Kitchen
3,000+ total units, 3,000+ franchised

Throughout her career, Hope Diaz has focused on uncovering insights and using them to develop bold and effective marketing strategies and campaigns. Before joining Popeyes as Global CMO in October 2017, she served as the head of global innovation and guest understanding for Burger King. In her 10 years with that brand, she held positions leading marketing communications and guest insights, and helping to establish the brand's voice and marketing practices around the world. Before entering the QSR industry, she spearheaded research and strategic planning efforts for MTV Networks Latin America for more than 9 years.

Describe your role as CMO/marketing leader. My role is to drive the Popeyes brand forward in a way that connects with our guests and stays true to who we are as a brand.

What's most challenging about being a CMO/marketing leader today? Given that consumers are bombarded with marketing messages at all times through multiple channels, I think it has become much harder to break through the clutter in a meaningful way. As marketing leaders, it's our job to make sure that the content we put out there is interesting and relevant, but still effective in conveying what we want people to know about our brand.

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

- 1) Knowing your guests (we like to say we have guests and fans at Popeyes, not consumers).
- 2) Understanding the DNA of your brand.
- 3) Not being afraid to be bold and take risks.

How do you measure your marketing results and effectiveness? It changes depending on the goal of any given initiative, but in the end we want to make sure that our guests turn into fans. At Popeyes, we're lucky enough to have a loyal fan base, but we need to continue giving guests reasons to love us, like delicious food, a great-looking restaurant, or fun creative content.

How do you budget for and balance your traditional vs. digital/mobile spend? We tend to allocate the budget differently depending on the message. We also look at our creative initiatives and how our guests will most likely consume the creative.

How closely do you work with your CEO, CIO, and other departments? Part of what makes us successful is that we truly work as a team, whether that's working within the Popeyes leadership team or hand in hand with the RBI leadership team. We are a passionate group and are very involved in all aspects of the business.

I think it has become much harder to break through the clutter in a meaningful way.

Why do you think so many CMOs are women? First, let me say that I definitely think we need more women in the C-suite! As for CMOs specifically, I think there have been some very strong female marketing leaders who have made an effort to encourage and mentor other women. Having examples to look up to is invaluable, especially for young women who are just

starting their career.

What is your favorite accomplishment as a marketing leader? Although I've been a part of many cool marketing initiatives throughout the years, my favorite accomplishment is being able to build a great team and seeing them succeed. I know it sounds strange, but having a passionate team that does amazing things for the brand and for our guests is by far my greatest accomplishment.

How do you see the role of the CMO/marketing leader changing in the next 5 to 10 years? More and more, I think the role of a CMO is covering a broader scope beyond brand building and creative execution. Being the voice of the guest will always be at the heart of what a CMO does, and the opportunity to build an ongoing relationship with guests and know more about them will make this even more important. This relationship can be strengthened in many ways, but to do that effectively, it will be up to the marketing leaders of an organization to ensure that the business as a whole is evolving to meet guests' wants and needs.

What advice would you offer aspiring CMOs/marketing leaders? I would tell them to constantly learn as much as they can about their guests/consumers. Knowing them, what they need, and what drives their perceptions and behaviors is the key to making good decisions for your brand. Stay curious about who you want your brand to connect with. Doing that is what will give you the insight to know what to do and the confidence to be bold. ■



KRISTEN MAJDANICS

VP of Marketing, Firehouse Subs
1,153 total units, 1,116 franchised

Kristen Majdanics joined the Firehouse Subs marketing team in 2008 as brand manager. Since then she has helped to build the brand from a regional player to a national brand with supporting media, creative, social, and digital activity. Today she leads a team of 17 marketing professionals who support the brand and its franchisees by focusing on product development, packaging, promotions, social engagement, video content, a growing loyalty program, and an evolving array of media support.

Describe your role as CMO/marketing leader. My role is to be a problem-solver. Marketing is about recognizing marketplace or consumer needs and matching those needs with what your brand can deliver. My role is to see opportunities where they may not exist today and find ways for Firehouse Subs to be relevant to guests' lives in ways

that are more compelling than what another brand can offer. Something that might seem small or of relatively minor impact today can easily spin up into a major area of focus. Part of my role is knowing the difference. It's a complex problem to solve, and it's ever-changing. But that's what makes being a marketer and working in the restaurant space exciting.

What's most challenging about being a CMO/marketing leader today? The obvious answer is deciphering the digital landscape and understanding the exponential increase in reporting metrics we can access. There are a lot of metrics, but not all of them are important. But the real answer is balancing the human part of the team—the people management, motivation, and growth—with the dollars-and-cents portion of

marketing. Having the right people on the team, who are driven and capable, is critical to making marketing programs happen. Maintaining the team balance and keeping everyone motivated in their own way is challenging, but rewarding too.

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

1) Using data to your advantage, but 2) knowing numbers can only take you so far, because 3) you will need to make decisions, and the numbers are not guaranteed to provide a clear direction. You need to rely on your experience, and your team's experience, to make the final call.

How do you measure your marketing results and effectiveness?

Of course, the ultimate measurement is seeing an increase in sales and transactions. The other metrics, like click-throughs and impressions, are good for providing a sense of where there's the most activity. But ultimately, the activity metric that means the most to us and to our operators is sales. We also measure a lot around the edges to make sure we're heading in the right direction. For example, we use regular brand trackers to understand how our message is being perceived—and whether or not we're delivering the message we intended.

How do you budget for and balance your traditional vs. digital/mobile spend?

We consider traditional and digital media as working together, so we use them both. Because we have locations across the country, we rely on digital because we can target digital in a manner we cannot target traditional media. It allows us

to be more precise and provide better media impact and value for our operators.

How closely do you work with your CEO, CIO, and other departments?

Very closely. Marketing is not an island. We are plugged into what is on the minds of our leaders. Marketing needs to support (and needs the support of) technology, operations, executives, and training. It goes both ways. For a marketing concept to come to life, we need strong support from each of those disciplines. And there are times when marketing can help make an initiative created or led by another discipline more successful. Online ordering is a good example. Marketing can have an enhancement idea, and technology, ops, and training can bring it to life. Or, technology can have an enhancement planned for online ordering and marketing can raise awareness of the new feature, with the help of training and ops. Good ideas and content can come from a lot of different departments. It's everyone's job to make the most of it.

Why do you think so many CMOs are women?

That's not been my personal experience. In fact, 32 percent of CMOs are women (according to Korn Ferry, Dec. 2017).

What is your favorite accomplishment as a marketing leader?

Firehouse Subs launched a revamped creative campaign in 2018. I was relatively new in my role as the marketing leader, so this was one of the first opportunities I had to really put my fingerprints on the brand. And while I had the support of the leadership, the franchisees were not entirely convinced that the new campaign—which

touted that a portion of every purchase at Firehouse Subs would be donated to the Firehouse Subs Public Safety Foundation—would drive sales. We had a different version of the campaign the year before and the sales were not as strong. So 2018 was a reboot for the creative and media. As we ended 2018, we were more than 5 percent positive in comp sales. We've seen not only sales growth, but also growth in our brand perception metrics. As I mentioned, this was my first year leading the department, my first year without a net. And we succeeded.

How do you see the role of the CMO/marketing leader changing in the next 5 to 10 years?

I think the convergence we are seeing now in regard to technology, guest experience, social media, and traditional marketing will continue to build and expand. The breadth of marketing's role and impact is expanding. Marketing is at the table when it comes to technology choice, guest experience decisions, and even employee relations. I don't see that changing.

What advice would you offer aspiring CMOs/marketing leaders?

Be curious and raise your hand. Take on the project that's not the bright and shiny one. Because that's where the real opportunities to excel are hiding. ■



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At Clayton Kendall, we're not just about selling products with your logo on them.

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Contact CEO Dan Broudy
dan@claytonkendall.com
www.claytonkendall.com

 CLAYTON
KENDALL
360° BRANDED MERCHANDISE



JON NOBIS, 41
CEO

Company: Two Men
and a Truck

Units: 275

Years in franchising: 8

Years in current
position: 1.5

MOVING FORWARD

CPA and IT skills help help this CEO to lead the brand

WRITTEN BY

Kerry Pipes

In 2000, with a master's degree in professional accounting with an emphasis on information technology from Michigan State, Jon Nobis began his professional career at Plante Moran. In 2002, after earning his CPA license, he transitioned to the firm's management consulting group, where he worked in security consulting, then general technology consulting in the construction, real estate, and manufacturing sectors.

In 2011, after 12 years with the firm, he took his first job in franchising, joining Two Men and a Truck as chief information officer. Two years later he became COO, serving 5½ years in that role before becoming co-CEO in August 2017 with Brig Sorber, a former franchisee. In June 2018, Sorber transitioned to chief brand officer and Nobis to sole CEO.

As CEO, Nobis works with the corporate leadership team and franchisees to lead

the strategy and operations of the \$500 million global brand, playing an integral role in developing and deploying the new technologies that helped Two Men and a Truck achieve 100 consecutive months of growth in April 2018. He says his experience in technology consulting and project management, combined with his background in accounting and security, have given him a unique perspective on how to build a company.

Nobis is a practical leader who understands the importance of customer service, franchisee validation, and unit economics. And he stands behind the brand's mission and core purpose 100 percent. "It's our job to work with our franchise partners to guide the strategic direction of the company," he says. "Our leadership team is responsible for setting goals and creating programs that help all of us—customers, employees, franchisees, and vendors—be better off from their interaction with Two Men and a Truck."

LEADERSHIP

What is your role as CEO? I'm primarily responsible for ensuring that the brand achieves its mission and core purpose, while holding to its core values. This requires working with our franchise partners to guide the strategic direction of the company within a competitive environment. Within that strategic direction, our leadership team is responsible for setting goals and programs that give everyone involved the opportunity to be better off from their interaction with Two Men and a Truck, including customers, employees, franchisees, and vendors.

Describe your leadership style. While not perfect, I strive to be a servant leader, coaching and empowering others to make decisions based on a framework for prioritizing what is most important to the brand.

What has inspired your leadership style? Before joining Two Men and a Truck, I was a consultant and worked with hundreds of organizations. I had the opportunity to see many different styles of leadership in the past 20 years—things I liked and things I would never be comfortable doing. I have also been blessed with leaders who invested in my personal and career growth. Without them, I wouldn't be who I am today.

What is your biggest leadership challenge? By its nature, leadership is all about people. I think coaching consistent leadership throughout the organization, across diverse backgrounds, styles, personal goals, etc., to achieve a common mission will always be one of the great challenges of leadership.

How do you transmit your culture from your office to front-line employees? First, I would say that it is not “my” culture to transmit. You see, I’ve never been on the trucks for a full summer in 100-degree heat doing the heavy lifting and making a customer’s day. That space is reserved for our move heroes. However, I do know franchising, and what works in franchising is replicating and scaling what is successful. We have tremendous franchisees throughout our system who have created environments that front-line employees are passionate to be a part of. And part of my role is to set up an environment where those ideas are shared and implemented. Another big component is recognition, and one of the many different things we do is monthly live broadcasts to our teams where we get to recognize those front-line employees.

Where is the best place to prepare for leadership: an MBA school or OTJ? Education is important, don’t get me wrong, but I learned much more in a summer watching a team of 20 people with entirely different skill sets and styles interact as they tried to solve a complex manufacturing process than I could ever learn from MBA school.

Are tough decisions best taken by one person? How do you make tough decisions? Ultimately, tough decisions do need to be made by a person, but that person definitely does not need to be the CEO. To create leaders, you have to let people make decisions. Personally, I make tough decisions by first gathering feedback. I am blessed with people on my team who have worked in the back of the truck and dealt with difficult situations, whether on the front lines or between franchises. Most things are clear at that point, but if the decision is still a gray area, I literally write them out in the context of our mission, purpose, and values, and then I pray over it.

I’ve never been on the trucks for a full summer in 100-degree heat doing the heavy lifting and making a customer’s day. That space is reserved for our move heroes. However, I do know franchising, and what works in franchising is replicating and scaling what is successful.

Do you want to be liked or respected? Definitely respected. Being likable is important, as people have many choices who they want to work with and for. But ultimately, being likable doesn’t guarantee you will be liked.

Advice to CEO wannabes: Everyone is CEO of something in their life, so first I would say to do the absolute best with the pieces you are responsible for, and more responsibility is almost always given. Second, I would say never stop learning. Learn from watching people, be curious as to how things work and question them in your mind, read books from people who have done it. Last, I would say you have to have a heart for the people who are coming to work for the company you are leading.

MANAGEMENT

Describe your management style. Just like leadership style, you have to adapt for the situation. My preference is to get the facts out there so we can make the best decision possible with the information we have at the time, no matter who in the organizational structure comes up with it, and then managing to the expected results. I am committed to making sure people understand the “why.” Knowing what they’re doing is crucial so they can find improved ways to do them.

What do you think makes up a good management team? Leaders with common values, but diverse experiences.

How does your management team help you lead? The team not only implements the strategic direction, but also sets the tone for the culture we want to cultivate

through their daily interactions with people. When the operations of any business are running smoothly, it significantly helps the leadership team operate from a position of opportunity instead of fire-fighting. When we empower great minds to come together and focus on “what’s next” instead of “what just happened,” we can accomplish amazing things.

Favorite management gurus: Do you read management books? There is so much good insight from great people out there on what has and has not worked in leadership. Mastering the art of teamwork is critical to drive success in a complex world. Two books I would reference are *The Orange Revolution* by Adrian Gostick and Chester Elton, and *The Five Dysfunctions of a Team* by Patrick Lencioni. Both provide great insight, human perspective, and tactical action toward transforming those teams.

What makes you say, “Yes, now that’s why I do what I do!”? I feel very blessed to feel that quite often. It happens anytime I see that the brand enabled someone to move forward, whether it is a customer testimonial of great service or a front-line employee telling us about how working for the company has changed their life and helped them to pursue their dreams. Each year we have the opportunity to positively affect well over 1 million lives between our customers, franchise partners, front-line staff, and all their families. That is an awesome opportunity, and ultimately, that is why I do what I do.

PERSONAL

What time do you like to be at your desk? I would say never. I would rather be with people collaborating on new ideas and opportunities. That generally starts at about 7:45 a.m. for me after I drop my kids off at school.

Exercise in the morning? Wine with lunch? I have recently started exercising in the morning when my brain is still asleep, and I find it much less painful. Also, a \$100 mini-elliptical machine under my stand-up desk was one of the best investments I ever made.

Do you socialize with your team after work/outside the office? Not much. When you spend as much time as most leadership teams do at work, you become like a family. But I also respect that they have lives and families outside of work. The people who support them outside of work (when they are traveling, having long days, or are stressed) are very important to the success of the brand.

Last two books read: *The Way of the Shepherd* by Kevin Leman and William Pentak, and *Crucial Conversations* by Kerry Patterson, Joseph Grenny, Ron McMillan, and Al Switzler.

What technology do you take on the road? Phone and Surface Laptop.

How do you relax/balance life and work? I spend time with my wife and six children.

Favorite vacation destination: Anywhere with my family doing something.

Favorite occasions to send employees notes: When you see them go above and beyond what was required because of an internal desire to take care of people.

BOTTOM LINE

What are your long-term goals for the company? To build an outstanding customer service organization, where customers, employees, and franchisees are lined up at the door to be a part of it.

Are there any trends in the industry that you foresee having an impact on your brand? We like to use the phrase, "We are a customer service company that just chooses to be in the moving industry." With that in mind, we're focused on

addressing the societal trends that affect the overall customer service industry.

How has the economy changed your goals for your company? It changes how we approach the goals, but not the goals.

How do you measure success? Through the number of people who have moved forward to the next step in their lives because of the brand. This includes customers moving into new homes, employees moving into new roles, or our scholarship winners opening their own businesses, just to name a few.

What has been your greatest success? Finding the right balance between a hectic personal and work life.

Any regrets? Not figuring this out sooner. We are all limited by time. The wisest people I have met figured out how to allocate it appropriately.

What can we expect from your company in the next 12 to 18 months? We will have completed our 8 millionth move as a brand in that time, yet in many ways we are just getting started. We will be taking care of more customers and will have moved more employees forward in their careers than at any other time in our history. ■





**BRIAN
PETRANICK, 51**
CEO, President

Company: RiseMark
Brands

Brands/Units: Right
at Home, 650 globally;
IKOR, 30 in the U.S.

Years in franchising: 19

Years in current
position: 8.5

QUALITY CARE

Culture and values come first for Brian Petranick

WRITTEN BY

Kerry Pipes

Brian Petranick is president and CEO of RiseMark Brands, parent company of Right at Home and Right at Home International, a global in-home senior care franchise with more than 650 locations in seven countries; and of IKOR International, acquired in 2014, which specializes in life care management for seniors and those with disabilities.

His job, he says, is to focus on the future of the three brands and ensure they're in a position to continue to grow, provide

quality services, and meet the needs of their clients in the ever-changing health care sector.

Sounds like a tall order, but not to Petranick, who has been working in health care and business development for more than three decades. He began as an 18-year-old hospital admissions worker and paramedic. At 19, he launched his first entrepreneurial venture: a company that specialized in health care education, training, and emergency preparedness.

Early on, he saw firsthand the importance and value of patients aging and recovering from illness or injury in their homes. That's when he changed his focus to in-home care and medical staffing.

In 2000, his experience in business development and health care led Petranick to join Allen Hager, the founder of Right at Home. Today, under his leadership, and with Hager as executive chairman, the organization is one of the largest providers of private in-home care services in the world. He continually navigates the company's growth and its brands through the increasingly complex global health care system.

Petranick's passion for senior care has led him to work with the Home Care Association of America (HCAOA) and the Home Care 100 Leadership Conference. He also taught entrepreneurship and business development for nearly a decade at the University of Nebraska.

"I am not a micromanager," he says. "I am a big picture, strategic thinker and surround myself with smart, passionate people who offset my weaknesses and enhance my strengths." He believes this management style builds trust and passion in the corporate office and with franchisees, customers, and partners. The result, he says, is a management team in sync on strategic direction, priorities, culture, and values.

Petranick says RiseMark's three brands measure their success by the lives they touch and affect every day. Looking ahead, he says he wants to see the brands take an even more innovative position in the industry on programs and services surrounding all aspects of aging successfully in the home.

LEADERSHIP

What is your role as CEO? My primary role is to focus on the future of our organizations and to ensure we are in a position to continue our growth, provide quality services, and meet the needs of our clients in the ever-changing health care environment. I'm also keenly focused on ensuring that our organization evolves our internal structure to provide the best foundation for our franchise system.

Describe your leadership style. This is a difficult question. I've been with the company since we began expanding through franchising, so my style has had to continually evolve. In the very early days, there were only a few of us at the corporate

office. Today, we are approaching 100 employees. However, I have never strayed from my belief in open, honest leadership. I want everyone to understand where we are going and what it is going to take for us to get there. Change is hard—no reason to make it harder by keeping your team in the dark.

What has inspired your leadership style? A combination of different influences. My father had a very successful and long career as a high-ranking military officer. He led thousands of people globally. I was fortunate to be around some of his colleagues when I was younger, and they talked about what a great leader he was. That certainly had an influence, listening to what they were saying about him, his style, and how respected he was for how he carried himself in and outside of work. I have also been influenced by co-workers, supervisors, and other leaders I have been around over the years. I certainly learned a lot of good behaviors, but I also learned what not to do, which may be more important. Last, a number of classes, seminars, assessment tools, feedback loops, and other factors have influenced my style.

What is your biggest leadership challenge? Balancing the significant demands of the position. Trying to make myself available to all the important people in my day (employees, franchisees, strategic partners, board members, industry contacts, etc.) and still find time to “work on” the business. It’s imperative to find time to read, research, and frankly, just think.

How do you transmit culture from your office to front-line employees? That has to start at the top. Culture must be understood, defined, and communicated. It needs to be a focus area every day. We talk about our culture all the time. It is infused in every aspect of our company. We have a whole session on our culture during discovery day and again during training. It’s reinforced at staff meetings, talked about with potential new employees throughout the selection process, and one of the yardsticks we use when making tough decisions. In other words, we ask ourselves, Are we living our values and our culture?

Where is the best place to prepare for leadership: an MBA school or OTJ? I think both are important. There are certainly the academics of leadership that are important and that help build a foundation. However, leadership is really honed in the work environment. That is where

the execution of strategy and its nuances can be learned, adjusted, and evolved over a career.

Are tough decisions best taken by one person? How do you make decisions? I really like to gather as much information as possible before I make tough decisions. That can come from colleagues, team members, outside sources, etc. Sometimes there may not be time to gather a tremendous amount of information before making a decision. I have always had a good “gut,” which is really just being good at reading all of the information and making the appropriate decision at the appropriate time. Ultimately, one person has to own the tough decision, but seeking out information and input from others is always recommended.

Do you want to be liked or respected? Yes. Who ultimately wouldn’t want both? However, the role requires more emphasis on being respected than on being liked.

Advice to CEO wannabes: Be a student of your business. Try to understand as much of its key drivers as possible. Be a student of all business models. Learn from outside your organization and across all industries. If you are in the service sector, learn about retail, foodservice, and production. If you are in franchising, learn about corporate models. Last, be patient and thoughtful

with your career choices. The path to the C-suite is not always linear.

MANAGEMENT

Describe your management style. The one thing I can definitely say is that I am not a micromanager. I am a big picture, strategic thinker and not particularly detail-oriented. Therefore, I really work to surround myself with smart, passionate people who offset my weaknesses and enhance my strengths.

What do you think makes up a good management team? Trust. If you have a team that trusts each other, it is much easier to collaborate, provide meaningful feedback, disagree, brainstorm, and evolve. Trust also makes it much easier to align strategic and operational goals. One additional factor is passion. I really want to be surrounded by people who are passionate about our business, our franchisees, our customers, and our partners.

How does your management team help you lead? We are all very much in sync on our strategic direction, our priorities, our culture, and our values. They enforce that messaging throughout the organization and franchise system.

Favorite management gurus: Do you read management books? Yes, I pretty much read only business books. Sounds



horrible to some people, but it's what really interests me. As far as my favorite management gurus, I tend to find something valuable from every person and every book. I never get too excited about the new "best seller" or new "game changer" book or author. Having said that, Peter Drucker is to management theory what William Shakespeare is to literature. So I read a lot of Peter Drucker.

What makes you say "Yes, now that's why I do what I do!"? The mission of our organization is "to improve the quality of life for those we serve." We are all here because of the impact we have on the lives of our clients, their families, our care professionals, our franchisees, and the communities we serve.

PERSONAL

What time do you like to be at your desk? Early. I am definitely a morning person. My most focused and productive time of the day is early in the morning, and it stays that way leading up to lunch. I prefer to schedule most meetings and phone calls for the afternoon to protect that valuable morning time.

Exercise in the morning? Wine with lunch? Exercise morning, noon, and night. I am a little bit of a fitness fanatic, so I need to be open to work out whenever the opportunity presents. I will always choose to do some sort of workout over wine with lunch.

Do you socialize with your team after work/outside of the office? Occasionally, but not very often. I love my team and have no issues hanging out with them, but I am sure some would prefer that the CEO not be around (even though I am super fun). In addition, between travel, other competing priorities, and trying to spend as much time as possible with family, there aren't very many opportunities.

Last two books read: *Grit* by Angela Duckworth, and currently re-reading *Thriving on Chaos* by Tom Peters.

What technology do you take on the road? iPhone, iPad, and laptop.

How do you relax/balance life and work? Working out is how I relax. Making sure there is life balance takes effort. I can be a bit of a workaholic by choice, so I need to give myself permission to just walk away from work and not feel guilty. I also have to remind myself that I need time away to recharge and refresh. I live on a small acreage, so having simple weekend projects like yard work, planting trees, and similar is

We measure success by ensuring that we are moving the needle on several key focus areas throughout the year. I have a saying that I have borrowed (and changed a little bit) from Bill Gates: "We overestimate what we can do in a month and underestimate what we can accomplish in a year."

truly cathartic and really sets me up for a more productive week at work.

Favorite vacation destinations? Table Rock Lake and any number of other places I have been with a beach and pool.

Favorite occasions to send employees notes: Personal celebrations/challenges such as the birth of a child, birthdays, passing of a family member, etc. I also send notes recognizing great efforts, or when someone demonstrates behaviors that live out our mission or values.

BOTTOM LINE

What are your long-term goals for the company? To take an even more innovative position in the industry on programs and services surrounding all aspects of aging successfully in the home environment.

Are there any trends in the industry that you foresee having an impact on your brand? Absolutely. Significant changes in the demographics of the country and world are going to have a meaningful and permanent impact on several of our critical key business drivers. In addition, the U.S. health care system (and other country-specific health care systems) are fundamentally being altered to adjust to the shifting demographics. This is requiring us to think differently about the organization we are today and the organization we will need to be in the future.

How has the economy changed your goals for your company? Our business is not typically a luxury for most of our clients and families. While there are aspects of the economy that have an impact on some of our key drivers, generally we are not significantly affected by economic changes.

How do you measure success? We certainly measure success by the lives we touch and affect every day. We also measure success by ensuring that we are moving the needle on several key focus areas throughout the year. I have a saying that I have borrowed (and changed a little bit) from Bill Gates: "We overestimate what we can do in a month and underestimate what we can accomplish in a year." Our whole organization hears me say that frequently. We keep that in mind and have never been disappointed when we look back over a year and take an inventory on what we have been able to accomplish. We could be disappointed if we did that each month. Keeping that perspective is really critical.

What has been your greatest success? I don't think I have lived any of them yet. One will involve my kids growing up into happy, productive adults with families. Another will be the day when I leave the organization and know that our mission, values, and vision will continue long after my departure.

Any regrets? Not really. I try not to put too much energy into regrets and choose instead to focus on tomorrow and the days, weeks, and years that follow.

What can we expect from your company in the next 12 to 18 months? More innovation, more growth, and more lives touched. ■

CULTURE FIRST

LunchboxWax: truly open to all bodies

WRITTEN BY

Debi Lane



David Ogilvy, known as the “Father of Advertising” and someone I truly admire, defines a brand as “the intangible sum of a product’s attributes.” In my experience as the founder and CEO of LunchboxWax, the strongest brands do that, and also much more.

LunchboxWax is among 2018's Top 50 New Franchises, according to *Entrepreneur* magazine, but at the end of the day we are in the business of ripping people's hair out. It made complete sense to me to create a playful, smart name that didn't take itself too seriously. Franchising was not on my radar when we opened our first salon in 2010. When we made the leap in 2013, I felt confident forging ahead with our creative name because it would help us stand out in this industry and among direct, wax-only competitors. Our name draws in prospective franchise owners who understand who we are as a culture-first business and seek to be a part of something that's unique in the industry.

LunchboxWax has multiple meanings. You can come in on your lunch hour and receive your speed wax, and still have time for lunch—hence, the lunchbox. The rest is up to individual interpretation. That's the beauty of it, though Brazilians and bikini waxes do make up 80 percent of our business.

Choosing a name

To me, a brand name is about more than selling a product. It's about communicating your larger look, feel, and organizational purpose to the world in a succinct, compelling way. To me, the best evoke emotions. If I need to purchase new towels, for instance, I'm far more likely to click through the Instagram image of a woman gingerly stepping out of her pool, wrapped in a perfectly white, ridiculously plush towel, than I am to research the longest-lasting towels online and make a purely logical decision. If the towel company is named something interesting, I'm even more likely to want to make a purchase.

Franchises shouldn't shy away from emotive brands. How do you want your employees to feel when they come to work each day? What about your clients or customers? Franchisees? Our name is playful and fun—two things I think are important to keep in mind whether you're waxing, or getting waxed.

A logo that differentiates

A logo should reflect who a company seeks to be in the world. As you think about the visual identity that will accompany your brand name, start from a place of clarity about your values and purpose as a business. What is the change you are making in the world?

LunchboxWax strives to empower employees and guests who comes in for services. We do that through a workplace culture that prizes authenticity and inner beauty, as well as self-care and lifelong learning in a spirit of kindness and curiosity. This helps us hire people who radiate our brand, which has a positive effect on our guests.

Waxing salons can feel intimidating to many people, especially those who are first-timers or who don't have the "perfect body" as dictated by the mainstream media. Many men as well as those in the transgender community tell us they never felt comfortable in a waxing studio until they found us, which makes me very proud. LunchboxWax is truly

open to all bodies, and that's a big reason I chose to place a heart on our logo, right in the center of the LunchboxWax logo. We are a heart-forward company that puts people first—whether they are part of our corporate team, franchisees, waxologists, or our guests.

Beyond the brand

A strong brand's purpose extends beyond its look and feel to encompass how it "walks the talk." LunchboxWax's community is dedicated to serving others. One of the ways we do this is through our annual Bare Your Heart campaign, which donates \$1 per brow wax each October to the Susan G. Komen Foundation to prevent breast cancer. Giving back is at the heart of our work, starting with how we treat our internal team.

Most waxologists earn \$60,000 or more in their first year at LunchboxWax, all the while improving business skills such as marketing and customer service that make them more valuable as employees or future entrepreneurs. It's intentional and very much "on brand" that our waxologists work 32-hour weeks so they are able to balance work and family obligations while still earning a great living and full-time health benefits.

Because of my personal background growing up with very little resources or a traditional educational path, I see great potential in these young people. My senior team and I mentor and lead programs to help foster their skills and self-confidence, adding marketable value to their resumés as they advance their careers. My goal is to show them, through their experience with LunchboxWax that, like me, they truly can accomplish anything, regardless of their personal upbringing, including growing into a new role with us, finding an opportunity better aligned to their passions, or starting their own business one day.

At LunchboxWax, we work on people in an intimate way, and that builds relationship. We best serve our values, our employees, and our guests when we are able to bring our authentic selves to work, and by allowing everyone we touch to also be their authentic self. That's central to our brand's purpose, and something we hold dear in the face of franchise growth.

We're on track to have 250 salons by 2020. To maintain our brand's identity, values, and purpose, our current challenge—one we fully embrace—is to keep LunchboxWax a culture-first company that proudly serves all bodies, genders, and people, even in the face of change. ■

Debi Lane is founder and CEO of LunchBoxWax.

A brand name is about more than selling a product. It's about communicating your larger look, feel, and organizational purpose to the world in a succinct, compelling way.



OVERSEAS EXPANSION IN FLUX

Is master franchising still the best approach?

WRITTEN BY

Michael Seid

Lately, we are spending more client time each month on international matters. Whether it is a U.S. or Canadian client looking at expansion opportunities outside their borders, or an international client exploring the opportunity to grow at home or abroad, companies are exploring international growth opportunities at an ever-increasing pace.

It was inevitable, I imagine, that some problems would occur as we crossed borders, and that litigation would come along for the ride. This January I will be spending more time than I had planned testifying as an expert witness overseas. And, based on some of our other client discussions, additional time commitments will be necessary during the rest of 2019.

International franchising is certainly changing, and with that change will come some good and bad impacts. Time was that when clients went to the EU or elsewhere, other than U.S. companies, competition from foreign franchisors was relatively light. Our brands were larger, our systems more advanced, our track records longer, and with less competition we could obtain relatively large market fees. If you haven't attended one of the international shows lately, you should. Times have changed, and initial market fees have been squeezed for many brands because of increased local competition and the emergence of a growing number of more sophisticated multi-unit franchisees. Local franchisors are also emerging as potential franchisees for other brands. The international marketplace is in flux.

While the above might seem a bit depressing, keep in mind that this level of change means that markets outside the U.S. are simply becoming more knowledgeable about franchising, and that is good. The question that franchisors are beginning to struggle with more today, is not whether or not to go international, but how.

MASTER OR DIRECT MODEL?

I am unaware of many franchisors that use master franchisees for growth in the U.S. And while some still use area representatives, overall that number is relatively small. We also know that few franchisors that enter the U.S. using master franchising meet their growth and success expectations. Yet U.S. franchisors still use master franchising as the go-to method in most international franchise markets. Does master franchising still make sense today?

The benefits often cited for using master franchising are that it overcomes distance, cultural differences, cost of support, lack of market knowledge, and that it comes with a market fee and a relatively more passive flow of continuing income. The expectation is that master franchising allows for faster growth internationally. But we all know of brands that are continually needing to renegotiate pipeline expectations because the speed of growth did not meet their initial expectations.

Some of the franchisors that used master franchising for international growth did so opportunistically, and earlier than they could truly support franchising in distant markets. The temptation of getting a chunk of cash is tempting, and sometimes the thought is that international growth might be the fix needed to solve whatever problems a brand is experiencing at home. Some franchisors even justify unplanned international growth and possibly even tolerate poor local brand performance because, after all, it's happening far away and who will ever know?

I don't want to discount the many success stories of brands that are important today because they used master franchising to grow internationally. So please don't think I am against master franchising for cross-border expansion. I am not. It's still a great

tool, and we use it with clients when it is the right strategy. But it's only one of the many methods we consider in planning with our clients.

I would expect that before 2008 about 80 percent of franchisors used master franchising for international expansion. It's the legacy expansion method recommended in articles and seminars, many written or conducted by brokers that sell master franchises for a living. However, based on our discussions with clients, I expect the percentage is down to approximately 65 to 70 percent today. Technology and brand protection will likely accelerate that trend over the next decade.

MULTI-UNIT APPROACH GAINS

In the U.S., the trend today is toward multi-unit franchising because we have learned that larger franchisees are easier and less expensive to support, and less risky for the franchisor owing to their track record of success. Internationally, we are witnessing growth in the number of sophisticated, multi-unit franchisees, a trend likely to continue as franchising matures overseas.

Technology is an important reason for this change-over to direct multi-unit franchising as technology has allowed us to train and support franchisees better domestically through videos, webinars, and other online tools. However, technology will also fuel problems we were able to ignore to some extent in the past. We are living today in a world of instant communication with borders effectively vanishing and even the smallest market in the most distant part of the world no longer hidden. Consumer comments about local brand performance are global within minutes and have an impact on how consumers in our domestic markets view U.S. brands.

Some will argue that using direct franchising is slower than using master franchising, an argument I don't think is necessarily true, but worthy of debate. But even if there were a true loss in the speed of growth, the split in revenue with master franchisees does have a significant impact on top-line revenue and, potentially, a company's enterprise value.

In discussing direct international multi-unit franchising, let's start with the negatives. Just as capital is needed to grow domestically, capital is also needed to grow overseas using a direct approach. An office and staff, plus the added cost for recruiting and supporting franchisees will be required, and the immediate loss of market fees from master franchisees is a major negative. For underfunded franchisors, direct international franchising comes with a challenge that might make direct franchising impossible until they gain better ground and revenue at home.

The initial investment required for direct multi-unit franchising forces a company to think strategically, resulting in a plan focused on a more regional approach than many franchisors initially use. In our domestic markets, most franchisors have learned that regional expansion in markets that can affordably be supported allows them to achieve targeted critical mass using multi-unit development. As we have learned domestically, a regional strategy is a safer and easier way to grow than using a scattershot approach.

Defining international markets for growth regionally enables a company to set up a regional office focused on growing the brand in a select group of countries best fit for the brand, and in a geography that can be readily supported. Direct multi-unit franchise relationships, properly structured, also allow (as they do in the U.S.) the franchisor to leverage a multi-unit franchisee's infrastructure, providing a

more affordable span of control for staff. The franchisor also achieves, as they do at home, better control over site selection and development; and the initial fees paid by multi-unit franchisees, not shared with a master franchisee, allow for the delivery of the training and support required to gain better control over standards and unit financial performance.

CONCLUSIONS

Before selecting the method to use, financial modeling based on careful analysis must be conducted. This will allow a decision on what is best for the brand in each market as strategic growth allows for a mix of strategies where master franchising and direct franchising, along with other expansion methods, are just tools the franchisor has in their growth mix.

As companies today are considering which mix of strategies is in the best long-term interest of their brand, I expect to see an acceleration in the trend toward the use of direct multi-unit franchising.

We are now entering what I expect will be the real growth period for cross-border franchising. Evaluating how to maximize a franchisor's return on that opportunity—and not reflexively choose the legacy approach of master franchising—only makes sense. ■

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The initial investment required for direct multi-unit franchising forces a company to think strategically

Joined at the Hip

Operations and development must work together

WRITTEN BY
Todd Leonard

A development deal has been signed and a new franchisee is ready to take their first journey into franchising. It is the franchisor's job to ensure they are transitioning the new franchisee to set them up for optimal success. This begins and ends with development and operations.

For a long time, sales/development and operations were considered completely separate entities. The goals were different, the strategy was unaligned, and there was friction where both took credit for successful franchisees and pointed fingers when things did not work out.

However, it should be a priority for a franchisor to have the two departments working together as a synergistic team. The two departments should share a common goal: franchisor and franchisee success. With this goal in mind, the two must work collaboratively to achieve key indicators. Constant communication between development and operations is a necessity.

Before a new franchisee inks a deal, they are a prospect, someone the development team helps source. For development to qualify and build the correct franchisee profile they must understand the role and responsibilities of the franchisee, along with how past placements are performing. The development team needs to lean on the operations team, which has the proper insight needed. The development team's understanding of the success profile allows them to find better candidates and determine where to source leads in the overall development strategy.

As development works with candidates, many potential franchisees are speaking with competitors. Candidates are sharing buckets of information about the pros and cons of the competition. That information is incredibly valuable for operations to know what franchisees are looking for in terms of support, and to evaluate the systems and processes.

When done properly, the development process lends itself to a deep understanding of the candidate, including their personality, hot buttons, motivations, etc. These findings need to be discussed with operations and relayed to training, development, and overall franchise operations. Once the franchisee moves on from the development team to the operations team, operations already knows the candidate and can establish a stronger relationship.

As noted, the collaboration between development and operations increases productivity, efficiency, franchisee satisfaction, and overall success for the franchisees and franchisor. There are many more ways than mentioned for the two teams to work together.

For a long time, sales/development and operations were considered completely separate entities.

1. The development team should clearly communicate the qualification process to the operations team. Operations needs to have a strong understanding that development is a process, and candidates are vetted. The perception of development "dumping" candidates on them needs to be eliminated, and this helps with that. Development should also explain the FDD and franchise agreement to the operations team so the franchisee, development, and operations all are on the same page.
2. Compare notes between operations and development on the ideal franchisee and what that profile looks like. It is a give-and-take process. Both sides having the opportunity to understand the process and discuss is valuable.
3. Operations should have some involvement in the sales, discovery day, and approval process. Having operations meet and speak with candidates during the process shows depth and transparency in your organization, demonstrating to the candidate that both departments work together and are focused on the franchisee's success. For example, have the operations director have a short

"Operations and Support" overview call with candidates during the sales process. This method has yielded positive results, and should be carried on through the discovery day and approvals process.

4. Development should be following up with candidates during the training and onboarding process. For the candidate, knowing that development will maintain the relationship and be an advocate for them helps them navigate the process. Continue following up once the location opens, with calls every three, six and/or 12 months. The relationship formed between a franchisee and development is key to success.
5. Operations and development teams should craft after-action reports to identify gaps, issues, and candidates who may be able to become multiple-unit owners. The best way to grow is with a known entity. Finding out if there are franchisees who are capable and interested in expansion is valuable. Understanding gaps in performance or franchisee issues protects development from ambushes in candidate validation, and allows operations to fully support a franchisee. Knowing there is a potential problem allows development to prepare for questions and address them with a candidate earlier in the process.

The synergy and unified messaging between operations and development is what will determine a brand's overall success. Without one another, both teams will struggle to generate results. Creating an organizational culture where both sides have common goals and don't operate as completely separate entities will always be invaluable for a brand, and the sooner one implements this practice, the better. ■

Todd Leonard is vice president of operations and franchise development at Executive Care.



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Blockchain Meets Supply Chain

Food safety is a good beginning for the technology

WRITTEN BY

Michael Lockerby, Eddie Block, & Peter Vogel

Bitcoin and other cryptocurrencies are in the headlines every day because these Internet-based money systems are seemingly poised to revolutionize our world. Less well-known is the technology underlying these cryptocurrencies, known as blockchain.

In the simplest terms, blockchain is a distributed database for which each transaction is locked down and immutable and connected to the next “block” in the chain. So if there were a change to any block in the blockchain, everyone with a copy of the blockchain would know and invalidate the transaction.

Technology aside, how can franchisors use blockchain? One obvious way is for franchisees to pay franchise fees, royalties, and the like using cryptocurrencies rather than government-issued monies like dollars, euros, pounds, etc. One less obvious use of blockchain is in supply chain management. But with all the discussions of what blockchain is, or is capable of becoming, what is it good for today?

BLOCKCHAIN FOR TRACKING FOOD

In September, the *New York Times* reported that Walmart, after a two-year pilot project, will be using a blockchain to keep track of every bag of spinach and head of lettuce. The article noted: “By this time next year, more than 100 farms that supply Walmart with leafy green vegetables will be required to input detailed information about their food into a blockchain database developed by IBM for Walmart and several other retailers exploring similar moves.”

Whether the food product at issue is lettuce or other produce, meat, or bread, this technology offers franchisors a way of ensuring that the food products served

by their franchisees are healthy and free of contamination. Already, many other companies are following Walmart’s lead. In October, four of the largest agribusiness companies in the world—Archer Daniels Midland, Bunge, Cargill, and Louis Dreyfus—joined forces in a partnership to use blockchain technologies in the grain markets.

It isn’t just corporate America that has taken notice. Governments around the world are also evaluating the use of blockchain for product safety. In November, South Korea announced that it is using blockchain to track its beef supply. Their beef management system tracks individual cattle from birth through slaughter to final sale. The government is interested in this technology to ensure that unsafe

This technology offers franchisors a way of ensuring that the food products served by their franchisees are healthy and free of contamination.

meat can be quickly, efficiently, and positively identified. As with Walmart and leafy green vegetables, discarding safe meat because it cannot be proven “not unsafe” is wasteful.

The implications of these developments in blockchain are not limited to franchisors and franchisees in the restaurant industry. The responsibilities that any supply chain management addresses—such as provenance, logistics, tracking, and linking—are well-suited for blockchain technologies.

Blockchain technologies have the ability to eliminate the need to prove a negative. By showing the provenance of an item (be it beef, lettuce, or sunblock), blockchain allows individual batches to be more quickly identified. Using blockchain to determine the verifiable path of the product—whether through a slaughterhouse or packaging system, transport to a specific destination, and ultimately to the store shelf—a supplier can more quickly identify the genesis of the problem and eliminate any suspicious items.

So when should franchisors expect to be experts in blockchain? According to Gartner, blockchain is still several years away from becoming commonplace. The Walmart announcement, however, should provide some guidance. In 1983, Walmart proved its ability to move the market when it began requiring Universal Product Codes (barcodes) to track inventory. Today, there is barely a legitimate product in the marketplace without a barcode, and virtually all retailers and resellers make use of the technology. As Walmart pushes forward with additional blockchain uses, the world will likely follow its lead. ■

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Inspiring Creativity

Building a culture of innovation into your system

WRITTEN BY
Nigel Davies

How do you inspire creativity? For exemplars of creativity in business, perhaps we should take our lead from Silicon Valley. Giants like Google and Facebook have created billion-dollar empires and positioned themselves as dynamic and exciting workplaces filled with the brightest minds, doing exceptional things while riding scooters through the hallways and eating organic in staff canteens.

These tech giants are investing in research to work out how innovation happens to see if more of it can be encouraged. One of the methods Google is nurturing is the “casual collision,” where people from different teams end up interacting because they inevitably run into each other in the deliberately open-plan office, in breakout spaces, and while waiting in line for their free lunches. Those collisions may end right there, but a few may result in collaborations that lead to innovation, which can be of huge value to the business.

I know what you’re thinking. This is well and good for search giants and social networks, but how does this relate to franchising?

What if a fast food franchisee employee worked out a burger wrapping hack that reduced packaging costs by 15 percent? What if a manager was particularly great at dealing with stress and anxiety among staff and had reduced “presenteeism” (working while sick), leading to a 10 percent increase in productivity? Shouldn’t every franchisee know about that?

The PwC report “Financial Services Technology 2020 and Beyond” suggests organizations encourage employees to contribute ideas by, for example, developing an Innovation Center of Excellence to “focus on driving imagination, creative thinking, and inventiveness more deeply into the organization’s culture.”

CREATING DIGITAL COLLISIONS

But what about businesses with locations spread across states, countries,



or continents? Innovation and casual collisions can also happen in virtual workplaces. But it depends on the business bringing about the circumstances so that the one conversation in a thousand that leads to innovation can happen.

The digital casual collision is about developing a holistic approach to internal communication to maximize creativity and collaboration among all staff, no matter where they are. Internal social media is the perfect tool for that. It can strengthen the bonds of friendship between colleagues, especially in businesses where virtual working is on the rise, and where workplaces are separated by miles and oceans.

The greatest resource every franchise has is its staff, who have a different perspective than management. Most have far more to offer than their time, experience, and skills, but their potential for creativity is overlooked. The value of ideas that lead to change and innovation is hard to put a price on. Jump start innovation in your franchise by opening the channels of communication between franchisees to get staff “casually colliding.” While franchises have no shortage of interesting people, without communication all that talent and knowledge is siloed.

ENCOURAGING INNOVATION

When curating your digital workplace to encourage innovation, here are three things to consider if you want the Silicon Valley effect without the Silicon Valley budget.

1. Amalgamation. If your staff need to swap between different and unfamiliar apps for different conversations, you’re just erecting needless barriers. All your communication tools must be the same across the organization. If you’re going to bring about innovation, don’t have team-specific apps, because you need

inter-departmental communication. The same goes for franchisees: if you want to get people sharing ideas and hacks, get them all using one common platform. You can still have a degree of separation within your business intranet (e.g., individual franchisees will have dedicated areas only they can see), but one central place for all can be offered through an internal social media feed specifically devoted to innovative ideas.

- 2. Appreciation.** Unifying your communications is only part of the solution. Next, you have to get people using the technology you’ve chosen, and regularly. Employee-generated content does more to engage and excite workers than anything produced by the business, and management can get involved with an appreciation and recognition campaign. Creating and sharing ideas and content has to become habit, and for that to happen the best posts and ideas must be recognized. Foster the spirit of healthy competition between branches. Single out the most engaged employees sharing photos and videos of the best events. This will give others the incentive to engage with content and post their own.
- 3. Acceptance.** Spreading awareness internally is well and good, but by creating processes that require all staff to log in to the new system, like vacation requests, you will increase buy-in, and they will quickly get comfortable using the new software. Sometimes it just takes a nudge to get the ball rolling. ■

Nigel Davies is the founder and CEO of U.K.-based Claromentis, a provider of digital workplace software used by U.S. franchise businesses to improve learning, collaboration, and productivity. Contact them at marketing@claromentis.com.



MAKE OPENINGS GRAND

Tips, tools, and tactics to grow your brand

WRITTEN BY
Sara Wykes

Whenever they have a grand opening on their calendars, Chris Cheek, chief development officer at Newk's Eatery, and Kevin King, chief development officer at Smoothie King, could be compared to the best of wedding planners. They have a carefully selected venue, they know the tastes of their future guests, and they are ever so well-organized. They also have impressive track records.

King joined Smoothie King in May 2016 after 10 years at Papa Murphy's Pizza, where he helped elevate the take-and-bake brand to the fifth-largest pizza chain in the U.S. So far in his time at Smoothie King, he's seen the brand grow from 780 stores to more than 1,000.

Since joining Newk's in July 2014, Cheek's track record also has been enviably successful. He has helped grow the Southeast-based fast-casual brand from 70 locations to 127.

Cheek, King, and others with high-achieving grand openings say what they've done isn't so hard. But they do follow similar ground rules and remain aware that there can be important differences between one opening and another.

For King, his years in the business have strengthened his faith in a franchisor-franchisee relationship built on trust. An experienced franchisor offers resources that can allow a franchisee heading into a grand opening to focus on other parts of the process. "You join a franchisor system to take advantage of its experience," he says.

However, he says, sometimes franchisees want to change the grand opening steps. "Our best advice is don't," King says. Grand openings, he says, are "incredibly stressful and something you don't do all the time. Let the experts do what the experts do so you can focus on opening the store properly."

A franchisee may know a community better than the franchisor, but the franchisor is on a continuous learning curve based on analytics, experience, and constant evolution, King says. Print media may still prevail over social media in some markets, but understanding that is not something a franchisee can be expected to know as well as their franchisor does.

To make it easier for franchisees, Smoothie King has developed a grand opening booklet that lists every item needed in sequence (see sidebar). Franchisors also conduct an ongoing series of phone calls scheduled to anticipate crucial steps, starting months ahead of the opening date.

CREATING BRAND AWARENESS

For a regional brand like Newk's Eatery, based in Jackson, Miss., opening new locations outside its geographic area demands a different kind of grand opening strategy and poses a new set of challenges. While well established in many Southern states, the fast casual brand is relatively unknown outside that part of the country. Nor does its name quickly hint at what kind of food it might serve.

Grand openings in a city like Atlanta, where the brand is known, are straightforward. "We have 14 locations there and awareness of Newk's is very strong. All we have to do is focus on people coming to a location," says Cheek. "In a new market, it's very different and it begins with site selection. Simply by site selection, you can assist with awareness. Nothing helps more than the site being what we call a billboard location: very visible."

In recent years, Cheek has been supervising grand openings in those new markets—places like Denver and Indianapolis. This has transformed the task from creating location awareness to creating brand awareness. He says this means the grand opening marketing is centered on "educating the consumer about Newk's, why they should care about Newk's, and the culinary aspect of what we do."

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Some things don't change. New locations still prepare their employees with four days of in-store training where a new team "is put through its paces with friends and family who are surveyed," Cheek says.

Newk's has also learned that its marketing package can be customized to good effect based on the specific demographics of a new store location. "The most important thing a franchisee can do is understand that marketing is an investment, and we have different packages franchisees can choose from with different levers they can pull." Newk's has kept these options limited in number.

"You can give a franchisee too many things to choose from," Cheek says. "We've packaged the kits we've found successful, although we think that the larger kits will generate higher opening week and beyond sales."

RESULTS MAY VARY

"Platforms vary from market to market, and some markets may already have more than one store," says Ruth Picha, vice president of field marketing at Papa Murphy's. In one location, geomarketing may be the best approach; in another, radio or television might make more sense. Franchisors have learned that the best attention-getting pitch for a grand opening is not the obvious "It's a new store!" announcement, but rather one based on the people involved in the new store. "You have to be flexible," says Picha.

Picha also has been through enough grand openings to echo, with confidence, King's sense that a grand opening failure usually means something in the process has not been followed as set out by the franchisor. For example, while franchisors usually will have an agency develop media packages and make media buys, it's not always guaranteed that every franchisee will follow their grand opening process 100 percent.

When they do, the results can be stellar. King tells of an opening in New York with an experienced franchisee who executed flawlessly, he says—so well that the opening was the most successful Smoothie King had ever seen, complete with the need for local police to be called to direct traffic.

Yet even the most splashy, successful grand opening is not enough. "Unless you continue to follow the process, be involved in the community, stay engaged on the ground level and make use of franchisor resources, you might see the initial 'Wow!' fall off quickly," cautions Picha.

100 OPENINGS A YEAR

Sport Clips, which opened its first salon in 1993 and today has more than 1,800 locations, is another franchise with proven experience at successful grand openings. The company's goal is to continue opening an average of 100 new locations each year.

The brand's launch strategy includes a dedicated team to assist franchisees, starting with real estate. In fact, Greg Smith, the company's chief development officer, served as the franchisor's vice president of real estate for several years. Fully aware of each site's unique characteristics, Smith works hard to tailor each

grand opening plan and minimize the number of variables franchisees will have to address.

Smith wants his franchisees, especially first-timers, to have less to figure out on their own. "I know they have a learning curve," he says. And since every new location is different, Sport Clips' launch teams are customized to provide each site with the right set of team members, matching their expertise to each site's particular profile.

Sport Clips also puts each opening on a timeline, with regularly scheduled phone calls and site visits. "It is regimented," says Earl Blood, senior director of operations for the franchise, "but if it's followed, we find people have a much better experience."

The process is not static, however. Sport Clips operates 69 corporate locations, where the company can test new tactics, often using ideas suggested by area developers and team leader councils. Those new ideas are valuable, Smith says, because franchisees in the field may come up with ideas "we might not have thought of."

Examples include methods on grand opening follow-up methodology to make sure that the momentum—and business goals—are not lost over time. Those methods include items like a questionnaire for customers asking how likely they are to recommend Sport Clips. "We have goals for every store," says Smith, "and we are continually evaluating. If we need to re-engage, we want to do that early. We want to make sure that everybody is successful."

PLAN EARLY AND FOLLOW UP

Fazoli's, with nearly 220 restaurants in 27 states, also emphasizes planning before, during, and following a grand opening. "Everyone is aligned on activities and activation for the first 30, 60, and 90 days of the new restaurant," says Jodie Conrad, vice president of marketing. "Our field marketing team is on board from day one, participating in weekly calls with the franchisee and our training and development teams. They work with the franchisee to assess the needs of the market and prepare a customized media and PR plan for each new restaurant, staying in constant communication, and meeting with the operators to adjust based on their feedback."

Conrad highlights two particular elements of a Fazoli's grand opening. First are pre-opening sneak preview events for friends and family. These events, Conrad says, "connect the brand to our new community and its leaders, and give our new crew members a chance to put all of their training into practice so they're ready for opening. That practice is important because we can give our guests a great experience from day one." The events are also flexible enough to be customized to each specific neighborhood and local culture. The second element, Conrad says, is including merchandising and crew training and communication about the Fazoli's Rewards app, which jump-starts a loyal customer base.

That jump start was an important part of what distinguished a new Fazoli's restaurant in Hazard, Kentucky: its opening week

rang up \$105,000 in sales, the highest in franchise history. “The grand opening events were built on the franchisee’s local ties to the community,” she says, “and the crew focused on building participation in Fazoli’s Rewards from the very beginning with their guests. As a result, 15 percent of their occasions involve guests participating in the loyalty program. That’s well above our system average.”

PROVIDE DIGITAL HELP

WellBiz Brands is a franchise portfolio company with wellness, fitness, and beauty brands: Fitness Together, Amazing Lash Studio, and Elements Massage. While it represents several brands, WellBiz uses a shared services platform and infrastructure to serve both its customers and its franchisees.

First, says CMO Trever Ackerman, the company develops a trade area profile. “We work with the franchisee to develop an in-depth look at the area around their studio to assess potential opportunities, sources of competition, and to better understand the consumer demographic within the trade area. Corporate also creates a grand opening kit that includes direct mail, ads that can be placed in local publications, branded apparel and promotional products, and exterior signage such as A-frames or feather banners.

WellBiz also develops a marketing plan for franchisees that includes how to manage their web page, social profiles, offers, and promotional strategies. The company also provides tips and advice on how to partner with local businesses and participate in community events. Most useful, however, may be the digital marketing setup that WellBiz produces for its franchisees.

“We spend a significant amount of time and energy on digital marketing with our franchisees, knowing that this area might be the most unfamiliar to them,” says Ackerman. “We’ve created a digital managed marketing platform, which allows us to centrally direct the majority of the digital marketing efforts for our franchisees. We also spend time with them walking through a checklist of approved partners and next steps that includes online business listings, Facebook marketing campaigns, call tracking, Yelp, PPC, email marketing, and online reviews.”

WellBiz also starts early. “Our general philosophy is that the 90 days leading up to the opening of a studio are crucial, with the planning and preparations starting two to three months before,” says Ackerman. “Not only do we provide one-on-one direct support, we also make available an online toolkit and a support desk to help answer more specific questions or provide customized creative support.”

Again, it’s about reducing the stress that franchisees endure in those pre-opening months. “We consider ourselves a partner with our franchisees, helping them with both the big and small details,” says Ackerman. “Our goal is to set them up for success so the moment their doors open they can focus on providing a great customer experience.” ■

GRAND OPENING CHECKLIST

Without much hesitation, Smoothie King’s CDO Kevin King can reel off a to-do list that stands as a solid foundation for thinking about grand openings:

- Make sure your franchisees follow your process and take advantage of the resources you provide so they can focus on hiring, training, and marketing.
- Hire and train your team.
- Develop a comprehensive pre-opening marketing plan.
- Engage the field marketing team.
- Celebrate the opening on the first day.
- Use PR to get the message out.
- Create fun and excitement around the opening.
- Execute the operating system from the first day; serve the guest
- Use a countdown to opening to build excitement.
- Use banners and create an event.
- Involve the local community through the chamber or other local businesses.
- Sample your product to influencers.
- Repeat at every new opening.



PAINT, SIP, GROW

New CMO looks to paint a marketing masterpiece

WRITTEN BY

Kerry Pipes

Painting with a Twist is the rapidly growing paint-and-sip franchise that in September announced the hiring of its first CEO, former Smoothie King executive Joe Lewis. Then, in October the brand announced the hiring of its first CMO, veteran marketer Katherine LeBlanc.

Though new to the brand, LeBlanc is not new to marketing or to franchising. She previously served as head of sales and marketing at Dickie Brennan and Co. (parent of four New Orleans restaurants: Palace Cafe, Dickie Brennan's Steakhouse, Bourbon House, and Tableau). She also spent four years at Smoothie King as director of brand marketing, where she guided the marketing department in developing and executing initiatives for the brand's more than 900 stores; and played a role in creating a new brand strategy and achieving significant growth in same-store sales and guest count.

In her new role, LeBlanc oversees the marketing, art, and IT departments at Painting with a Twist, working to increase the brand's resources and capabilities with a focus on improving studio sales. "The number-one measurement is sales," she says. "Depending on the tactics or the leading measures you choose, you can predict whether your plan will have the results you want, but at the end of the day you are successful when sales go up!"

Painting with a Twist has been an industry darling, winning recognition in such publications as *Entrepreneur* and *Forbes*. LeBlanc seeks to capitalize on that

momentum as she transitions into the CMO job at a brand that has more than 300 studios in 39 states—and in October acquired the 20-unit paint-and-sip brand Bottle & Bottega.

Describe your role as CMO. I am responsible for leading the brand strategy and revenue growth for the company.

What's the most challenging part of being a CMO today? I am a new CMO, so I can't answer what's challenging about today that wasn't challenging in the past. However, for me, the biggest marketing challenge we face is to maintain the relevancy of the brand. With so much content bombarding our prospective guests daily, brands need to own their voice more than ever, which means saying no to some opportunities and leaning in to others.

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

1) Leading from behind; you need a great team to execute your vision, and a leader can inspire a team to greatness. 2) Be the brand defender; you have to be willing to say no, that's not right for this brand. 3) Making an impact and being deliberate in your tactics and strategies.

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

The marketing plan should align with your brand's overall vision and strategy. It can't stand on its own. To be effective, the plan needs to work in tandem with the efforts of every department, from operations to IT to product development. Therefore, you start with the brand vision: What does

marketing need to do today to realize the brand's vision in 5, 10, or even 20 years?

How do you measure marketing results and effectiveness? The number-one measurement is sales. Depending on the tactics or the leading measures you choose, you can predict whether your plan will have the results (sales increase) you want. But at the end of the day you are successful when sales go up!

Discuss your core consumer marketing strategies and objectives. We are developing our reenergized core consumer marketing strategies and objectives to be implemented in 2019. We've started on a few great initiatives in collaboration with our franchisees that will build a foundation for Painting with a Twist to be the leader in the DIY art/paint-and-sip segment for years to come!

How do you go about creating a "customer-centric" marketing and brand philosophy? Organically, through the experience we provide. Walk into one of our studios and you are greeted, shown to your spot, and encouraged to pop a cork! Our guests feel like they are walking into a friend's home when they visit us. It is core to how we interact with our guests, so it's an easy sell to our franchisees.

Describe your marketing team and the role each plays. As a franchisor, we have a marketing team of 350! All of our franchisees are our marketers—they have to be to create a successful business model. Which means that we need to listen to their successes when developing

the overarching brand plans, seek their counsel as we develop new tools and ideas for them to use in the field, and above all, support them in their efforts to deliver on our brand experience.

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? Because each individual wants to ensure they are joining a supportive, flourishing family that matches their personal morals and values. We want each prospect to have seen the brand in the media and in our advertising, and to have started to see our many points of differentiation through our marketing efforts. Painting with a Twist is the nation’s original and largest paint-and-sip franchise that inspires guests to have fun and create lasting memories through art. And we give back: to date, our charity arm, Painting with a Purpose, has donated more than \$4.8 million.

How does this help your franchise sales and development effort? An ideal franchise prospect is already on board with our brand’s vision before they know it! That happens through their interaction with the brand and the marketing before they get to us. If we’re able to do that, we’re connecting with the right prospects and the process begins on a great note.

Do today’s prospects expect more from the franchise marketing department? What, and how do you provide it? Franchise prospects expect brands to know who they are. Part of the benefit of purchasing a franchise is the brand equity that has already been developed, the research on who the core prospect is, and the branding from top to bottom that every new business needs. Therefore, when a franchise prospect interacts with a potential franchise, the brand needs to be well developed with a clear purpose.

How is today’s consumer and marketing data helping you fine-tune your marketing initiatives? Painting with a Twist has some of the richest data I’ve ever seen! Big data is fine-tuning marketing everywhere, but you have to know when and how to use it to connect with your guests. It’s important to understand how your guests want their data to be used, and to not abuse it.

Describe the evolving role of social

media in your marketing efforts. This was one of the first brands to jump on the wave of social media. Because our concept itself is social, Facebook, Instagram, and Twitter were all natural extensions for our guests to interact with the brand.

How do you work with other internal departments and does technology help? Our teams come together regularly to discuss business issues and gain consensus on new initiatives. We use technology to share documents and collaborate no matter where we are in the process or country. In addition, we use videoconference calls to connect with team members or franchisees who are not in the home office. We look to incorporate these tools across departments so everyone feels connected.



How do you manage costs and budgets for the marketing department? Dealing with budgets and how to best optimize them can be a challenge. But if you start with the foundation—What do I need to provide franchisees to make them successful?—you’ll find that your budget comes into focus.

Do you see vendors as business partners? Why/why not? Of course! Vendors are an extension of your team. Whether they are providing a service to just your marketing team or to your franchisees, they are helping you execute your plans. When you treat vendors as an extension of your team, your expectations of them change: you hold them accountable for more, and they take ownership of their tasks for your brand. It becomes win/win

no matter how long the relationship lasts.

How have marketing strategies/tools changed over the past decade? How have you adapted? Marketing strategies have evolved as audiences have. Marketers have to go where the consumers are and appeal in new and ever-changing ways. For example, cause marketing burst onto the scene a few years ago because of consumer demand for brands to take an active role in creating a better world, not just the next coolest lifestyle product. Of course, as new content channels emerge, marketers must be aware of where their target is consuming media and how best to break through. This is specific to each brand, so it’s important to know who *your* target is and the best time and channel to reach them. We’ll do this through research and testing. The strategies and tools are still being developed, but I see a huge opportunity for the brand as we solve for a core need: creating a safe and inviting place for women to celebrate together. Whether this strategy becomes driving new products, experiences, or bursting onto a new channel as we did when this brand propelled itself onto the market, we’ll use research and our guests’ voices to guide the way. The marketing strategy of appealing to the broadest audience with your service or product hasn’t changed over the last decade. What marketers have adapted to are the ways in which our audience is consuming the message. The tools and channels for marketing to consumers have expanded as well.

How is your marketing/branding strategy developed, and how does it flow through the system? Our strategy is developed in collaboration with all departments and franchisees. To create a focused vision, it’s important to be inclusive in this process. Involving so many people also allows the message to spread quickly across the system.

What advice would you offer to aspiring CMO executives? Keep your ears open and learn from everyone around you. If you’re lucky enough to have someone smart in front of you, spend as much time as you can with that person. If not, learn from your leaders and peers. And keep growing your network. Everyone you work with—boss, direct report, or peer—is a potential boss, direct report, or peer. Keep those relationships intact. ■

Q How do you create an exceptional customer experience at your brand that attracts loyal customers and sets you apart from the competition?



NICK BERGELT

Chief Concept Officer
Stoner's Pizza Joint

Approximately 3 billion pizzas are sold each year at hundreds of thousands of pizza concepts. So it was vital for us to create a best-in-class customer experience that would differentiate us. Stoner's Pizza Joint was founded as a small, family-owned concept, and we've made it our mission to maintain that local pizza shop vibe as we grow and evolve.

Studies have shown that coupons are critical in attracting first-time guests, especially in the pizza segment where concepts are a dime a dozen and price points vary greatly. With customer acquisition costs in the restaurant space being pretty high, we've found that coupons or free incentives are an efficient way to get exploratory customers in the door initially. But it's up to us to create an experience that will motivate them to return. Our own research has shown us that we need to market three positive guest experiences. If we do that successfully, it will give us a 70 percent-plus chance that those customers will become lifers.

These stats are the foundation of our marketing mix, and an integral piece of our hospitality training for our staff. We empower all staff to identify first-timers at the point of purchase—and then “surprise and delight” them with a free offer to try one of our desserts if they didn't elect to try one. When they return to redeem that free dessert, we surprise

and delight them again by offering a free appetizer at their next visit. This small investment helps us create those three critical positive customer experiences that, ultimately, will drive them to become lifers. We do this through three approaches: great pizza, driving them to try other items, and providing a differentiated, hospitality-driven experience.

We believe the relationships we cultivate with our customers are the crux of our success, and we've based our culture on the fact that customers return 49 percent based on what we do and 51 percent based on how we make them feel.

We know that our success and growth are the direct result of word-of-mouth referrals, so we strive to create the best experience possible for our customers at every touch point, even when they're dining off-premises. For us, this means making real connections, propelling our internal growth with a hospitality-driven culture, and becoming the best at developing these relationships within our communities. Further, we believe that if our growth is driven with authenticity and a moral fiber that permeates all decision-making, we'll drive unparalleled guest frequency and loyalty, which will lead to a sustainable and strong economic model that wins out over time. ■



While we rely on foot traffic, we also recognize that our locations, often within larger venues, aren't always the most convenient for our guests. We've addressed this by, as we say, bringing pretzels to the people. Catering, third-party delivery with partners like Grubhub, even food trucks that bake on-site at events are ensuring that our brand is convenient and relevant.

For Auntie Anne's, creating an exceptional experience starts with a deep understanding of our guest and their snacking journey: their needs and desires, pain points, and the choices they have. We're an impulse purchase, not a destination. We rely on foot traffic—that's why you find us in places like shopping malls and airports, but also increasingly in more non-traditional locations like urban streets, universities, and amusement parks. We have a very limited opportunity to convince passersby to stop, and the competition with other snack and food brands is intense.

When "Auntie" Anne Beiler opened her first pretzel stand in 1988, she created the Threefold Philosophy: a fresh, hot, golden brown soft pretzel served in a sparkling clean store with friendly, courteous customer service. While many things have changed in the past 30 years, it is important to recognize what has not changed. Commitment to great quality products, cleanliness, and outstanding customer service are core to Auntie Anne's, but that's only part of the picture.

We have to offer products that resonate with today's consumers. We know our guests are on the go and often with friends and family, so we offer products like Pretzel Nuggets that are convenient, portable, and shareable. Consumers also desire freshness, so all our pretzels are

made with simple, easy-to-pronounce ingredients and rolled, twisted, and baked right in front of our guests. You can't get fresher than right out of the oven.

While our Original pretzel remains very popular, we know our guests also crave things that are innovative, fun, and Instagrammable. We meet this need by deploying a steady stream of LTOs, which help us stay relevant and differentiate us in a very competitive space.

While we rely on foot traffic, we also recognize that our locations, often within larger venues, aren't always the most convenient for our guests. We've addressed this by, as we say, bringing pretzels to the people. Catering, third-party delivery with partners like Grubhub, even food trucks that bake on-site at events are ensuring that our brand is convenient and relevant. We want to make sure our guests can enjoy a freshly baked pretzel anytime, anywhere. We also leverage technology to increase convenience for our guests through online ordering, a mobile app that provides rewards and information, and digital menu boards that enhance the in-store experience.

By delivering all of this—an exceptional product, unparalleled service, clean stores, innovation, and convenience—we're able to create a guest experience that engenders loyalty and distinguishes Auntie Anne's from the competition. ■



MARCEL NAHM

*Vice President, Marketing
Auntie Anne's*

Digital Dementia?

Are smartphones making us dumb?

WRITTEN BY
John DiJulius

In this “touch-screen era,” we have significantly fewer face-to-face interactions and our people skills are eroding. Nothing will ever replace looking directly into someone else’s eyes and making a genuine connection. The touch-screen era label applies to all generations, not only to a certain age range or generation. While many see younger generations as more techno-savvy, virtually every age group now uses smartphones, Facebook, tablets, and computers—which, when overused, negatively affect human-to-human interaction.

In his book *Digital Dementia*, German neuroscientist Manfred Spitzer wrote, “When you use the computer, you outsource your mental activity.” And added, “The more time you spend with screen media... the less your social skills will be.”

In my understanding, digital dementia is characterized by the deterioration of brain function resulting from the overuse of digital technology. Doctors from South Korea, which has one of the largest digital-using populations in the world, discovered that heavy users of digital devices experience cognitive and memory problems *similar to people who had sustained previous brain injuries*.

Technology now does a great deal of our thinking for us, leaving many young

brains underdeveloped and with shorter attention spans. And this affects brains of all ages. If you’ve ever felt that your memory is getting worse, it may not be your natural aging process. This view is captured by Jim Kwik, an expert in optimal brain performance, who said, “This is the idea that we’re outsourcing our brains to our smart devices. We’re so reliant on our smartphones that our smartphones are making us stupid.”

Mental stimulation addiction (MSA) is affecting millions of people who are smartphone junkies, constantly texting, checking Facebook, Twitter, LinkedIn, Instagram, and addicted to a multitude of other social media habits. I admit: I am totally guilty of this. Whenever I have a few minutes of downtime, I start scanning my inbox, texts, and all of my social media accounts. Sadly, I struggle with just sitting still, relaxing, and daydreaming.

THE POWER OF BOREDOM

Manoush Zomorodi shared a great TED Talk titled “How Boredom Can Lead to Your Most Brilliant Ideas.” She explored what happens in our minds when we get bored or, more importantly, what happens to us if we never get bored. “It turns out that when you get bored, you ignite a network in your brain called the default mode. So our body goes on autopilot while we’re folding the laundry or we’re walking to work. But actually, that is when our brain gets really busy,” said Zomorodi.

The default mode, she said, is “when we connect disparate ideas, we solve some of our most nagging problems, and we do something called autobiographical planning. This is when we look back at our lives. We take note of the big moments. We create a personal narrative. And then we set goals, and we figure out what steps

we need to take to reach them. But now we chill out on the couch—also while updating a Google doc or replying to email.”

Zomorodi held a “Bored and Brilliant” challenge to make times in your day when you unplug from your smartphone and social media. Her results and feedback from the thousands of people who accepted the challenge were incredible, especially from the younger generation. “Some of them told me that they didn’t recognize some of the emotions that they felt during challenge week because, if you think about it, if you have never known life without connectivity, you may never have experienced boredom,” she said.

Further, she said, “Researchers at USC studied teenagers who are on social media while they’re talking to their friends or doing homework. They found that 2 years down the road, these teenagers were less creative and imaginative about their own personal futures and about solving societal problems, like violence in their neighborhoods. And we really need this next generation to be able to focus on some big problems: climate change, economic disparity, and massive cultural differences.”

We have all heard how technology is hurting our social skills. But it is also killing our creativity. Downtime and a relaxed mental state are the best environments for our minds to veer off from stressful thought patterns and venture into the unknown. Think about it—when have you gotten your best ideas? When you daydream.

A decrease in creativity is dangerous in our lives, professionally and personally. We need to limit our time on our smartphones, tablets, and social media outlets. We need to make a commitment by actually scheduling downtime on our calendars multiple times a day: early morning, mid-afternoon, and before bed.

If you find yourself stale lately, you may be suffering from MSA. We need to protect our peaceful time, let our minds rest, reset, be reinvigorated, rejuvenated, and just daydream. You will be surprised at how stimulated and creative you will become. ■

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.



Making Good Impressions

Investing in brand awareness still pays off

WRITTEN BY
Hallie Wright

“What’s the ROI of an impression?” No matter if they’re seasoned marketers or bootstrapped founders, this is a question I hear from clients all the time. It comes up *a lot*. Listen, I get it. I’ve asked myself the same thing. Why are we advertising, if not to drive sales?

Here’s the thing. Putting money into awareness *is* putting money into sales. Repeated impressions means increased awareness, and without awareness you’ve got nothing. For people to buy, they must know your brand exists. Try not to roll your eyes too hard and call me Captain Obvious, but if the virtue of brand awareness seems so elementary, why are marketers so skeptical of tactics designed to increase it?

Because we’re drunk on data. The thought of investing in an objective that cannot be neatly tracked to purchase is scary. Digital marketing, despite all its benefits, has trained us to glorify the conversion as the only metric that really matters. On paper that makes sense. The problem is that this is extremely shortsighted.

If conversion is the destination, awareness is the route. A more accurate label for “impression” might be “potential future conversion” because, while the sales funnel has certainly evolved in the years since the Internet took hold, people still move from awareness to consideration to purchase and (hopefully) to repeat purchase.

Yes, smart marketers have pointed out that the traditional sales funnel is no longer a reliable model because the movement between each phase of the customer journey today is faster (sometimes immediate), nonlinear, and the amount of information to consider is greater than it used to be. True. However, to ultimately see a return, you still must get people “on the road” (aware). Stated bluntly, the

reason you need to invest in building brand awareness is to drive sales. Why? Because science.

Mental shortcuts

Brand awareness is the likelihood that your company’s brand, products, and services are recognized by consumers. The importance of recognition is easily dismissed, but it’s actually a critical piece of getting into a consumer’s consideration set. If you employ distinctive and consistent elements in your advertising, consumers will start to recognize your brand over time, which increases the likelihood they will buy.

Recognition means less mental effort (and we subconsciously favor less effort). In fact, when it comes to making purchase decisions, studies have shown that the brands consumers recognize are more likely to be included in their consideration sets. It’s how we narrow down all the choices we have to make.

Our brains look for all sorts of shortcuts to make life easier. In marketing, we study these shortcuts and refer to them as “cognitive biases.” Understanding the patterns and inherent irrationality of the human mind is extremely useful in influencing decision-making.

One of these mental shortcuts is called the “availability heuristic”: the theory that when evaluating a purchase decision (or any decision), people rely on immediate examples that come to mind. Ultimately, our brains determine that if something can be recalled it must be important, or at least more important than alternative solutions that are not as readily recalled. Think of how this comes into play, for instance, when your potential customer is scrolling through their favorite third-party delivery app looking for a place to order lunch.

Strong branding builds conscious and subconscious memories associated with your brand, which bring it front-of-mind when it comes time to make a buying decision. Through these memories and associations, we build a sense of familiarity with brands. Another truth that comes out of cognitive bias is: We imagine things we’re familiar with as better than things we’re not familiar with.

So make sure you’re investing in a media mix that reaches consumers where they live, work, and play, so your brand is able to earn the familiarity that will bring it into their consideration set.

Working the ol’ ZMOT

Google’s well-known Zero Moment of Truth (ZMOT) study found that 70 percent of Americans look at product reviews before making a purchase. After seeing a TV commercial, 83 percent said they still do online research on the products they’ve seen. With so many purchasing options these days, the traditional marketing funnel isn’t quite the law of the land anymore. This doesn’t mean it’s null and void. Although the path from awareness to conversion has become a little “loopier,” it’s still important to understand.

Make sure you have reviews and testimonials that are easily discoverable through a quick Google search of your brand or products. Build a content strategy to help reinforce your expertise or quality offering, and make sure you’re active on social to intercept conversations that take place during the ZMOT. These critical steps will help shepherd consumers down the funnel to ultimately choose your brand. ■

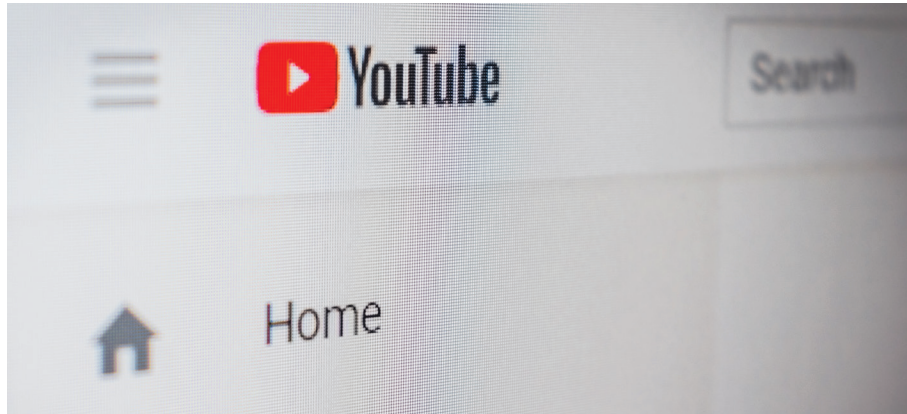
Hallie Wright is the associate strategy director of Santy, a full-service marketing and advertising firm known for unexpected thinking and delivering results-oriented campaigns. She can be reached at hwright@santy.com or www.santy.com.



Tried YouTube Lately?

5 things to know to make it work for you

WRITTEN BY
Andrea Brandon



Social media advertising on sites like Facebook has become a common strategic play for franchisors, who are seeing both brand awareness and lead generation campaigns work well there. But for individual franchisees, buying social ads—let alone video advertising—can be intimidating with all the strategic nuances, creative assets and copy required, and budget to consider.

While you may not have realized it, one of the most popular social networks—and one of the more advantageous for franchise advertising—is YouTube. Not sure if YouTube is for you? Here are five things you need to know before making YouTube part of your franchisee media mix.

1. **Who's using YouTube?** Google's video-sharing site trumps competitors like Instagram and Snapchat for usage, with nearly three-quarters of U.S. adults using YouTube in 2018, according to the Pew Research Center. Gen Z and Millennials are heavy users and are increasing their time on the site. In a survey by VidMob, 59 percent of Gen Z responders reported watching YouTube more in the past year than before; 46 percent of Millennials said the same.
2. **What are they watching?** Video content on everything from do-it-yourself explainers to music to influencer vlogs and product reviews captivated around 192 million users in 2018. Those users like or don't like, comment, share, and discuss just as with other social media sites. While music videos, movie trailers, and tutorials/educational videos pull in the most views, the 8th most popular content viewed is video created by a brand, at 23 percent.
3. **What are your ad choices?** YouTube offers three ad types:

- **TrueView in-stream ads**
These videos are displayed before a user's selected video. After five seconds, the user has the choice to skip the ad or keep watching before their chosen content is played. The ads can be anywhere from 12 seconds to a few minutes. It's important to use a strong CTA (call to action) encouraging viewers to click and go to your site for more information—and possibly take further action, like completing a contact form or calling the location.
 - **Bumper ads**
Bumpers are video ads lasting a maximum of six seconds that play before the viewer's selected video content. Unlike in-stream ads, users can't skip them. Seconds go by quickly, making it mission-critical to pique interest in a flash and focus on conveying a single message. While bumper ads can be run on their own, Google will tell you it's a good idea to run them with TrueView ads.
 - **TrueView video discovery ads**
These automatically generated or custom thumbnail ads show up next to the organic video results on the search page, and can be seen on the actual watch page where users are playing their selected video. The ads include headline and copy that link to your video on the site, and can also be seen as overlays on the watch page videos.
4. **What about franchisors?** While small businesses can go it alone with \$10 a day minimum spends on YouTube, franchisees must check their franchise agreements and brand guidelines. Brands often have established programs managed in-house or in partnership

with a media agency. The programs can be nationally focused, and may also provide franchisees with the opportunity to participate in approved, locally focused campaigns using their assets.

5. **Does YouTube advertising work?**
Trick question! Like any media buy, success depends on the strategy: targeting, content, CTA, and budget, for example. The more in sync you are with your brand's messaging and the local community your ad is targeting, the better your chances. You can work directly with Google to buy your ads; or, if your brand has a national media agency relationship, you may be able to speak with the agency consultants directly to get more personal help.

One last thing to be aware of, and something franchise brands are specifically mindful of, is brand safety on YouTube. The site has a history of publishing ad content on pages with questionable or blatantly offensive content. While Google has taken steps to better police their site making new instances very rare, the risks are there.

The best thing franchisees can do is ensure they understand the franchise's current strategy and policy on use, partner with them where possible, and then determine whether their own local campaigns make sense. ■

Andrea Brandon, vice president of marketing and creative services at Mindstream Media, is a student of the digital space and works across the organization and its partners to develop campaigns that generate leads for both the agency and its franchise clients. To learn more, visit mindstreammedia.com.

ADVERTISING, MARKETING & PUBLIC RELATIONS GUIDE

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WE DID IT FOR POOPS AND GIGGLES

And a Steady Stream of National Media Placements



Mr. Rooter® Plumbing wanted to differentiate themselves from the competition and needed a PR partner that could help them achieve that goal. Through creative campaigns, such as our **award-winning** Bathroom Astrology that paired zodiac signs and bathroom habits, Fish's out-of-the box approach has garnered impressive national media coverage for Mr. Rooter, reinforcing the brand's position as a leader in the industry.

Entrepreneur



THE
HUFFINGTON
POST



Good Housekeeping

“We enlisted Fish several years ago to secure national consumer press for Mr. Rooter and four other Neighborly brands, and they’ve delivered! Their strategic thinking and creativity has led to some of our most unique and successful campaigns, and we’re grateful to have them as partners.”

- Lisa Zoellner, Chief Strategy & Marketing Officer of Neighborly



FISH

Results Like This Are Typical

fish



Want to Know Our Secret?

We love what we do – and where we do it. It's true, Fish Consulting has been repeatedly named a Best Place to Work by a variety of organizations including PR Week, The Holmes Report and Inc. Magazine. This means that our team is excited about working together, both with our clients and with each other, learning and sharing, and going above and beyond expectations. Our culture celebrates connections and conversation, whether it's about a strategic media pitch or the season finale of *The Bachelor*.

Conversation is the cornerstone of the work we do for our consumer and franchise clients. Everything we do aims to get people talking about your business, products and services. We generate buzz to get people as excited about your company as we are.

We are deliberate. The results may seem organic, but we strategize and plan to make sure that your public relations matches your business goals. We blend content marketing,

traditional and online marketing services and social media to get people talking about you and to you, in a good way. Two-way conversation is essential in modern marketing, no matter if you are trying to entice new franchise candidates or encourage consumers to try your product or service.

And, we're lucky enough to work across a wide variety of industries including fitness, hospitality and restaurants of all shapes and sizes, home services, automotive, consulting, finance and more. We get to learn something new every day, staying fresh, relevant and at the top of our game.

YOU LAUNCH THE BRAND. WE START THE CONVERSATION.

- National and Local Consumer PR
- Franchisee Recruitment
- Grand Openings
- Crisis Communications

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CELEBRATING 19 YEARS, 375 BRANDS, AND 1000S OF WAYS TO GROW YOUR BUSINESS!

PUT THE FRANCHISE LEADERS TO WORK FOR YOU.

The franchise industry isn't standing still. Neither are we. With years of experience working with franchise brands, we've got the know-how to build on what works and the foresight to anticipate where your next move should be. Let us help you capitalize on all the opportunities to make your business grow.

WE SPEAK FRANCH.[™]



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HOT DISH ADVERTISING

Using data to provide insights that guide effective franchise development campaigns.



..... “

WE KNOW OUR MARKETING IS KILLING IT WHEN QUALIFIED PROSPECTS SAY THEY SEE US EVERYWHERE. IT'S DUE TO HOT DISH'S PROVEN PROCESS AND LASER-FOCUSED TARGETING.

..... ”

Brad Reed, Chief Development Officer at Captain D's

Behind every successful franchise dominating their markets is a team working tirelessly to identify, reach, and, ultimately, seal the deal with the best franchise candidates. Establishing the connection that leads to a franchise sale is made easier with companies like Hot Dish Advertising.

Hot Dish, based in Minneapolis, is a full-service ad agency with experience in developing strategic marketing plans that help franchise clients grow their businesses. The agency is headed by franchising dream team of CEO and co-founder Dawn Kane and President and business partner Jen Campbell.

“The more we understand about the prospects and what motivates them, the

better it allows us to get more qualified leads into the pipeline,” says Campbell. “A lot of that comes down to using data to connect the dots between the client’s goals and our marketing initiatives.”

A changing technology landscape provides more access to information than ever before, but knowing how to use it is the real challenge. Hot Dish shines here, proactively helping franchisors leverage their assets in a way that speaks to and connects with their audience. Pairing data with consumer insights, predictive analytics, and technology is key to the agency’s process and the success they help clients achieve.

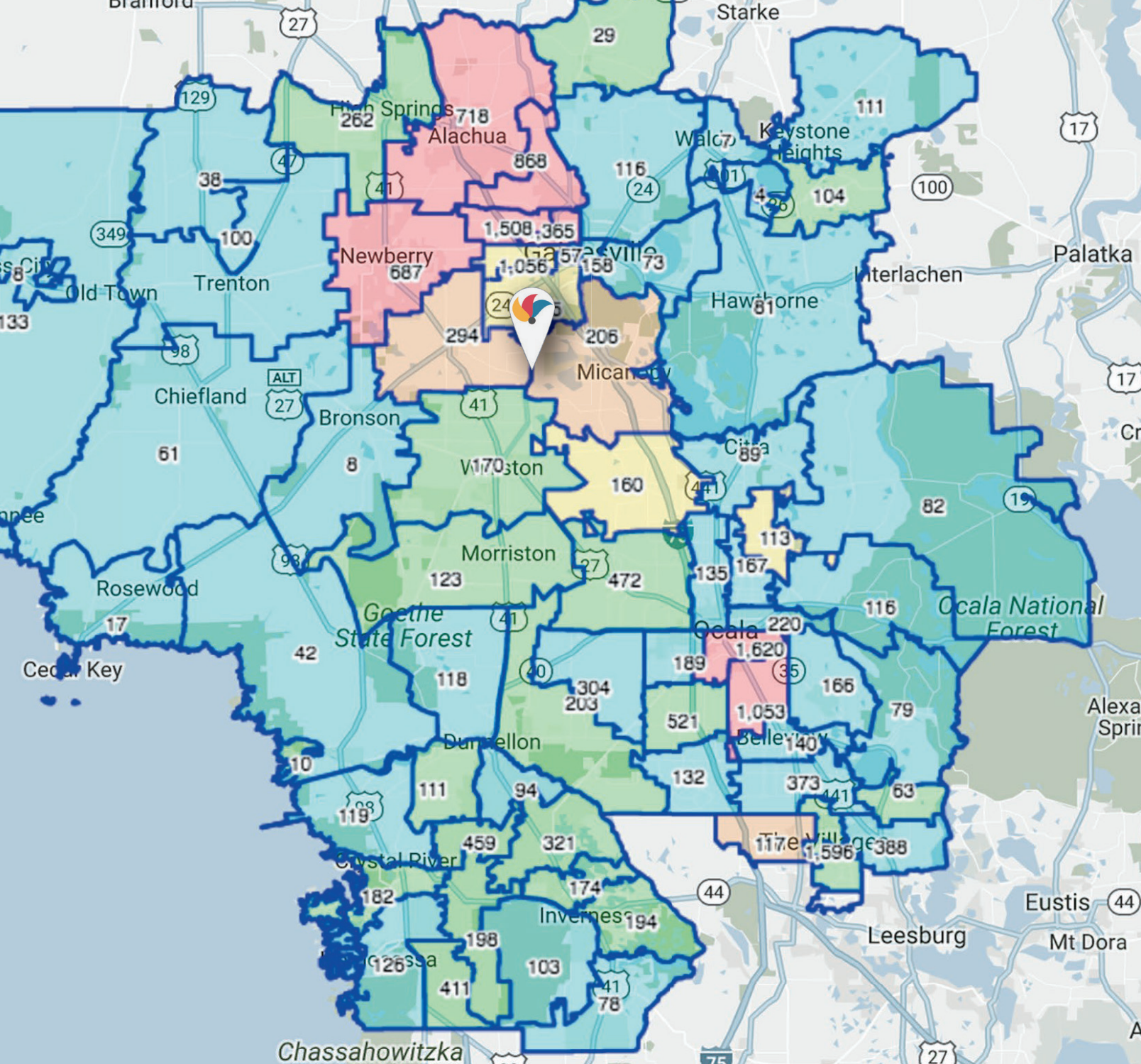
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Customer Propensity Heat Map

- < 25%
- 25% - 38.7%
- 38.7% - 51.4%
- 51.4% - 70.2%
- > 70.2%

Local Based Marketing Intelligence

Capture Local Transactional Data

Identify Your Ideal Customers

Gain Immediate Access to Advertising Options

A Local Advertising Strategy is Made

You Gain Full Transparency, Consistency & Compliance

SILVERCREST



Silvercrest was founded on the understanding that having access to better data and great technology is what makes a franchise business successful. These tools allow developers, owners and managers to make informed decisions regarding business and advertising needs. From this beginning, Silvercrest has become the one stop for all possible franchise marketing needs.

Our proprietary technology LMAP (Localized Media Automation Platform) gives franchise groups unparalleled access to data while allowing us to build highly effective and successful media campaigns. This data paired with a multitude of digital and print media tactics from Solo Mail, Shared Mail, Audio, Video, Billboards and beyond drastically cuts down the time spent planning advertising campaigns. With our print on demand capabilities there's no more waiting for a campaign to begin. With one click, your media is launched into immediate production. LMAP is your powerhouse marketing team and print house in one smooth, always accessible and easy to use system.

Our print on demand solutions also include Grand Opening kits, signage, specialty products, business essentials, apparel and more! Our Grand Opening kits can be customized to specific franchise needs and include everything required to open a location. From Grand Opening specific advertising to branded merchandise, Silvercrest provides piece of mind and a seamless Grand Opening experience.

LMAP also provides franchise specific solutions like the ability to customize workflows and add corporate approval to a process. Already working with a vendor you like? They can easily be added to our system for future orders. Silvercrest is more than advertising, more than a technology service, we're THE solution.



POWERED BY



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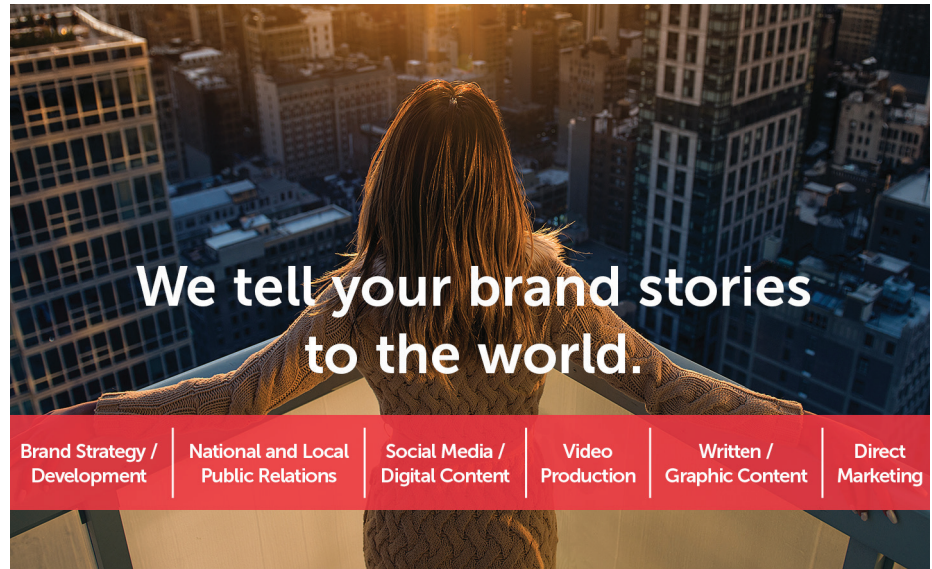
Website

Silvercrestadvertising.com
LMMap.com



919 MARKETING CO.

Multiple Franchise Marketing Services.
One Agency.



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919 Marketing Company is an award-winning franchise marketing agency.

Our franchise marketing specialists focus on what franchise brands need most — insightful brand strategy, national and local PR, and social media and digital marketing programs integrated with PR services, our proprietary process called social relations®.

For over a decade, our franchise marketing system helps franchise brands grow in four ways:

- Award more franchises
- Help franchisees grow their business
- Accelerate national brand awareness, interest and engagement
- Ensure brand strategy and messaging are aligned for sales growth and acquisition

We are passionate about developing breakthrough marketing campaigns for franchise brands. We work with a deep roster of franchise brands, from emerging companies to category leaders.

How we do it.

We create a customized franchise marketing system for your brand, using proven processes and methodologies that powered hundreds of franchise marketing campaigns for 919 franchise clients over the past decade with proven, documented results.

How we're different than other franchise marketing agencies.

We know when it comes to franchise marketing, it's always about making the numbers work for our clients...and we aren't afraid to set the bar high.

We work in the trenches with both franchise marketing departments and franchise development teams to develop and implement strategic marketing plans based on sound market intelligence, shared expectations and clear measurable program goals.

However, we aren't the right franchise marketing agency for every brand. As a matter of fact, there only three kinds of franchise brands we work with.

**Are your current franchise marketing results just not adding up?
Let's get started.**

BIZCOM ASSOCIATES

You expect results. We exceed your expectations.



Lead Generation

Books

Media Training

Web Site Content and Design

Direct Mail Campaigns

Trade Show Support

Blog and Op-ed Articles



BizCom Associates



DigitalBizCom

Social Media Support Case Studies

How To Buy A Franchise Show

Video Production

Speeches

Crisis Communications

Product Launches

E-mail Marketing

Digital Pitch Packs

Newsletters

News Releases

Publicity

Logos

Employee Communications

Influencer Campaigns Digital Advertising

By-lined Articles

Marketing Materials

Key Message Development

Community Relations



BizCom Press

For almost two decades, BizCom Associates has helped dynamic entrepreneurs, innovative franchise chains and other creative business leaders promote their products and services worldwide. We've done it for hot young start-ups. We've done it for established multi-nationals. We can do it for you!

Our clients include some of the most well-known names in franchising. Brands like 9Round, bluefrog Plumbing + Drain, ComForCare, Edible Arrangements, Gold's Gym, Gatti's Pizza, Gigi's Cupcakes, Neighborly (formerly Dwyer Group), Restoration 1 and others receive customized personal attention and detailed plans, not cookie-cutter programs.

That's why industry trade publication O'Dwyer's has ranked BizCom among the Top Independent PR Agencies in the U.S. every year since 2000 and Entrepreneur magazine ranked us among the "Top Suppliers for Franchises in 2018."

Of course, today you need more than traditional PR alone to break through all the marketing noise and clutter.

Our Digital BizCom division will help you effectively use social media, partner with influencers, and take full advantage of other online tools.

We don't just create a digital marketing program and put it into action. We help you understand the data so you can see what's working, what isn't, and, even more importantly, why or why not.

From ghost-writing magazine articles to developing personal or corporate blogs to videos and other marketing tools, our content creation division, BizCom Press, can help you find the most effective way to tell your story.

Is your story worthy of a book? Our experienced team of authors and editors can help you write, edit, design, publish and promote it. Whether you already have a manuscript, or the seed of an idea, we'll provide honest feedback about the book's potential based on decades of experience in the publishing industry.

For information on any of the services outlined above, contact BizCom CEO Scott White at 214-458-5751 or scottwhite@bizcompr.com.

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BML PUBLIC RELATIONS

WE. GET. EARNED. MEDIA.



We Build and Strengthen Brands Through:

- Sustainable Publicity
- Traffic-Driving Brand Awareness and Stunts
- Media-Generating Promotions

Telling your brand's story is a balancing act between consumer media, trades and prospective franchisees.

How Can We Help Tell Your Story?

We combine traffic-driving promotions with attention-grabbing PR stunts that generate real media coverage in top outlets. We drive results that WILL increase your bottom line.

Who Are We?

BML Public Relations is an award-winning, full-service, strategic PR agency specializing in sustainable publicity and social media for national and regional corporate and franchised brands. Our team of seasoned PR pros has extensive experience developing and executing highly creative, strategic and successful campaigns for some of the most recognized brands on the planet.

From the house of the world's most famous mouse to a motorcycle named "Harley," a notorious blimp to the innovator of the pan pizza; our team offers big agency experience with the go the extra mile style that you can only get at a small agency.

What Sets Us Apart?

- Our never-satisfied approach to PR
- Media relations expertise
- Our true differentiator in today's media landscape – We. Get. Earned. Media.

We rep a diverse, super fun roster of brands spanning categories including national and regional franchised concepts, consumer packaged goods, retail, experiential entertainment and touring properties, travel and tourism, restaurant & hospitality and more.

Next Steps?

To shake things up, have some fun and generate more impactful media coverage than you ever thought possible, contact BML Public Relations today. We'd love to run some ideas by you.

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CURIOUS JANE

THE AD AGENCY FOR FRANCHISES™

*Curious
Jane.*



We Work for You!

Curious Jane is an advertising agency with the expertise and infrastructure to handle all of your national and local franchise marketing needs.

We work with both franchisors and franchisees. For franchisors, we excel at franchise development, SEO, web, digital, PR, creative and national media buying. For franchisees, we excel at local marketing campaigns through digital, SEO, social and media buying.

Curious Jane understands the challenges that franchises face in advertising a single brand consistently across national, regional and local platforms. Our national and local marketing strategies work together to expand and protect your brand while helping your franchisees meet local goals.

Curious Jane is among the few agencies that work with both franchisors and franchisees. We develop scalable advertising systems that expand your franchise, strengthen and protect your brand standards and grow local markets. Whether you handle local marketing through the

national ad fund or your franchisees purchase marketing directly, our integrated strategies effectively combine strong local, regional and national multiplatform campaigns to grow your business. Local marketing success benefits the entire brand.

Our expertise in franchise marketing has helped emerging franchises as well as those on Franchise Times' Top 500 list grow their businesses and stand out from the competition.

We can help you grow your franchise. Are you ready?

SERVICES

- Branding & Creative
- Content Marketing
- Digital & Social Media Advertising
- Media Planning & Buying
- PR
- SEO
- Web Design & Development

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FISHMAN

PUBLIC RELATIONS

Franchise PR Agency Stays on Top by Evolving with Industry



Founded in 1991, Chicago-based Fishman Public Relations offers best-in-class public relations, content marketing and influencer relations services for franchisors. For more than 27 years, the specialty agency has helped hundreds of brands grow through smart and powerful franchise lead generation and brand awareness campaigns.

Fishman PR's depth of understanding in public relations for franchise companies goes back to the agency's roots, when Sherri Fishman recognized the need for a specialized PR firm to manage the unique needs of franchisors. She and husband Brad Fishman entrenched themselves in the industry and grew the agency to fill the niche in franchising PR.

Over the years, services have expanded to meet the changing needs of franchisors for both franchise lead generation and consumer brand awareness, including:

- National, regional and local media relations
- Blogging
- Creation of premium content (eBooks, White Papers, infographics, animated videos, webinars, etc.)

- Organic & paid social media campaigns for franchise sales
- Influencer relations
- A dedicated division providing local Grand Opening and other local support for franchisees

"We never sit still," said Sherri Fishman, president and co-founder. "We're always looking to strengthen our game, constantly evolving our services to help franchise brands grow, whether that means investing in new talent, adding new technology tools and resources to drive results or to pivot our offerings to stay relevant."

Fishman PR is the only franchising PR agency approved as a partner of Worldcom Public Relations Group, an exclusive group of global PR firms consisting of 110 international agency partners operating in over 95 cities on 6 continents. This provides clients' access to trusted PR partners across the globe.

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Brand-Consistent Local Marketing at Scale

“We’ve reduced our marketing administrative workload and our franchisees love the Vya system.”

- Tony Lamb, CEO



KONA ICE

When it comes to franchisors’ online marketing stores, we’ve encountered different scenarios. Some franchisors are burdened with manually piecing together internal solutions, and others have purchased software that is gathering dust because it is too complex. However, the challenge is same: technology is wasting time rather than saving time.

At Vya, we believe the best technology solutions are the simplest. Vya’s marketing resource management system, ranked best by clients for ease-of-use, is backed by the dedicated support of our people.

We work hand-in-hand with our franchise clients, delivering a solution that enables them to:

- Provide franchisees an “online shopping” experience for accessing, customizing, ordering, and fulfilling brand materials
- Allow customization while ensuring brand consistency

- Automate workflows for streamlining custom requests from franchisees
- Establish tiered workflows engaging regional managers
- Let franchisees enroll in multi-channel campaigns setting up several initiatives at once (e.g. seasonal / LTO campaigns)
- Auto-populate pricing fields on materials (e.g menus)
- Manage ad resizing and distribution
- Automatically distribute newsletters on behalf of franchisees
- Enable multi-unit franchisees to manage multiple locations from one account

Learn how we can help you with brand-consistent local marketing at scale. **Request a demo of the Vya system today at: vyasystems.com/vyafrandemo.**

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W H E A T
C R E A T I V E

WHEAT CREATIVE

Leaders In Franchise Marketing



**Our
Great Ideas
Grow Your
Franchise**



Who says gluten won't grow your market share?

Yep, that was a Wheat pun. But seriously, what does Wheat have to do with franchise growth?

A lot, actually.

For starters, we view Wheat as the very foundation for growth. It's an organic breeding ground for brilliant marketing ideas. It's where those ideas take root; where they get fed, nourished and cultivated into masterpieces. Whether that masterpiece is a lead-alluring website or a compelling content strategy, Wheat, is where it begins.

Although Wheat's founders have spent more than 25 years dedicated to the franchise marketing space, Wheat Creative put down roots in 2013 when we began partnering with some of the industry's most respected brands. We have helped new franchise concepts grow from the ground up, as well as helped established brands to branch off in exciting new directions.

As it turns out, 2018 took us in an exciting new direction as well. Several of our franchise recruitment and consumer-facing websites won development awards from dotCOMM, WebAwards, MarCom, Hermes, and Davey Awards. To top it off, we were named one of the nation's Top Franchise Suppliers on Entrepreneur's inaugural "Best in Service: Top Franchise Suppliers" list.

We are known for our creative approach to franchise lead generation through digital marketing strategy, website development, content creation, and print and digital sales collateral. We value beautiful, all-encompassing marketing solutions that truly reflect the culture of each franchise; we also value the ability to partner with clients for the long term, measuring growth as we go.

Maybe it's time to give gluten a go!

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Are What We Do Best

ANNUAL EVENTS IN 2019

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www.multiunitfranchisingconference.com

Caesars Palace in Las Vegas, NV

March 24–27, 2019



Franchise Marketing Leadership Conference

www.franchisemarketingconference.com

Intercontinental Buckhead in Atlanta, GA

June 18–20, 2019



Franchise Leadership & Development Conference

www.franchisedevelopmentconference.com

Intercontinental Buckhead in Atlanta, GA

October 15–17, 2019



COMING IN 2020

European Master & Multi-Unit Franchising Conference

Vienna, Austria

Dates: TBD



Contact: sales@franchiseupdate.com

Franchise Update
MEDIA



FRANCHISEE LEASES

6 provisions they must negotiate

WRITTEN BY
Karen Abrams

Franchisees, faced with immense market competition and demanding development requirements, are prone to concede important issues and make careless mistakes in lease negotiations. What follows is a list of critical lease provisions, which, if not identified and properly negotiated, could have a material impact on the viability of your franchisees.

Exclusive use protection. For a franchisee, an exclusive use clause allows them to maintain an edge against competitors by restricting a landlord's ability to lease space in their shopping center (and sometimes even within a larger area) to another tenant who is a competitor. When it comes to exclusive use protections, the interests of landlords and tenants are diametrically opposed: landlords want narrow exclusive use language so as to have the most freedom when choosing the tenant mix in their centers; tenants want broad language to ensure they won't face competition in their own center or beyond. Franchisee tenants must carefully consider exactly what part(s) of their business need protection so their lease is as precise as possible. When negotiating this provision, franchisee tenants must ensure that their lease not only expressly requires the landlord to enforce their exclusive, but also addresses their remedies if the exclusive use is violated. Failure to address these points renders the protection granted by the provision essentially meaningless.

Landlord's consent to assignment and continuing liability. As a tenant, your franchisee's ability to assign their lease to a third party has a direct impact on their ability to sell their business and ultimately realize a return on their investment. Assignment provisions are another

instance where the landlord and tenant have conflicting needs: landlords seek to exert extreme control over the transfer of their leases to ensure the qualifications and viability of the assignee tenant; contrarily, tenants look for the ability to freely assign the lease so as to minimize any delays or roadblocks to the exit of their business. Landlords often will seek to maintain the right to approve or reject the proposed assignee at their sole discretion. At a bare minimum, franchisee tenants should seek to tie their landlord's ability to approve an assignment to a standard of reasonableness, curtailing the landlord's ability to reject a proposed assignment. Ideally, if possible, the franchisee tenant should negotiate the ability to assign the lease as of right (i.e., without landlord consent) to their franchisor, to other approved franchisees within the system, or to any other party who purchases all, or substantially all, of their assets.

Related to this is the need to address whether or not the assigning tenant and any then existing guarantor will have continued liability for tenant obligations that accrue after the assignment. Landlords will always seek to collect as many potential obligors as possible and typically require that, even if they consent to an assignment of the lease, the tenant and guarantor will remain liable under the lease. From the landlord's perspective, having multiple obligors ensures that they will have a long list of parties to sue if a tenant defaults, increasing their chances of actual collection. It is critical for a franchisee to negotiate their release up front, as well as the release of any then existing guarantor upon an assignment of the lease. As a compromise, franchisee

tenants should, at a minimum, seek to tie their release to certain minimum thresholds (such as the net worth of the assignee tenant and its principals, in the aggregate).

Right to participate in the sale. Landlords often seek to retain the right to share in the sales proceeds when their tenants sell their business, claiming that it is only because of the landlord's property that the tenant has a store to sell in the first place. We have seen leases where the landlord is entitled to up to 50 percent of the sales proceeds! Failing to properly address this up front can result in the franchisee being unable to afford to sell their business because they won't be able to keep enough of the proceeds. Given that it is the tenant's, not the landlord's, blood, sweat, and tears that grew the business and made it saleable, at a minimum the lease should provide that the landlord is not entitled to any monies received by the tenant in connection with an assignment of the lease to the franchisor or another approved franchisee. Ideally, this provision should be deleted completely and the lease should expressly state that the landlord is not entitled to *any* portion of sales proceeds under any circumstances, period.

Non-compete. Landlords who own multiple properties within certain geographic proximity often seek to include a covenant that restricts the tenant's ability to open a same or similar business within a certain radius. From the landlord's perspective, they don't want a franchisee to open another location that might adversely affect that tenant's sales in the landlord's shopping center—which could adversely affect that tenant's ability to meet their rental obligations. This provision, however, can have a detrimental impact on a tenant's ability to expand, especially a franchisee who may have a development agreement. Such language may even place a franchisee in violation of their franchise or development agreement. For instance, we have seen leases with 5-mile restrictions on the sale of baked goods and coffee, which would severely affect a franchisee's ability to develop and optimize their market.

Termination/reclamation upon assignment. Landlords like to include language that gives them the ability to terminate the lease and recapture the premises if the tenant seeks the landlord's

consent to assign the lease. Landlords will argue that if the original tenant no longer wants or needs the premises, then the landlord should have the right (but not the obligation) to take the premises back and relet it to whomever they choose. This language can make a tenant's pending assignment a risky, if not impossible, proposition. It is in the franchisee's best interest to completely delete this language or, at a minimum, provide that the landlord does not have the right to recapture if the lease is assigned to the tenant's franchisor or to another franchisee. This is yet another reason tenants want the right to assign the lease without the landlord's consent. If the landlord does not have the right to consent (or not consent), then they also don't have the right to recapture the premises.

Guaranty. The majority of franchise tenants form single-purpose entities (SPEs) that have no assets other than that particular store. If they default, their landlord wants to have someone to collect rent from. This is why the majority of landlords require a franchisee (and often their spouse) to sign a personal guaranty. It is rare that a landlord will sign a lease with an SPE and not require a personal guaranty. If they must sign one, the key is to ensure that one or more of the following limitations are included: 1) a stated cap on their maximum financial exposure (it can be a fixed dollar amount or, more commonly, limited to X months of rent at the then current rental rate); 2) a complete release of the guaranty when and if the original tenant is no longer the tenant under the lease; and/or 3) the guaranty

falls away completely after a period of Y years, as long as there have been no defaults by the tenant during that time.

Coincident with signing the guaranty, guarantors need to consider their exit strategy. If the franchisee sells the store, the guarantor does not want to have continued personal exposure for the acts of a new, unrelated tenant. For this reason, guarantors are wise to negotiate the landlord's release of the guaranty upon the tenant's assignment of the lease. Naturally, landlords do not like to agree to this, but it is worth a hard pursuit in the lease negotiation. A common compromise is to agree that if the assignee and/or their principals have an aggregate net worth of more than Z dollars, then the landlord will release the original guarantor(s).

However you slice the apple, ensure that your franchisees do not sign the guaranty without having a full understanding of their maximum potential personal exposure and if (or ideally when) they will be released from their guaranty obligations.

Conclusion. Leases are complicated legal instruments and can be fraught with peril for unsuspecting franchisees. Whenever your franchisees enter into a lease for a new or existing store, be certain they are represented by an attorney familiar with potentially dangerous provisions. ■

Karen Abrams is a partner at Paris Ackerman, LLP. She represents tenants in the full range of their business matters including leases, financing, sales, acquisitions, and business operating documents.



CHALLENGE THE PROS

How do you structure deals to provide realistic opening schedules, and how does this affect your growth plans?



BRAD REED

Chief Development Officer
Captain D's

When we sign a franchisee agreement, we typically classify franchisees into two categories: those who have a secured site and those who do not. From there, we take a couple of different approaches outlining a realistic opening schedule that will make it most attainable for the franchisee—as well as help us achieve our quarterly growth goals.

If the franchisee already has a site secured at the time of signing, we build a timeline of approximately a year to 15 months to develop and open that location. If the franchisee signs the agreement and doesn't have a site secured, we'll typically project about 15 to 18 months to develop and open that restaurant. These two timelines serve as a guide when we're laying out our quarterly development goals, layering in openings where they make the most sense for us to achieve our overall growth strategy goals.

Historically, our target franchisee prospects have been experienced multi-unit operators of other food concepts. We've found that these franchisees are most adaptable to our business model and are easily able to achieve success. However, we've never limited ourselves to that target prospect. In fact, more recently, we've been having a lot of success with single-unit operators who have little—sometimes even no—previous restaurant experience, but who possess the drive and desire to own a Captain D's and create a legacy business for their families.

Beyond experience and financial requirements, it's imperative to sign franchisees who are a cultural fit with your company and who possess the same ideals and core values. While growth numbers are an important benchmark tool, the numbers should not be your end goal. Your ultimate goal should always be finding the best franchisees for your brand, taking the time to train and develop them, and prioritizing their continued success and growth with the company. If they have a great experience from the beginning, they'll want to grow with your brand. ■

“

It's important to determine what works best for your brand by keeping in mind how and where you're trying to grow, what growth rate you're trying to hit, and how much control you want to maintain in the marketplace as the franchisor. You may need to have a different strategy for different markets, particularly in markets where you may not have brand awareness yet."

Iwould approach this question the other way around: it starts with your growth strategy. Before all else, it's vital that you have an understanding of the overall goals of your brand and the growth strategy you need to accomplish those goals. This, in turn, helps you determine the best structure of your deals and the layout of your opening schedule.

With your growth strategy in mind, identify what size franchisee and what deal size works best for your brand. Some brands want a small handful of large franchisees, in which case they'd seek large multi-unit franchisees and structure higher number, longer-term, multi-unit deals. Other brands want strictly owner-operators, which usually results in single-unit deals. In my experience, most brands operate somewhere in the middle.

It's important to determine what works best for your brand by keeping in mind how and where you're trying to grow, what growth rate you're trying to hit, and how much control you want to maintain in the marketplace as the franchisor. You may need to have a different strategy for different markets, particularly in markets where you may not have brand awareness yet.

Determining what size deals you want to sign is one of the biggest factors in developing realistic opening schedules. The goal is to open locations, not sign numbers, so be sure the deal size makes sense not only for your brand, but also for the franchisee you're signing.

Beyond financial and experience requirements, does the franchisee have the infrastructure in place to open locations at the pace set in the agreement? The process from signing an agreement to opening a location can be long and strenuous when you consider everything that goes into it (site selection, permitting, financing, construction, etc.).

Right now, there's an industry-wide tendency to go after big multi-unit franchisees and deals, but this may not be realistic for your brand. My experience has been that regardless of the size of the franchisee, the larger the deal and the longer the time frame of the deal, the more likely that locations won't open in a timely manner. That doesn't mean you shouldn't sign large deals, it simply means you need to be aware that the odds of realistically hitting your opening schedule will go down and you need to adjust your expectations accordingly.

Last, always remember we are in the relationship business. Unforeseen obstacles will occur. The relationships we have with our franchisees are the foundation—and the most integral part—of what we do. The status of that relationship can determine how quickly (or if) locations open. It's easily the most important element of realistically executing your growth strategy. ■



MICHAEL ARROWSMITH

*Chief Development Officer
Pinch A Penny Pool Patio and Spa*



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What Builds Franchise Success?

Ongoing training for every employee and franchisee

WRITTEN BY
Evan Hackel

If you ask a dozen franchise executives and franchisees, you'll probably get a dozen answers to what builds success. Some will talk about focusing on finding the greatest franchise owners and helping to finance their investment. Others will speak of the importance of having a compelling product to sell, or ensuring that every new franchise opens in only the optimal locations.

And those people are right. Those considerations—and others—play a big role in determining how quickly a franchise concept grows, how much money owners can earn, how a franchise can stay competitive in a crowded marketplace, and more. I would like to offer a different opinion, based on my many years in franchising.

Training is the most important thing that franchise companies should focus on at every stage of their development. Why do I know that training can play such an outsize role in helping franchises succeed quickly and well? I could point to research, and there is a lot of it.

To cite just one example, a survey of 1,500 Millennials and younger workers found that training is their top concern when they are looking for jobs (“The Millennial Study” by Accel + qualtrics, 2018). If you are a franchisor, you know that Millennials and younger individuals make up the biggest percentage of your owners and their teams. And remember, members of all generations value training. Training provides assurance and shows that your company values your employees enough to invest in them.

Let’s look at some of the reasons training strengthens your franchise and helps it grow.

1. Training makes it easier to attract and keep great owners and employees. If you provide training that is better than what

other franchises offer, you are going to attract more franchise owners. And, after those people buy into your system, the promise of great training will help them attract and hire better employees.

2. Employees who are growing stay longer. When employees are continually learning new skills and discovering better ways to do their jobs, they will stay longer. Training is the most effective way to satisfy their appetite for knowledge and growth.
3. Well-trained employees are more worth keeping. Companies let employees go when they are not performing their jobs effectively. But before you let your next underperforming employee go, perhaps you should ask, “Have we trained this individual to do their job well?” It sounds obvious, but you will have to replace fewer employees if you simply train them to do their jobs better.
4. Great training improves your Net Promoter Score. When prospective new franchise owners call your current franchisees to ask, “Is this a good franchise to buy?” you want your current owners to tell them, “It sure is. I got up to speed and became successful fast because of the great support this company provides.” And how is that support demonstrated? In great training.

WHAT TYPES OF TRAINING ARE BEST?

Virtually all training improves employee satisfaction, competence, and retention. However, let me call special attention to these six forms of training. Are you putting them to good use?

- **Skills-based training**, which teaches people to do their jobs better. Continue to deliver this training over time. The more people are learning, the better

they become at doing their jobs—and the more eager they are to continue to work for you.

- **Systems training**, which teaches franchise owners every aspect of using all your systems.
- **Training during onboarding**, which makes new owners and their employees feel part of your team, reduces their anxieties, and convinces owners and employees that they have joined the right franchise.
- **Motivational success training**, which offers a forum for franchise owners to connect and share the solutions they’ve found.
- **Marketing training**, which teaches franchise owners the latest and most effective ways to sell and empowers them to earn more income.
- **Developmental training** that teaches current owners how to increase business volume, acquire additional locations, and grow in other ways.

Training is much more than something that teaches people “how to do things.” It is the lifeblood and future of your franchise. Training gives your company a bright, bright future. Through training you will thrive because your workforce will consist of committed employees who are growing, motivated, and who love being part of your company. ■

Evan Hackel is CEO of Tortal Training, a leading training development company, and principal and founder of Ingage Consulting. With 35 years as a franchisor and franchisee, he is a speaker, hosts “Training Unleashed,” a podcast covering training for business, and is the author of *Ingaging Leadership*. Follow him at @ehackel or call 704-452-7368.



Information Warfare?

Preparing to do battle in 2019

WRITTEN BY
Darrell Johnson

I talk often about trends that affect franchising. Sometimes, it's helpful to understand what is driving those trends. As the headline suggests, the world we live in today has been profoundly affected on many levels by the tremendous volume of information available. However, it's not the volume, but the *ways information is being used* that I want to address here.

In business, having lots of relevant information has always been considered a good thing. That comes with a vital assumption: that the information is reliable. As we have come to know, that assumption has been destroyed on what seems to be every level. When Walter Cronkite closed his evening newscast with, "And that's the way it is," Americans believed him. Now, when a newscaster makes a statement, we intuitively assume it is slanted in some way. People increasingly are influenced by media, companies, and government officials who align with their beliefs and give them great latitude with how they characterize information.

Look no further than the term "alternative facts." In just a short time we've gone from laughing at that expression to embracing it—data and information on a subject that, while largely true on their own, are intended to mislead by being used out of context or extrapolated beyond reason. In other words, we have a crisis of

trust that, like a virus, has migrated across the entire business community.

What does all this have to do with franchising? I think it has the potential to undermine the entire business model, that's all. We should consider it a virus and prepare for battle because we're already in this war. We are bombarded by "alternative" facts and information across all the stakeholders in franchising. Technology certainly has enabled this, with access to endless information almost instantaneously. However, just because you can search something online and get an answer doesn't make it right. That's the central issue in this war: what to believe in.

We are fighting some big battles right now. Joint employer, minimum wage, and anti-poaching are getting national press, but there are more, less media-driven battles in the background (at least for now). These battles cut across many franchisors' functional responsibilities, from recruitment on the front end to marketing support and compliance on the back end. All of these are vulnerable to "alternative fact" attacks, and are pulling on the fabric of the business model as franchisors change the way they execute responsibilities to avoid such attacks. That doesn't solve the problems, it merely sidesteps them.

To bring about lasting solutions that don't weaken how we execute the business model, we must recognize and believe just how dangerous this war is. We're just beginning to understand the consequences of deferring to sources that represent interpretations of information we identify with. The Russian interference in the 2016 election showed us just how disruptive that can be. The macro attacks on the franchise business model clearly are disrupting how the model is

being executed, and each battle needs specific long-term *offensive* battle plans. So far we've been in defensive fights. That has to change, and our weapons of choice should be facts, data, and common sense.

For example, the minimum wage debate plays on the mistaken perception that the franchise business model is about dead-end minimum wage jobs. How many franchise employees are actually paid at the minimum wage level? What training are they getting that provides lifelong career skills? How many are lifted from that entry level to higher wages, and how quickly? How many advance their careers within and outside of franchising as a result of their work experiences in franchising?

I'm confident that answers to these questions would form the basis of a national public perception shift about franchising and lead to the strongest possible counter to the rigidity that unionization can imply for employees. In this light, unionization becomes the dead-end wage model. In other words, the battle plan for the minimum wage issue is to change the narrative using facts and common sense.

The expanding number of these big problems suggests the war is a "clear and present danger." Recognizing it as such, to win the individual battles, franchising must get past a defensive mentality and develop long-term offensive strategies. To be effective, those strategies will require accurate data on a level we have not considered until now. The good news is that this data is out there. We just have to be smart about what we can trust, what we can conclude from it, and what we do with it. ■

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.



2019 Global Growth Forecasts

Best countries for franchise development

WRITTEN BY
William Edwards

Despite global trade fears, new franchise development around the world in 2019 will continue to be tied to GDP growth. Generally, the higher the annual GDP growth rate in a country, the more new investment is being made in its economy, and the more likely a franchisor will be able to find investors wanting to become new licensees. Bottom line: the market for new franchise development around the world remains robust and strong.

While the IMF believes global growth will slow a bit to about 3.7 percent in 2019, there remain several countries where the annual GDP growth rate will exceed 5 percent, such as China, India, Indonesia, the Philippines, and Vietnam. Each of these high-growth countries will continue to see the growth of franchised units in 2019. First let's hear from franchise sector specialists about 2019 franchise development opportunities in four countries and the Middle East.

- **ARGENTINA.** "IMF support and fiscal reforms have pleased financial markets, but high interest rates are slowing domestic consumption, and the economy is expected to have GDP growth of less than 2 percent in 2019. The second half of 2019 will be the time to begin looking at this market again with eyes on 2020 for new franchise development opportunities." —Robert Jones, Chief International Officer, EGS
- **AUSTRALIA.** "While there is perception that franchise regulation in Australia is somehow restricting the sector, this is completely false. Food retail continues to be a strong sector for new market entrants, but franchisors should note that Australian labor and occupancy costs are high. Other growing market opportunities exist in fitness, well-being, technology, business, and professional services." —Jason Gehrke, Director, Franchise Advisory Centre, Australia
- **MEXICO.** "From the outside-looking-in perspective, there is an atmosphere of uncertainty with the new president, yet franchises have always been a stable business model in uncertain times. The new government understands that franchis-

ing is a solid and powerful job generator, and in a growing country this is vital." —Ferenz Feher, CEO, Feher & Feher, Mexico City

- **THAILAND.** "As a center for global tourism, Thailand supports more franchise brands than its own population could support. It is also an excellent showcase of brands and proof-of-concept for the region. The Thai franchise market is crowded and tightly focused on selected urban areas. But there is a subset of strong, risk-tolerant, and qualified investors willing to invest in well-established American brands." —Greg Wong, Commercial Counselor, U.S. Commercial Service, Bangkok
- **THE MIDDLE EAST** (Saudi Arabia, United Arab Emirates, Kuwait, Qatar, Oman, and Bahrain) has experienced an economic contraction over the past several years. However, the market continues to demonstrate high AUVs for brands that provide the market with a unique experience, innovation, and value. The restaurant segment continues to be strong, retail is highly competitive, and the B2B and B2C sectors offer limited opportunity for compelling opportunities." —Paul Cairnie, CEO, World Franchise Associates

AROUND THE WORLD

Now for some predictions for other franchise-friendly countries for 2019. Projected 2019 GDP growth rates for this article are from the *Economist* magazine.

- **BRAZIL.** Although the recent election of new President Jair Bolsonaro is somewhat of a wild card, he is expected to propose fiscal reforms during his first year that will signal a very positive message to the market, attracting domestic and foreign investors. Pro-business policies are expected to stimulate the economy and generate 2.4 percent GDP growth in 2019, creating new opportunities for foreign franchisors.
- **CANADA.** A GDP growth rate of about 2 percent, new employment laws and regulations, plus high business taxes will keep new franchise brand development down in this country in 2019.



- **CHILE.** Continued strong domestic demand and solid fiscal discipline should result in a GDP growth rate of 3.4 percent in 2019, making Chile a solid prospect for foreign franchisors.
- **CHINA.** Trade tensions with the U.S. and EU, as well as Chinese government controls and barriers, have increased the difficulty factor in this market. GDP is expected to slow to 6.3 percent in 2019 as the government attempts to establish a more sustainable level of growth for the long term.
- **INDIA.** Although higher oil costs are a drag on the economy, GDP growth is expected to reach 5.2 percent in 2019. If the government implements regulatory and economic reforms, which it has announced it will do, the business climate could improve for foreign franchisors to find qualified licensees in 2019.
- **INDONESIA.** Strong domestic demand is expected to sustain a GDP growth rate of 5.2 percent in 2019. Although U.S.–China trade tensions pose a risk to economies in this region, foreign franchises are generally well received in the Indonesian market.
- **ITALY.** A higher fiscal deficit and disagreement with the EU regarding the new government's budget have resulted in an estimated GDP of 1.2 percent for 2019. However, U.S. brands are popular in this market, and there is a demand despite the economy's challenges.
- **JAPAN.** Manufacturing has recently slowed somewhat and higher oil prices are a negative, but increasing domestic demand should maintain a GDP growth rate of 1.1 percent in 2019. Foreign franchises continue to find investors in Japan despite the low GDP growth, which is an anomaly.
- **PERU.** Consumer spending is up, the government is pro-business growth, and increased export growth supports a prediction of 4 percent GDP growth for 2019, providing a solid opportunity for franchisors to find local investors.
- **THE PHILIPPINES.** With an expected GDP growth rate of 6 percent in 2019, a fast-growing middle-class consumer base, and a robust new franchise development environment, this country will see new international food and beverage franchise brand entry in 2019.
- **POLAND.** Although the country's very strong growth is expected to moderate somewhat in 2019, the current estimate of 3.6 percent is one of the region's highest economic growth rates. While this market offers solid opportunities for foreign franchisors, market analysis and selection of the correct partner are keys for success.
- **SAUDI ARABIA.** The GDP growth rate is expected to be an anemic 2 percent in 2019. Low oil prices and lots of local investment and legal challenges will mean little new franchise investment for the year.
- **SINGAPORE.** Weaker manufacturing will be offset by stronger demand, with a 2.9 percent GDP growth rate estimated for 2019. Anti-immigrant legislation has made finding service workers difficult, and choice retail space is priced at a premium. Singapore is saturated with foreign franchise brands.
- **SOUTH AFRICA.** With a new government and a program of fiscal stimulus, the country could have an estimated GDP growth rate of 1.7 percent in 2019. But security and rule of law challenges remain in a country with a huge middle-class consumer upside.
- **SPAIN.** Although 2019 annual GDP growth is expected to slow from 2.7 percent in 2018, the pace of new franchise development will continue to be high, especially in the food and beverage sector.
- **UNITED ARAB EMIRATES.** The wildly fluctuating oil price over the past couple of years has resulted in low new franchise investment, especially in the food and beverage sector.

- **UNITED KINGDOM.** The impact of the impending Brexit has been to decrease interest in new investment projects in the U.K., especially in the food and beverage sector.
- **VIETNAM.** This market continues to have strong retail sales and has benefited from factories relocating from China. GDP growth of 6.6 percent is expected in 2019. U.S. franchises are highly desired in this market. ■

William Edwards is CEO of Edwards Global Services (EGS). From initial global market research and country prioritization, to developing new international markets and providing operational support around the world, EGS offers a complete international operations and development solution for franchisors based on experience, knowledge, a team on the ground in over 40 countries, and trademarked processes based on decades of problem-solving. Contact him at bedwards@edwardsglobal.com or 949-224-3896.

The 2019 EGS GlobalVue Country Ranking for Selected Countries

COUNTRIES	Projected 2019 GDP Growth	Market Size (Customers)	Trademark Protection for Brands	Ease of International Brand Entry	Average Country Ranking
Philippines	1	2	2	1	4.0
USA	2	1	2	1	1.5
Chile	2	3	1	1	1.8
China	1	1	2	3	1.8
India	1	1	2	3	1.8
Indonesia	1	1	3	2	1.8
Mexico	3	1	2	1	1.8
Vietnam	1	2	2	2	1.8
Spain	3	1	2	1	1.8
Japan	3	1	2	2	2.0
Peru	1	3	2	2	2.0
Thailand	2	2	2	2	2.0
United Kingdom	3	1	2	2	2.0
Argentina	3	2	2	2	2.3
Australia	2	2	2	3	2.3
Brazil	3	1	2	3	2.3
Canada	3	2	2	2	2.3
Poland	2	2	3	2	2.3
South Africa	3	2	2	2	2.3
Italy	3	2	2	3	2.5
Saudi Arabia	3	2	2	3	2.5
Singapore	2	4	1	3	2.5
United Arab Emirates	2	2	3	3	2.5

Country Ranking: '1' is best and '4' is worst

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Entrepreneur

The Sad Truth

Franchisors continue to miss goals

WRITTEN BY
Art Coley

Year after year, 80 percent of franchise companies do not hit their recruitment goals. What's going on?

How many white papers, studies, reports, and surveys must franchise executives read to realize and accept there is a problem? How many will it take to convince leaders to stop looking for a quick fix as the answer to their recruitment prayers? The answer seems to be there will never be enough. Why do I say this? Consider these industry statistics:

Is it any surprise 80 percent of brands are *not* meeting recruitment goals? Or that 71 percent have under 100 units after 10 years of franchising? Year after year we see similar outcomes from the data. And while there are always some individual brand success stories, the picture for the industry improves very slowly, if at all. In some areas it's getting worse.

What are the issues? In speaking with executives and recruitment teams weekly, here is what I often hear:

"We need more leads."

"We need a better CRM."

"Our franchisees aren't validating."

"We need better marketing materials."

"We need a better team."

"We need a bigger budget."

"We're trying (insert silver bullet) for a quarter and see how it goes."

The problem is franchise companies mistakenly think these are their real problems, and that these issues are only symptoms. For any real change you must identify, properly diagnose, and address the root cause.

Learn from the winners

After 25 years in franchising, with a heavy focus on development, I've found some common traits of companies that are winning at recruitment.

The business model and franchisor training/support works. Best practices are crystal clear, documented, and validated. There is a meaningful Item 19 that shows strong profitable units. They can effectively demonstrate turnkey systems for HR, marketing, sales, operations, finance, and technology... no mysteries. And there is a well-documented and comprehensive onboarding and start-up program.

A true leadership team. This means executives who are growth-oriented, transparent, and "unit economics" focused. The company has a single vision with target dates and the leadership group is aligned to win. Resources match the targets and initiatives. And the team understands there will be challenges and struggles and has the trust and character to persevere through tough times.

One defined and documented recruitment system. No jumping from one format, model, or recruitment program to the next. No "trying silver bullet for a quarter to see if it works." Year after year, recruitment delivers results. It's a business within the business and executes on this defined system for lead generation, turning suspects into candidates, and winning the top candidates as new franchisees so successful new units are opened to make the future vision a reality.

The sad truth is that the same story surfaces year after year and the outcome is that 80 percent of franchise companies are not winning with recruitment—which often leads to frustration and even doubt about the overall business model. Even brands with excellent business models struggle to get the recruitment piece right. However, there is good news. Getting it right doesn't require luck or knowing a secret. But getting it right is not simple either. It's complex and complicated. Implementing an effective recruitment system is not an easy undertaking. It's not for the fainthearted. But the journey will be worth the trip. You can do it.

Let's go to work! ■

Art Coley leads CGI Franchise, which has been helping franchise companies implement and execute repeatable and sustainable recruitment systems for over two decades through the firm's Recruitment Operating System. Based in Temple, Texas, he works with brands worldwide. Contact him at 254-239-5411 or acoley@cgifranchise.com.

RECRUITMENT STATISTICS CGIFRANCHISE.COM

64%

of brands in the FLDC mystery shop did not return the prospect call

35%

do not track cost per lead

53%

do not track total cost per sale

300+

organic leads are required to get one signing

38%

give no financial qualifications on the recruitment website

50%

have no visual graphic or wording outlining their discovery process



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