FRANCHISE Update

Business Intelligence for Growing Franchisors

Q3 | 2019

SHERRY BAKER, *President, Marketing & Product Development, European Wax Center*

2019 INNOVATION AWARD WINNERS

FRANCHISE FINANCE
Help your franchisees get funded faster! pg. 45

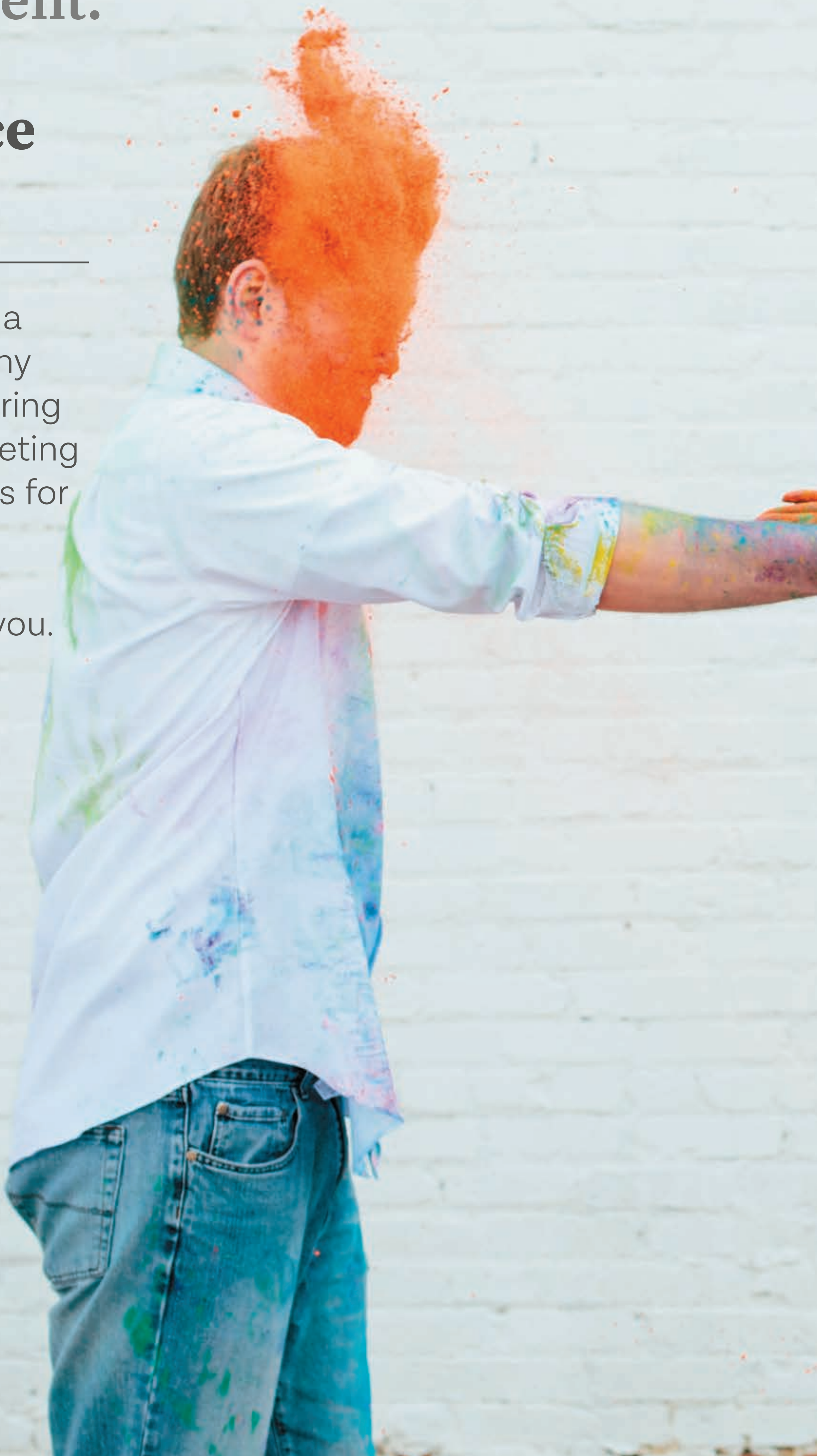
SITE SELECTION
Real estate pros on what's working in 2019 pg. 52

2019 FMLC
Franchise Marketing Leadership Conference Wrap Story pg. 22

We’re different. **Let us re-introduce ourselves.**

We’ve always been a technology company dedicated to delivering sophisticated marketing and media solutions for brands.

Now we can show you.




silvercrest
technology • marketing • media
www.silvercrest.agency
Read about our
brand solutions in the
Franchise Development
Guide, pg. 42-43

CONTENTS

Franchise Update | Q3, 2019

CHAIRMAN
Gary Gardner

CEO
Therese Thilgen

EXECUTIVE VP OPERATIONS
Sue Logan

SVP, CHIEF CONTENT OFFICER
Diane Phibbs

VP BUSINESS DEVELOPMENT
Barbara Yelmene

BUSINESS DEVELOPMENT EXECUTIVES
Krystal Acre, Jeff Katis, Judy Reichman

EXECUTIVE EDITOR
Kerry Pipes

MANAGING EDITOR
Eddy Goldberg

CREATIVE DIRECTOR
Cindy Cruz

DIRECTOR OF TECHNOLOGY
Benjamin Foley

WEB DEVELOPER
Don Rush

WEB PRODUCTION ASSISTANTS
Esther Foley, Juliana Foley

DIRECTOR OF EVENT OPERATIONS
Christa Pulling

SENIOR MANAGER, EVENTS & PRODUCTION
Katy Coutts

SENIOR SUPPORT MANAGER
Sharon Wilkinson

PROJECT MANAGER, CLIENT ENGAGEMENT
Joanne Peralta

SENIOR SUPPORT COORDINATOR FRANCHISEE LIAISON
Leticia Pascal

VIDEO PRODUCTION MANAGER
Greg DelBene

SPEAKER LIAISON
Chelsea Weitzman

CONTRIBUTING EDITORS
Kay Ainsley, Andrea Brandon, Art Coley, John DiJulius, William Edwards, Evan Hackel, Jason Ingermanson, Carl Jenkins, Darrell Johnson, Edith Wiseman

CONTRIBUTING WRITERS
Helen Bond, Sara Wykes

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

SEND ARTICLE INQUIRIES TO:
editorial@franchiseupdate.com

MULTI-UNIT FRANCHISEE MAGAZINE IS PUBLISHED FOUR TIMES ANNUALLY
Annual Subscription rate is $39.95 (U.S.)

SUBSCRIPTIONS
subscriptions@franchising.com
408-402-5681

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

EDITOR'S NOTE

Finance & Real Estate

This issue is organized around finance and real estate—two of the most important factors in franchising success. Without the capital to expand, and without affordable, high-traffic locations, franchise units are destined to underperform... or worse. That's not what franchisors want, and it's certainly not what franchisees want!

Though capital has been widely available during the past decade—whether for those just starting out in franchising or for expansion through acquisitions and new unit buildouts—franchisees need access to funding resources. Brands that offer their franchisees financing options are on the right track, and arguably at a competitive advantage. This strategy not only supports franchisees, it accelerates new location openings and the royalties that follow.

In our feature story on franchise finance, Eddy Goldberg asked nearly a dozen franchisors what they're doing to help franchisees find the capital they need, from funding their first franchised unit to remodeling and acquisitions. He also asked BBVA's director of food franchise finance what lenders are looking for—and what franchisors can do to make it easier and quicker for franchisees to obtain the capital they need to succeed.

With the money in place, it's time to turn to real estate and site selection—a multi-factorial challenge that involves everything from demographics and psychographics to lease negotiations and construction—and plenty more. As Sara Wykes notes in her feature, finding the right site may not be rocket science, but it does require careful thought, analysis, and teamwork. And, of course, sector matters: finding the optimal location at the right price is harder for a QSR operator than for a mobile, service-based brand that just needs a place to park its trucks and equipment. Then there's the question of how to work with brokers, who can offer invaluable local knowledge, expertise, and connections—for a price.

Technology, of course, plays a growing role. Traditional mapping programs, population data, and trend analysis can be augmented by artificial intelligence (AI), which is still in the early stages of utility for business purposes. One real estate veteran cautioned against over-reliance on technology, warning that too much data can lead to analysis paralysis. Instead, he said, make it part of your toolkit.

Regardless, big data and AI are here to stay—and will help franchise funding and site selection become more efficient, faster, and incorporate more key variables. On the financing side, see our Q1 issue of Multi-Unit Franchisee magazine, where we covered how ApplePie Capital and Boefly are using technology to facilitate—and shorten—the lending process. So fasten your safety belts, it's going to be a long and exciting ride!

ARTFUL ADVOCATE

Young Rembrandts preps for global expansion

Written By
KERRY PIPES

Bette Fetter, 65

CEO, Founder

Company: Young Rembrandts

Units: 93

Years in franchising: 18

Years in current position: 31

Bette Fetter was sitting at a kitchen table in 1988, teaching her children and their friends how to draw when a light bulb came on. Before long she had applied her fine arts education and background in childhood development with her blossoming passion to teach drawing, and created Young Rembrandts. The concept offers original methods of teaching kids how to draw through a weekly step-by-step process that exposes students to a wide variety of subject matter, artistic concepts, art history, and materials.

Fetter began franchising her concept in 2001 in schools, community centers, and park districts across the country. Today, Young Rembrandts teaches 40,000 students between the ages of 3½ and 12 each week across 31 states and four Canadian provinces, giving children everywhere a creative outlet for their developing minds.

As founder and CEO, Fetter says she's responsible for setting the tone of how the brand operates and grows, as well as its culture. "A CEO establishes the culture and continues to convey that with franchisees, staff, and customers," she says.

From there, she says, her job is to tell the world why art matters so much. "So much so that they go looking for my franchisees, and potentially investigate becoming franchisees themselves. We're on this journey together to improve education, boost kids' confidence and learning skills, and help children blossom."

Fetter recognizes that she needs a staff who can develop the tools and support franchisees need to be successful and who share her values. "Integrity, community, communication, respect. These are the values I cherish on a personal level, and they're what I value on a professional level as well," she says.

Young Rembrandts continues to roll along under Fetter's leadership. "We are going to be opening between four and five international programs and will have a steady number of franchisees opening in the United States and Canada," she says of the near future. "We also have some additional programs we're working on and rolling out."

Of course, the fundamental goal always remains that more and more kids will be exposed to art and become passionate about drawing because of their involvement in Young Rembrandts.

LEADERSHIP

What is your role as CEO? To create the vision and road map for the direction of the company. I have built a very strong team of leaders who will put that vision into action and execute. I'm also responsible for setting the tone of how we operate, in terms of ethics, values, and our culture. A CEO establishes the culture and continues to convey that with franchisees, staff, and customers on a local level. On the franchise level, I work to demonstrate the vision of the organization and to represent the public face of the brand so the franchisees know they are part of something truly special. My job is to tell the world why art matters so much so that they go looking for my franchisees and potentially investigate becoming franchisees themselves. I want more people to be involved in my mission. We're on this journey together to improve education, boost kids' confidence and learning skills, and help children blossom. I take it very personally to recruit people into this journey, whether they are parents looking to help their child or an entrepreneur looking for a business.

Describe your leadership style. I'm very hands-on when someone is first starting in a position because I want to make sure they really, truly understand the mission and values and the way we communicate. Once I'm confident that they really get it, then I give them a lot of rope. At that point I'm still checking on them, but also giving them the space to really settle into their role and be more independent.

What has inspired your leadership style? Above all, my personal ethics and values drive my leadership style in the office day to day. Integrity, community, communication, respect—these are the values I cherish on a personal level, and they're what I value on a professional level as well. People who know me personally have said the way I am in private carries over into business; that I show the same communication, respect, and ethics, which is important to me.

My employees have the same passion and can be just as emotional when they hear a great story from the classroom as I am. Our culture is entrepreneurial, socially aware, and passionate about art education. We have a good library of digital training tools for our franchisees to use when training their staff.

What is your biggest leadership challenge? Learning how best to adapt the support and resources to meet each individual franchisee's needs. In a franchise system, there are a lot of personalities, abilities, and backgrounds. There are times when you need to flex and look at what can be adapted, but there also are times you need to hold true to what you know works and is best for the business. As CEO, my role is to put a staff in place to develop the tools and support franchisees need to be successful. That's my job: to make sure the right people are there to provide the right tools so the franchisees have what they need.

How do you transmit your culture from your office to front-line employees? First, I hire people who have a similar sense of culture and ethics. And then, in working closely with each other, we develop a sense of how we communicate with franchisees. For me, that means hiring people who have a similar passion for the arts, for education, and for working together. I find that people who want to build up and educate kids are also the same people who want to build up and educate franchisees. It's not just a job. I look for people who have that kind of understanding. We pride ourselves on being mission-centered and passionate as an organization. My employees have the same passion and can be just as emotional when they hear a great story from the classroom as I am. Our culture is entrepreneurial, socially aware, and passionate about art education. We have a good library of digital training tools for our franchisees to use when training their staff. I take it very seriously, personally review every piece, and often participate in a lot of the videos. I want our front-line staff to know I care and that I have been there.

Where is the best place to prepare for leadership: an MBA school or OTJ? Frankly, my management degree didn't do anything for me in terms of leadership. It's on-the-job learning that can be the most important part, but you must also look for other resources.

Leadership is about casting the vision, and then selling the vision. Management is more about guiding someone closely until you know they really get the product and know what they're doing. Effective management is about the balance between knowing when someone needs more oversight and when they need to be given freer reign. Often that comes down to understanding where someone is as an employee, based on their experience.

I've worked with different consultants and coaches over the years and went to classes and workshops more focused on personal development. For me, leadership has meant growing as a person to overcome fears and limitations because personal growth leads to professional growth, and that happens over many years both inside and outside of a classroom.

Are tough decisions best taken by one person? How do you make tough decisions? Ultimately, as the CEO you are the one who has to make the tough decisions. For me, I look for input from my key staff and always consider their experience and their feedback on the situation. But in the end I have to make the call.

Do you want to be liked or respected? Respected.

Advice to CEO wannabes: I never really wanted to be a CEO myself. I think there are certain personalities that do well as a CEO—people who tend to be more administrative and leadership-oriented, which I am. If you want to be a CEO, you need to roll up your sleeves and get in there and work with people. You don't just sit in your office and make decisions, you need to know how the business works from the ground up. To be an effective CEO, you need to know the people, the jobs, the challenges, and you need to live it. Then you're able to bring your own insights to the job and build a culture around that. There needs to be a strong element of emotional intelligence in your approach to business, and in the people you bring into your company to serve under you.

MANAGEMENT

Describe your management style: Leadership is about casting the vision, and then selling the vision. Management is more about guiding someone closely until you know they really get the product and know what they're doing. Effective management is about the balance between knowing when someone needs more oversight and when they need to be given freer reign. Often that comes down to understanding where someone is as an employee, based on their experience.

What do you think makes up a good management team? Emotional intelligence; people who work well together but who also are able to really see and work toward the needs of the group while giving attention to individuals.

How does your management team help you lead? My management team is very communicative with our franchisees. As a result of our high level of communication and interactions with franchisees, we have very high franchisee satisfaction. Our franchisees know they're heard. My leadership team is extremely involved with franchisees and are advocates for the brand. One of our core values is "communication with understanding." So it's not just that they shoot out an email. My team does all they can to be sure franchisees understand what's going on, that they have the tools and support they need. They balance the company's goals and mission well with the needs of the franchisees. In addition to being very communicative with the franchisees, my management team is very communicative with me and with each other through regularly scheduled meetings.

Favorite management gurus: Do you read management books? None at the moment, but I did used to follow the Michael Hyatt group. I used to read more professional books, but the further I get in my career as CEO the more I depend on my own lived experience and expertise as a manager and that of my team, rather than any "gurus." Now I read more personal development books than management or leadership books. I feel personal development helps me grow my management style more than anything else. I also find a lot of helpful information in faith-based books such as the *The Culture of Honor*.

What makes you say, "Yes, now that's why I do what I do!"? For me, it's stories from the classroom. When I hear or read a parent testimonial, or I hear about what a teacher shared about a classroom, or a franchisee talks about their teachers or students, I think, "Yes, that's why we do this."

PERSONAL

What time do you like to be at your desk? By about 9 a.m. I spend about two hours before that reading, being prayerful and reflective, maybe even spending some time at the drawing board.

Exercise in the morning? Wine with lunch? I take walks and exercise in the afternoon. I eat lunch at my desk, so generally no wine.

Do you socialize with your team after work/outside the office? Sometimes. I'm lucky enough to work with two of my adult children, so I definitely socialize with my son and

daughter and their families outside of work. We socialize a lot at the office, celebrating birthdays, bringing in treats and baked goods. There are always fun activities like chili or taco cook-offs and other ways to make work fun and let us connect on a personal level at work.

Last two books read: *Big Magic* by Elizabeth Gilbert and *The Aviator's Wife* by Melanie Benjamin.

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

How do you relax/balance life and work? Art, yoga, prayer, meditation, and a strong and grounding relationship with my family.

Favorite vacation destinations: Somewhere with a beach.

Favorite occasions to send employees notes: I do holiday and year-end notes, but I also like to find random times to send notes and tell them they're great.

BOTTOM LINE

What are your long-term goals for the company? We're going to be a global franchise, with a presence in all major international markets. In North America, I want us to expand into all 50 states and Canadian provinces. Right now, we're teaching 40,000 kids a week, but I want to reach 500,000 kids a week, or even a million. The more kids we can reach, the better. Our mission statement is to raise generations who value art. I want to change people's mindsets about the arts, drawing, and creativity. I want to help make it an integral part of children's lives every day. And with Young Rembrandts expanding, kids everywhere will have access and can be participating.

How has the economy changed your goals for your company? I don't know that it has in the long term. During the recession, we didn't experience a very significant drop in sales. We saw that people were more willing to skip eating out and cut back in other areas rather than drop their kid's enrichment opportunities. And now, with a strong, healthy economy, it just means more people can sign their kids up for more enrichment activities.

Are there any trends in the industry you foresee having an impact on your brand? The children's enrichment industry has grown tremendously. It hardly existed when we started. The growth of children's enrichment opportunities is good because people come looking for you now, but it is more competitive for children's time. And overall, the increased offerings and "competition" are great for kids and their educational opportunities. As far as franchising, there's been more of a move toward flexible schedules, working from home, and being more in control of your life and circumstances in corporate life. And that trend is great for us, because our franchise model lends itself to that work-life balance. A lot of people want that now, and that's how Young Rembrandts has always been.

How do *you* measure success? I measure success with my heart and with numbers. You must have both. First, I consider our mission. Are the kids and teachers doing well? Are my franchisees happy and enjoying their work? Are they prospering and feeling effective? Then as a business, I look at numbers to confirm that success is reflected in our growth and profitability.

What has been your greatest success? The longevity and strength of Young Rembrandts. After 30-plus years, it feels like we're just getting started. I feel like we're on the cusp of accomplishing so much more. Also, two of my adult children have careers with Young Rembrandts. That's so exciting to me. They are both remarkable and it means Young Rembrandts gets to stay a family business and live on in this next generation.

Any regrets? Regrets are always part of the growing process, but I like to deal with regrets as they happen. Forgive and move on. It's so much better to focus on the good.

What can we expect from your company in the next 12 to 18 months? We are going to be opening between four and five international programs and will have a steady number of franchisees opening in the United States and Canada. We also have some additional programs we're working on and rolling out. Finally, as always, more and more kids will be exposed to art and become passionate about drawing through our program. ■

HEART & HOME

For Shirin Behzadi, caring is at the core

Written By **KERRY PIPES**

Earlier this year, Home Franchise Concepts (HFC) acquired AdvantaClean. The move provided the 26-year-old company with a fourth, complementary concept for its Budget Blinds, Tailored Living, and Concrete Craft brands. At the time, HFC CEO Shirin Behzadi said, "AdvantaClean is a perfect fit with the HFC family and spreads our mission of being a whole-home solution provider with a growing suite of best-in-class home products and services."

Behzadi leads a company with more than 1,700 franchise territories operating in 11,000 cities throughout North America. Under her direction, HFC has grown into one of the country's largest franchisors, with more than $740 million in sales in 2018. As CEO since 2015, she leads an executive team and a flourishing company by leveraging her financial, operational, and franchising experience, while also drawing on her passion for giving back and helping franchisees realize their financial and personal dreams.

Shirin Behzadi CEO, 53

Company: Home Franchise Concepts

Units/brands: 1,700 Budget Blinds, Tailored Living, Concrete Craft, AdvantaClean

Years in franchising: 20

Years in current position: 3.5

Behzadi began her career with Budget Blinds in 1999, serving as CFO and becoming one of its principals. As Budget Blinds grew, the company established HFC as its parent and began adding subsidiary home improvement franchise businesses including Tailored Living and Concrete Craft.

Caring is a big part of everything Behzadi does. "I truly care about HFC's different publics: employees, franchisees, customers, and partners," she says. This approach is at the core of her life. The company's Heart & Home initiative is a prime example of how the company gives back to its communities, contributing to organizations such as Wounded Warriors Canada and Second Harvest Food Bank.

Leading a large franchise company also gives Behzadi the opportunity to help people "own their own lives" as franchisees or employees of franchisees. It also gives her the opportunity to demonstrate a caring philosophy within a business model that is also successful. "When I see proof of all of this coming together, I'm reminded why I do what I do," she says.

Behzadi says the company is focused on growing Budget Blinds, Tailored Living, Concrete Craft, AdvantaClean, and any other brands it may develop or acquire. Her goal is to become the go-to source for all home improvement needs. And she also knows that helping franchisees be as successful as they want to be is another important function that remains a top priority.

Of course, she says, along the way there will be "lots of caring and give-back work by employees and franchisees who are making a difference in their communities and in the world."

LEADERSHIP

What is your role as CEO? I consider myself to be a conductor. My job is to identify what people are good at and help them grow their talents, while providing the environment that allows everyone to work and perform in concert with others. If I can help each person nurture their talents while creating harmony across the organization, I've done my job well. While being the CEO of a large franchisor involves seemingly unlimited job responsibilities, the common thread is nurturing people.

Describe your leadership style. I'm collaborative, respectful of others, and a listener who wants to hear other opinions. In my position, I have to make decisions and do so after studying the situation and hearing different options and viewpoints. I own mistakes and learn from them. I truly care about HFC's different publics—employees, franchisees, customers, and partners—as well as our local community. I try to do my best to do good in the world and to lead our company and franchisees to do the same. I've been able to channel this through our Heart & Home initiative, which gives back to those in need in our community and encourages our franchisees to do the same. This philosophy starts with our ongoing commitment to helping people from all walks of life realize the dream of owning their own business and controlling their own life. But it transcends the business world by allowing us to give back in our communities and to organizations like Home for Our Troops, Wounded Warriors Canada, and Working Wardrobes, among others.

What has inspired your leadership style? Truly caring for all those who come in contact with Home Franchise Concepts, especially our employees. After being on the receiving end of some very challenging leadership styles and personalities in the past, I'm even more passionate about adopting a positive approach and showing people that you can be a good CEO and a caring, nurturing leader at the same time.

What is your biggest leadership challenge? It's hard for me at times to acknowledge weaknesses in people on my team and accept the simple fact that some people just won't be a right fit. I have a hard time moving people out. However, I've learned that letting them go in a timely and respectful manner is better for everyone in the long run, especially them.

How do you transmit your culture from your office to front-line employees?

We continually invest in the process of defining and communicating our core values to everyone on our teams. We make it a point to evaluate all major decisions and initiatives against those core values so that employees see them being practiced in action. And then we repeat the process again and again, ensuring it becomes a major part of the culture.

Where is the best place to prepare for leadership: an MBA school or OTJ? Knowledge is important regardless of how you acquire it, and it's essential to stay on top of trends, especially in this field. But, if given the choice, I value on-the-job and in-the-field experience as well a person's desire to continue learning the industry.

Are tough decisions best taken by one person? How do you make tough decisions? Someone needs to ultimately own decision-making. I study, listen, and solicit various points of view and then make a decision without letting too much time go by. I've found that the delay is often worse than the consequences of the decision itself.

Do you want to be liked or respected? I think a person who treats others well, with respect, and makes it obvious they care can be both liked and respected—especially when employees and partners experience firsthand the core values of trust, transparency, collaboration, and caring.

Advice to CEO wannabes? You can be a CEO. Visualize it, own it, make a plan, and do the hard work to get there.

MANAGEMENT

Describe your management style: I'm collaborative and caring and try to model the same style to those on my team and our business owners. It is from this collaborative place that I seek others' opinions, whenever possible, to stay informed to be able to be decisive. Having the information necessary to make smart decisions is one of the hallmarks of a successful CEO.

What do you think makes up a good management team? I'm looking for those who are competent, good managers, and proven team players. Beyond that, I need people who are a good cultural fit and who subscribe to our core values, especially caring about our employees, franchisees, and local community. They need to be wholly committed to our mission to empower business owners to be as successful as they want to be.

How does your management team help you lead? They're equally collaborative, smart, nice, honest, caring, and just good people. I trust them to problem-solve and help guide our franchise owners to be as successful as they want to be.

Favorite management gurus: Do you read management books? While some folks find inspiration from their favorite gurus or management books, which are both great, I personally find inspiration learning from business and management leaders who are making a direct, real-time impact in their industry. Seeing these people affect their company's growth and make positive change in the community, as well as in the world, is quite inspiring.

What makes you say, "Yes, now that's why I do what I do!"? I care… and want to bring people a chance to own their own lives, either as employees or as business owners. I want to spread the message of caring, especially to our communities and to the world. I want people to know good companies and good people can be successful—and ultimately more successful than other companies. When I see proof of all of this coming together, which is more and more lately, it's then I'm reminded of why I do what I do.

PERSONAL

What time do you like to be at your desk? 9 to 9:30 a.m.

Exercise in the morning? Wine with lunch? Yes on the exercise. I work out at 6 or 7 a.m. depending on the day. No on the wine. I can't drink it. I prefer tequila, but not usually at lunch!

Do you socialize with your team after work/outside the office? Sometimes, but the best social times come after we accomplish something as a team or volunteer together in the community as part our Heart & Home initiative.

Last two books read: *The Art of Joyful Living* by Swami Rama and *Perfect Health Diet* by Paul Jaminet and Shou-Ching Jaminet.

What technology do you take on the road? My phone.

How do you relax/balance life and work? I work out, meditate, watch lots of documentaries, socialize, travel, attend lots of seminars, enjoy my husband, spend time with my children, and stay focused on those I love.

Favorite vacation destination: Bora Bora.

Favorite occasions to send employees notes: Birthdays or just an impromptu thank-you, especially when I see someone on my team go above and beyond. We have a lot of good folks contributing behind the scenes who I appreciate and want to acknowledge.

BOTTOM LINE

What are your long-term goals for the company? On the consumer front, to grow Budget Blinds, Tailored Living, Concrete Craft, AdvantaClean, and any other brands we develop or acquire to become the "go-to" brands for all home improvement needs. For franchisees, to help even more business owners be as successful as they want to be.

How has the economy changed your goals for your company? More people are seeking high-quality, do-it-for-me solutions with the proven system, expertise, training, and support we offer. It's a perfect tailwind for us.

How do *you* measure success? Bringing success to our franchisees by allowing them to be as successful as they want to be; growing our footprint of brands and franchise territories; and making customers' homes into their dreams—all while spreading the idea of good and giving back that becomes contagious to everyone in the HFC universe.

What has been your greatest success? My family and the close relationships in my life.

Any regrets? Not owning my place, speaking up, and taking credit for the value I bring earlier in my career.

What can we expect from your company in the next 12 to 18 months? Continued growth of our current brands, the development and acquisition of new home improvement goods and services, and lots more caring and give-back work by employees and franchisees who are making a difference in their communities and in the world. ■

Franchise Recruiting Made Easy

Deliver These Gifts to Your Franchisees to Grow Their Business

BrandWide Also Includes...

- Franchise sales
- Training & on-boarding
- Brand & local marketing
- Franchise management & helpdesk
- Referral & loyalty management
- Dashboards & analytics

Meet us at Booth #27 at the Franchise Leadership & Dev Conference or visit us online at MeetBrandWide.com

6431 W Sahara Ave, Suite 250, Las Vegas, NV 89146 . 510-413-9000 . sales@meetbrandwide.com

A Culture of Caring

Dream Vacations "Cares More" at every level

Written By
DEBBIE FIORINO

In 2017, I read a blog post by marketing guru Seth Godin about how to gain an unfair advantage over the competition: by caring more. He said, "It's easy to promise and difficult to do. But if you did it, it would work. More than any other skill or attitude, this is what keeps me (and people like me) coming back." His message really resonated with me, and when I presented it to my team they more than adopted it—they made it our culture.

We believed that to truly have meaning and to differentiate ourselves from every other company that says "they care," we needed to adapt it and make it not about us, but about our most important stakeholder: our customers, whom we define as our travel agent franchise owners and their clients. Dream Vacations is a low-cost, home-based travel agency franchise. We like to say that our franchise owners create dream vacations, while we make business dreams become reality.

Whether you are a travel agent, a supplier (cruise lines, resorts, and more), or even staff, when you walk into our office you feel like the most important person in the world. And it's not only because the words "We Care More About You" are painted at every entrance. It's because this culture shift is part of our work ethic and ingrained at every level. We have built our organization around Caring More. This belief shines through every aspect of our business operations and trickles down from our leadership team to our support staff to our franchise owners. Our goal is to have a customer-centric focus while fulfilling our mission statement to "Deliver A Remarkable Experience."

We refocused our employee mindset to be wholly customer-centric, creating a cultural shift using "We Care More About You" as the real impetus behind all of our actions. While we always cared more about our customers, we never explicitly expressed it and made it part of our identity, a differentiator from the competition, and key factor in decision-making. Everything stems from Caring More about our customers.

People want to do business with those they trust, and our customer-first mentality is apparent in the honesty and passion we exude at all levels of our business. I see it every day in how my team interacts with our franchisees and prospects, as well as in the patience and professionalism of our franchisees with their clients.

Our leadership team Cares More about our staff—their well-being, happiness, and education. We have an open-door policy, always welcoming feedback from employees and educating them about our business, whether it's industry news or financial updates on how we are performing against our annual goals.

Our staff Cares More about our Dream Vacations franchise owners. They are our customers and their success is our only business. It is important they have a voice and that we listen to their wants and needs. Through committees, we involve them in the development of new technology tools, as well as capture their feedback on marketing initiatives and training opportunities. Our franchisee satisfaction results are off the charts because our franchise owners are not only experiencing financial success, they feel valued.

Our franchisees Care More about their clients and are committed to providing the best vacation experience during all stages of the process. And the way to do so is by listening. They understand we are in a relationship business and our value is the service we provide. Another way our franchisees show they care about their clients is by offering rewards to those who obtain referrals and book their next cruise while currently sailing. What makes us most excited about this cultural shift is hearing from our travel agents how we are helping their business grow by making them vacation heroes to their clients.

As an organization, we Care More about the community. We support our signature charity, Make-A-Wish, at fundraisers throughout the year with our franchisees and donate more than $100,000 each year. On top of that, our headquarters team comes together several times throughout the year and makes a difference in the lives of others, from feeding the homeless at Thanksgiving to building homes with Habitat for Humanity and more. Our South Florida community was rocked to its core the last 2 years with hurricanes and the tragedy at Marjory Stoneman Douglas High School. During our darkest hours, I was comforted when franchisees from all over the country reached out to check in on our team. I am most proud of how we all come together in times of need and act as a family that cares.

Our franchise not only has won many travel industry and franchise awards for our innovations and experienced record-breaking sales these past 2 years since adopting our new culture, we have also seen year-over-year growth. We are selling an unprecedented number of travel franchises because we focus heavily on transparency and relationship-building to determine if joining our franchise is really the best fit for a prospect. As a result, we have one of the highest retention rates in the industry at more than 90 percent. Because we want all of our franchisees to succeed, we do more than sell franchises, we keep the prospect's best interests in mind by Caring More about them.

I can promise you that trust and Caring More are true drivers of company performance. ■

Debbie Fiorino is senior vice president of Dream Vacations.

First Impressions Last

Involve franchisees early in remodel requirements

Written By
KAY AINSLEY

"You never get a second chance to make a good first impression" has been proven true time and again. When a new business opens, it is at its bright and shiny best, making a good first impression on everyone. Over time, however, the bright dulls, the shiny wears off, and the look becomes worn and tired. At that point, the first impression for a new customer may be less than "good," and even loyal customers may begin to notice that competitors present a much more inviting image.

Until recently, franchise agreements have generally given the franchisor the right to require franchisees to update their business once during a 10-year contract, and again before obtaining an additional term. However, once is not always enough. Although often overlooked, the requirement to renovate or update a facility should reflect the brand standards and operating requirements of each individual business.

In designing a franchise program and determining the requirements to update a facility, we begin by looking carefully at the existing business. Who are the customers, and how does the look and feel of the facility create or reinforce their trust in the brand?

Kim Collier, director of franchise development and operations at Ducklings Early Learning Center, says, "We care for children from 6 months to 6 years, so a clean and colorful environment is important to enhance the experience of the children and also provides peace of mind to parents. Therefore, we've specifically identified some items such as painting as maintenance rather than refurbishment to keep the look fresh and clean." She also noted the importance of the outside appearance. "Our centers have outdoor playgrounds, and we require that those areas be well maintained and updated. Every center needs to reinforce our brand promise inside and outside."

Analysis of the current and anticipated future competitive landscape can also result in the need for franchisors to require franchisees to update more frequently. "Fitness is a highly competitive industry and it is therefore critical to our success that we provide the best workout experience to every client," says Matt Miller, co-founder of Sweat440. "In providing a rigorous and results-oriented workout to our clientele, our facilities also get a workout."

Clients also expect up-to-date equipment in good working order, he says. "In developing our franchise program we looked at our current operations and decided to include the right to have our franchisees update their facilities twice during the 10-year term. We believe this will provide our franchisees with a long-term competitive advantage."

Franchisees understand the competitive need to update, but their projected ROI is an important consideration. Dan Rakestraw, president of acquisitions and partnerships for SMS Holdings, a Wendy's franchisee with 81 units, explains.

"We looked at buying a restaurant franchise as a means of diversification. Purchasing existing restaurants presented a great opportunity, but we knew that to be competitive we needed to update to the new Wendy's design. In the 2 years we've had the franchise, we've updated 16 restaurants, built 3 additional units, and plan to update another 10 in the next year. The results have been very positive. Our customer counts are up and so is our revenue."

5 TIPS TO MANAGE CHANGE

To successfully enact change and maintain strong relationships with their franchisees, franchisors that have been through implementing a change in their system understand it often requires more than the contractual right (although contractual rights can be critical). Facility updates and new designs will be implemented more smoothly and efficiently if franchisors follow some simple guidelines.

- Begin planning early and involve franchisees as early as possible. If you have a franchise advisory council (FAC), they can assist in providing competitive intelligence, identifying the need for specific changes, providing input for the new design based on their operating experience, and can be a big help in gaining support for the change from their fellow franchisees. If you don't have a formal advisory council, you may want to invite a select group of franchisees to serve on a task force.
- Do your homework. If necessary, invest in professional assistance to gather and analyze market and industry trends, consumer preferences, and competitive information. Prepare a strong and authoritative business case for the change. The FAC can not only provide input, but also serve as a sounding board for how information is communicated to franchisees.
- Run the numbers from the franchisee's point of view to be comfortable that the franchisees will have the potential to realize a return on their renovation investment. Research alternatives in design, equipment, and decor items to select those that provide the greatest value. Spend a little more on an item if it results in greater productivity, longer life, or requires less maintenance, and spend a little less on items that can be easily replaced.
- Lead the way by updating corporate facilities. Once you've demonstrated the success of an updated facility it will be easier to convince franchisees of the need to follow. To speed the process of bringing the entire network up to date, consider offering an incentive to franchisees who are the first to renovate, or who complete their renovation by a certain date.
- Communicate, communicate, communicate with your FAC and your franchisees. Tout the good and get out in front of the rumor mill to discuss the bad.

Finally, when it comes to facility requirements, one size does not fit all. When establishing requirements for franchisees to update and maintain their locations, look at your brand, your clientele, and competitive factors. Then, when the time comes to implement change, create a strategy to ensure maximum acceptance by franchisees. ■

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


Better marketing
Better insights
Better collaboration

How To Keep Your GMs

Turn them into operating partners!

Written By
JASON INGERMANSON

While Q2 2019 is off to a great start, turnover continues to be a major obstacle for franchisees looking to fill their development schedules. Turnover is costly and extremely expensive and damaging to customers, while demoralizing to your teams. Another obstacle is that as the number of restaurants and new concepts continues to grow, so does competition for the best employees.

CHALLENGE #1: TRANSFORMING THE GM TO OPERATING PARTNER

The general manager is the head coach of your team. A great GM provides mentorship and leadership, and in some ways is just as important in certain stages of a young person's career as their parents and teachers. As a young GM, it was my objective each day to teach someone something new and educate them on accountability. They were taught how important it was to be on time, hospitable, and a great role model to the rest of the team. It was important to embrace each other, have their back, and make them more successful than yourself. A great leader creates great leaders!

What I've said is no secret. However, I believe the challenge in keeping great GMs in your organization can be difficult. We know the best place to find a great GM is from another great organization that's trained and developed them to be successful. But as noted above, with more restaurants opening this has become more difficult.

Great franchisors must focus on helping their franchisees with programs to transform their GMs into operating partners—on rolling out an operating partner program and saying goodbye to the title "general manager." In the restaurant business, this transformation is vital. As operating partners, GMs must have a voice in their business, skin in the game, and be able to provide their thoughts and ideas as partners. This will be a big key to continued success for both the franchisee group and, of course, the franchisor.

CHALLENGE #2: RETAINING HOURLY TEAM MEMBERS

Our team members are the most important pieces in our business. Most would say our customer is, and ultimately I would agree. However, our customers will only be as happy as the experience they have with our team members. If we focus on making our team members our most important business asset, this will lead to very happy customers.

The first thing we need to do after training and embracing the successes of our team members is to make sure we're doing everything we can to retain them. In our organization, we find that if we lose our in-store operator, within the first 30 days we will turn over nearly 50 percent of our staff. Team members don't want to start over with a new mentor/head coach/leader every 6 months. They want that person to be a constant in their lives.

The rest of what is needed to retain your team is harder than it seems, as many franchise leaders have found. Team members in our industry tend to be very young, and their activities and interests continue to grow. Technology plays a part in this, as information and interaction have risen to a new level in the social media age. These are some of the items we have focused on for retention.

1. Using a scheduling platform that allows interaction with the team for covering shifts, communicating scheduled shifts, and praising team members. Team members in this day and age love interacting through technology. When dealing with their schedule, many don't like asking the manager or other team members directly as their first line of communication. Technology platforms also allow franchisor and franchisee to post training videos and key restaurant information to each team member.
2. Training and educating team members for success. It is very important to have a detailed training program—and to use it. This provides education on properly preparing food for the guest, as well as critical food safety initiatives. I've found that knowledge, accountability, and empowerment are important to team members, and that it starts with training them the right way and providing them with the tools to be successful.
3. Ongoing investment in both your own and your franchisees' business in the following areas also is key:
   - Technology programs that can interact with both employees and operating partners.
   - Repair and maintenance. If you want your team members to stick around and be proud of where they work, franchisees must take care of their business. No team member will stick around if your kitchen air-conditioning unit is down all summer and you expect them to work in extreme conditions. Industry conditions are extreme enough as the norm.
   - Pay a fair wage. Give team members what they deserve. Yes, this must come with knowledge, accountability, and tenure. Spend time engaging with each team member individually month-to-month and giving smaller increases more often to keep them both engaged and feeling rewarded.
4. Along with this, consider introducing some of the following programs to your franchisees:
   - Rewards and recognition for managers and team members.
   - A morale budget to do something great for top performers.
   - Monthly or quarterly team meetings where managers cook breakfast for all the team members and/or hand out tenure rewards or hat pins.
   - Celebrate team members' birthdays, anniversaries, graduations, etc.

If franchisors focus on eliminating GM turnover by requiring every franchisee to have an operating partner for each restaurant, the franchise is well on its way. Franchisors that arm their franchisees with the right retention programs will continue to thrive and grow! ■

Jason Ingermanson is president and CEO of JRI Management. Contact him at 785-404-2210 or jingermanson@jrimanagement.net.

Everything Multi-Unit Developers Need at Their Fingertips...

SYNUMA™

Synuma is clearly the right partner:

- **The Complete Project Management Solution** that allows seamless tracking through the entire development process
- **Experienced Franchise and Development Support** from a leadership team that has walked in your shoes and faced your challenges
- **Software Flexibility** that adapts to your needs and doesn't assume "one size fits all"
- **True Cross-Departmental Networking, Communication and Reporting** that automatically notifies and alerts your team of current status and changes
- **Client Partnership & Collaboration** that delivers the tools you need to track sales, manage development and fine-tune operations to support your growth and success

Sales

Development

Operations

NEW NAME, NEW CONTENT

Franchise Marketing Leadership Conference adds 3 new twists

Written By
EDDY GOLDBERG & KERRY PIPES

Wendy Odell Magus, Terri Snyder, Craig Ceccanti

2019 Franchise Marketing Leadership Conference

2019 Franchise Marketing Leadership Conference

"New and improved" is a well-worn marketing trope that's been used for years to create fresh buzz and boost sales. It's also how Franchise Update Media rolled out its newly reconstituted Franchise Marketing Leadership Conference (formerly the Franchise Consumer Marketing Conference) this past June in Atlanta. In this case, however, there *was* truth in advertising, with several innovations and additions to the agenda.

First was the debut of an all-morning CEO-CMO Summit. Nearly 60 franchise leaders gathered to learn how to better communicate and understand each other, and to help their marketing teams better align with the organization's long-term goals.

Second was the introduction of the Annual Franchise Marketing Report (AFMR). The new report includes aggregated benchmark data on marketing budgets, how and where brands are spending their advertising and marketing funds, and other valuable data aimed at helping franchise marketers improve their brand's performance. Each attendee received a copy of the report.

The third new twist this year was the unveiling of the inaugural Franchise Marketing Innovation Awards. Nearly 100 entrants competed for 18 awards in four categories: Marketing & Branding, Products & Services, Operations, and Human Resources. Four finalists and one overall winner from the Marketing & Branding category were announced at the conference.

One thing that didn't change this year was the focus on topical and timely educational sessions to discuss problems and solutions for today's most pressing marketing challenges, along with numerous networking opportunities. Experienced executives from all areas of franchising participated in panel discussions and led spirited roundtables throughout the 3-day event.

The event's Platinum Sponsors this year were Silvercrest and Visualogistix.

Duncan Wardle, keynote speaker

Ashley Schuetz and **Shane Evans** of Massage Heights, and **Rob White** and **Jonathan Barnett** of Oxi Fresh

Panelists **Heather Briggs, Ali Rauch, Nicole Salla**

2019 Franchise Marketing Leadership Conference

DAY 1: CMO-CEO SUMMIT AND MORE

The conference kicked off with a continental breakfast, followed by all-morning workshops covering two areas of critical importance to franchise marketers. The Franchise CEO-CMO Summit provided an intimate, high-level forum for marketing leaders to engage with CEOs and presidents from their own and other brands. Through presentations and roundtables, participants tackled challenges and shared best practices in culture, system sales, unit economics, and technologies. The aim was to improve understanding and alignment to achieve system-wide goals.

In the second all-morning workshop—Franchisee Engagement with Marketing Programs—marketing executives tackled the challenges of working with franchisees of all stripes to discuss topics such as program buy-in, the importance of franchisee ROI, and the necessity of building and leveraging franchisee advisory committees.

At noon, the doors of the Sponsor Solutions Hub opened for lunch—the first of three opportunities for attendees to visit with suppliers and to network with peers.

The conference's first general session and keynote speaker followed. In her welcome address, Therese Thilgen, CEO of Franchise Update Media, highlighted the significance of the conference's name change: to recognize the growing leadership role today's marketing leaders are playing across their organizations.

Thilgen turned the stage over to Craig Ceccanti, CEO of Pinot's Palette, and Wendy Odell Magus, principal of Magus Marketing & Communications and past conference chair. In an entertaining presentation highlighted by impeccable comedic timing, they emphasized the importance and relevance of the new features at this year's conference. And, on a more serious note, presented a plaque to Terri Snyder, EVP and CMO at Checkers & Rally's, recognizing her service as 2018 Conference Chair.

Keynote speaker Duncan Wardle, former vice president of innovation and creativity at the Walt Disney Company, took the stage. With his English accent, quick wit, and rapid-fire delivery, he alternated story-telling with creative audience exercises to illustrate his points about how to foster more innovative thinking, much to the delight of the attendees. Creativity at work, he said, is "the habit of continually doing new things in different ways to make a positive difference to our working lives."

He described how barriers to creativity (e.g., being "too busy" to take the time to think, much less be innovative) stymie even the best marketers and encouraged attendees to be more mindful throughout their day.

"Do you ever wonder why most of your best ideas come to you in the shower?" he asked. "Have you ever pitched a new idea to watch it diluted or killed as it moves through the process? Ever wanted to know how Walt Disney came up with the idea for a Disneyland or how Netflix completely revolutionized the movie rental industry?" Wardle used these kinds of questions and anecdotes to provoke new thinking and provide insights and guidance for how to generate ideas that can lead to great results.

And, in a not-so-veiled criticism of focus groups and their 2-way mirrors being an unnatural environment for producing true marketing insights, he challenged the roomful of marketers to spend an afternoon in the living room of their clients. One final thought from Wardle: "The opposite of bravery is not cowardice, it's conformity."

After a short break, a general session called Presidents Panel: Marketers Who Have Become Presidents and How They Got There followed. The panel consisted of Heather Neary, president of Auntie Anne's Pretzels; Susan Boresow, president of Title Boxing Club; Susan Lintonsmith, president and CEO of Elements Massage; and Paul Macaluso, president and CEO of The Krystal Company. Terri Snyder, facilitated. Each spoke about how their previous experience in marketing and management helped them ascend to top franchise leadership positions.

The afternoon closed with a presentation called Engaging with Today's Customer from John Carroll, Yelp's senior manager of business outreach and brand evangelist. In his always-entertaining style, Carroll began by asking 200 marketers, "Who loves Yelp?" No one raised a finger, much less a hand, which was exactly his point. However, he said, consumers *do* love Yelp—or at they least use it—which is why he emphasized how important it is for franchise brands to keep close tabs on online reviews. He offered attendees tips on best practices for addressing negative online comments and reviews, as well as suggestions for how to get good reviews. "A review that mentions good customer service is 15 times more likely to 5-star than 1-star," he said.

With the day's sessions wrapped, attendees made their way back to the Sponsor Solutions Hub for a cocktail reception and a second chance to check out the supplier booths and their offerings.


HUDDLE®
THE LEADER IN HIGH SCHOOL EVENT TICKETS AND MARKETING
PRESENCE IN OVER 15,000 HIGH SCHOOLS
COVERAGE ACROSS 204 DMA'S AND ALL 50 STATES
170 MILLION HUDDLE TICKETS DISTRIBUTED
WE CAN HELP YOUR BRAND ENGAGE AND DRIVE BUSINESS WITH THE HIGH SCHOOL COMMUNITY.
AND WE ALSO REACH THE ELEMENTARY SCHOOL CHANNEL TOO!
TO LEARN MORE, CONTACT FULLER BENFORD AT FBENFORD@HUDDLEINC.COM

2019 Franchise Marketing Leadership Conference

2019 Franchise Marketing Leadership Conference

DAY 2: AFMR & INNOVATION AWARDS

Frandata CEO Darrell Johnson began the day with his annual State of the Economy report, focused on the future of consumer marketing. He said that market share competition continues to get tougher owing to changes in consumer preferences and new concepts focusing on subsector specialization.

While the economy and consumer spending are decelerating, he said, there's no need to fear yet. "Consumer spending is slowing and debt has gone up, but year-over-year inflation has been flat and slow. The economy is still growing." And while there will be headwinds, "We're not headed into a tornado," he said. His message? "Prying dollars from the consumer is getting harder."

Also, even as technology provides marketing departments with more information than ever, this also has made it challenging to define the right things to measure. For marketers, he said, data management has evolved from gathering as much consumer information as possible to refining their efforts and trying to identify the two or three things that matter most and focus their efforts and measurements on those.

The introduction of the inaugural Annual Franchise Marketing Report (AFMR) results followed. Diane Phibbs, chief content officer at Franchise Update Media, presented the data and findings, which covered marketing budgets, organization size, and where brands are spending their marketing and advertising funds.

"This report is the first of its kind," she said, and that it's intended to help franchise marketers do their jobs better by providing benchmarks for comparison with other brands. One eye-opening slide showing the relationship between marketing spending and effectiveness revealed that respondents spent 10 percent of their budgets on email marketing, but rated its effectiveness at zero.

Phibbs turned the main stage over to Jayson Pearl, founder of ServiceScore and FMLC board member, who facilitated a panel presenting the four finalists for the inaugural Franchise Innovation Awards' big prize: Marketing Innovator of the Year.

Christy Barnes, senior marketing manager at Camp Bow Wow, and Sherry Baker, president of marketing and product development at European Wax Center, presented their category-winning campaigns in person. Edible Arrangements and IHOP were unable to attend and sent videos to present their winning campaigns. (See sidebar for more details.)

Following a short break came a general session called Profitable Partnerships: Driving Brand Results Together. Multi-unit franchisee Tim Kurtz (Planet Fitness and Altitude Trampoline Park) teamed up with Matt Powell, CEO of advertising agency Moroch, to talk about the synergy that can be created for a franchise with an integrated agency and local approach to marketing. "An agency partner can integrate marketing plans across media platforms, leveraging insights and creativity," said Kurtz.

Lunch was served in the Sponsor Solutions Hub, where attendees had another chance to talk shop with marketing and technology vendors and catch up with friends.

The next 2 hours offered breakout sessions along four tracks: Franchisee Relations, Digital Marketing, Media Planning & Execution, and Franchisee Relations/Ad Funds.

The breakout sessions were followed by a general session panel called Staff Today for Tomorrow's Team. The focus was how to attract, recruit, and retain the best marketing talent to support present-day goals and future growth.

The day closed with a Marketing Challenge Roundtable led by keynote speaker Duncan Wardle, Craig Ceccanti, and Terri Snyder.

With the completion of the day's educational sessions, attendees donned their party best and headed up the road to Maggiano's Little Italy for the closing dinner and presentation of the Franchise Marketing Leadership Awards. IHOP took the top prize for the spectacular success of its "IHOb" campaign.

DAY 3: THE BIG WRAP

The morning of the third day closed out the event with the Build Your Action Plan for Growth Workshop. Structured to help attendees wrap up the ideas and strategies they'd learned over the previous 2 days, the goal was to help them create a plan they could take home to deliver on their brand promise.

Plans are well under way for next year's Franchise Marketing Leadership Conference at the InterContinental Buckhead in Atlanta. Stay tuned to www.franchising.com for more details. ■

USA TODAY NETWORK | LOCALiQ

THE SMARTER WAY TO REACH LOCAL CUSTOMERS.

Fan of ReachLocal? Fan of SweetIQ? Fan of USA TODAY NETWORK?

Full-funnel marketing solutions fueled by local consumer insights.

The power of USA TODAY NETWORK.

FMLC BY THE NUMBERS

200 Franchisor executives
146 Franchise brands
33,000 Units represented
$4.2B System-wide revenue

BREAKDOWN OF ATTENDEES

69 Managers
53 Directors
32 Vice Presidents
24 CEO/Presidents
16 CMO/EVP
6 Others

AND THE WINNERS ARE...

The first annual Franchise Innovation Awards generated nearly 100 entries across 4 categories. Judges evaluated each entry independently based on a brand's stated objective, the problem they were trying to solve or improvements they sought to achieve, and on the results. In the Marketing & Branding category, judges looked at how brands found innovative ways to grow consumer awareness, engagement, and loyalty. Entries included campaigns using traditional advertising, PR, social media, rewards programs, new product launches, and local store marketing.

The four finalists for the Franchise Marketing Leadership Award were Camp Bow Wow, Edible Arrangements, European Wax Center, and IHOP. Each was invited to share their innovation success stories on the main stage at the Franchise Marketing Leadership Conference.

Sherry Baker, president of marketing and product development at European Wax Center, and Christy Barnes, senior marketing manager at Camp Bow Wow, presented their category-winning campaigns in person. Edible Arrangements and IHOP, unable to attend in person, sent video presentations.

For Barnes, key takeaways from Camp Bow Wow's Give A Fetch campaign were the importance of aligning with the brand's objectives, employing a multi-channel approach, choosing a memorable name, creating "Instagram-worthy" activity, having fun contests, a charitable focus, and generating franchisee excitement.

For Baker at European Wax Center, the success of the brand's Ax the Pink Tax campaign was just the start in educating Americans about the fact that women pay more than men for similar products—an estimated $1,351 each year, or $40,000 by age 30. "It's not a one-and-done campaign," she said, and the brand continues to build on last year's success.

Best Big Budget Campaign/Overall Winner: IHOP
IHOP was looking for a way to steal share from the competition and increase guest frequency. The brand campaign reframed IHOP as an option for multiple day parts, with burgers as the key. The campaign flipped the "P" in IHOP into a "b" to create IHOb. The campaign was unveiled in a phased rollout targeting owned, earned, and paid media channels, including TV, print, and social media. It created more than 28,000 media stories, more than $113 million in earned-media value (an 11x ROI), and more than 42.5 billion earned impressions. Lunch and dinner sales increased 15 percent and 28 percent, respectively. Burger sales quadrupled YOY during the first month after the launch to 500,000 per week, and IHOP sustained doubled lunch and dinner sales through year-end.

Best Limited Budget Campaign (Under $1 Million): Edible Arrangements
Edible Arrangements set out to see if connected TV (CTV) was more effective at reaching their target audiences than traditional television. The company developed a CTV campaign it tested in three U.S. markets (West Palm Beach, Syracuse, and El Paso), using programmatic CTV media buys to drive significant increases in total sales and revenue—while spending nearly 76 percent less than the cost of traditional TV. The campaign reached 29 percent incremental unique households, and drove 7 times more conversions at a cost-per-acquisition that was 29 times lower than traditional TV. In addition, customers who engaged through CTV purchased both higher quantities of items and higher-priced items.

Best Social Media Campaign: Camp Bow Wow
Camp Bow Wow's campaign sought to increase awareness of the brand and the benefits of doggy day care. The campaign relied on an integrated, multi-channel approach that included national advertising and PR, four regional events, local advertising in the event cities, a dedicated microsite, Instagram influencer campaigns, and signage at more than 160 locations. The campaign accounted for a quarter of all earned media impressions in 2018; 192 million media impressions from 94 placements; and established 79 percent share of voice (measured by media coverage and ads) vs. the largest franchise competitor. There were 3.3 million Facebook ad impressions; 11,300 unique users on giveafetch.com; 6,300 #GiveAFetch entries on Facebook, Instagram, and Twitter; 40 percent engagement on corporate social media posts; and 13 percent growth in corporate Instagram followers.

Cause Marketing Champion: European Wax Center
European Wax Center (EWC) launched a campaign to raise awareness of the fact that women pay more than men for comparable products and services (the "pink tax"). The Ax the Pink Tax campaign was created to inspire women to make more empowered purchasing decisions and advocate for equal prices for equal products. EWC used a fully integrated campaign to engage both women and men through messaging and imagery across paid media and EWC-owned channels. These included a media partnership with Refinery29 to host a live-streamed panel, and a partnership with Cosmopolitan.com to create co-branded online video content. Social media was used to highlight educational facts. In April 2018, EWC's total network adjusted sales rose 17 percent; ticket count rose 6 percent; new guest count rose 5 percent; and package sales rose 51 percent. In May, the brand had its highest adjusted sales growth ever (33 percent), which continued through the year.

LISTEN AND LEARN

Two brands, two roles, one mission

Written By
KERRY PIPES

Michael Barrette considers himself a dedicated practitioner of the art of listening. The Dippin' Dots and Doc Popcorn chief marketing and sales officer says he listens closely to what customers and his corporate team have to say. In fact, he boils down the essence of being an effective leader by saying, "I listen and learn from our consumers, franchisees, internal team members, and agency partners. This helps me stay on top of their wants and needs and how they may be changing over time."

Barrette's dual role—with two brands—is somewhat unusual. He is responsible for the brand's marketing efforts as well as its franchise development, but sees the two areas closely aligned and connected. "Marketing is critical to both the development side and the overall success of the brand," he says.

Barrette has been a marketer for more than three decades, working for such companies as M&M Mars, L'Oreal, and Revlon in both the U.S. and Canada. At Dippin' Dots, he led the brand to grow the number of its direct accounts by 20 percent during his first 3 years, while also doubling sales growth between 2012 and 2016.

The Montreal native, fluent in both English and French, believes the marketing landscape is changing faster than ever before. He says consumers today have access to much more information and channels to access it. Though a solid marketing strategy is important, he says there is a premium on being more nimble than ever and prepared to adjust quickly when needed. "That's why we are listening to the consumer even more now than ever."

Describe your role as chief marketing and sales officer. Like many CMOs, my role is varied. I have the overall responsibility for marketing and franchising for Dippin' Dots and Doc Popcorn and domestic sales for the non-franchising part of our business, which includes theme parks, water parks, zoos, and professional sports stadiums—all the fun places you're accustomed to finding Dippin' Dots. Because I have three separate teams in my area, my job is to mold the entire group as a high-performing team. That means I must drive clarity of our strategic goal to advance our brand success collectively and remain zeroed in on sustaining long-term profitable growth.

What's the most challenging part of being a CMO today? CMOs need to continuously learn and understand how their core consumer lives in the context of how they interact with media and entertainment. It's the only way brands can effectively tap into their consumers' everyday life. At Dippin' Dots for example, our core demo is 8 to 18. This age group lives on their smart devices, so we must constantly consider and adapt to the platforms and experiences they expect. CMOs need to constantly sharpen the saw and be very knowledgeable of these changes and consumer expectations. I try to do that by surrounding myself with key internal team members and agency partners who can assist with this ongoing education.

What are the 3 most important keys to being an effective CMO leader today? 1) Listen and learn from your consumers and franchisees about how their wants and needs are changing. 2) Listen and learn from your internal team and agency partner team members; keep an open mind and remain curious. 3) Be a strong cross-functional leader to have high connectivity with other stakeholders in sales, R&D, finance, operations, manufacturing, etc.—and lead your team to develop trusting relationships with these cross-functional stakeholders as well.

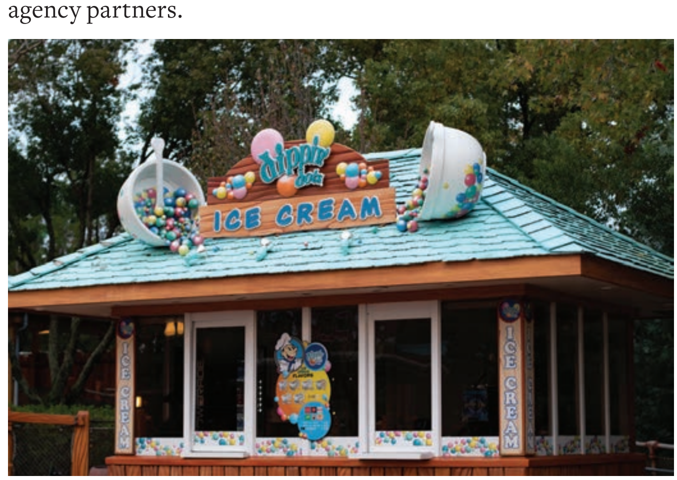
How do you prepare a marketing plan and execute the strategies? 1) Remind yourself of your brand goals. For Dippin' Dots and Doc Popcorn, those goals are to Own Fun and Create Smiles. 2) Work closely with R&D to initiate product launch activity that meets those goals and consumer demand. 3) Engage with key promotional partners in the space that is most relevant to your consumer. 4) Implement communication with franchisees with excellence programs. 5) Engage with consumers on the various social media platforms that make sense for your business.

How do you measure marketing results and effectiveness? We look at KPIs in the context of offtake data from franchisees, repeat sales, traffic, and engagement on our website and social media. It's also important to understand the longer-view impact on profit margin from current marketing activities. Not all initiatives yield an immediate payoff. We ask ourselves the question: Are we playing a game of checkers or chess? Are we looking for short-term results or a long-term payoff? In our case, it is an artful blend of both.

Discuss your core consumer marketing strategies and objectives. As a 30-year-old brand, our marketing strategies and objectives for Dippin' Dots focus on: 1) Short-term and long-term tactics to remain relevant to our consumer. Looking at where our demographic spends time in the popular culture, those tactics often include but are not limited to music and dance, movies, games, and schools; 2) Implementing promotional campaigns that will help drive traffic to franchisee locations, which creates something new for consumers to engage with. Examples of this would be the "spin the wheel" for prizes we implemented for National Ice Cream Day and also launching new flavors like Cool Mint Crunch in 2019; 3) Providing new product and flavor options including LTO programs franchisees can take advantage of for holidays and other occasions; and 4) Keep bringing new consumers into our funnel by interacting with K-12 schools. We have broadened our market share with our Smart Snack approved product range of sherbet and YoDots frozen yogurt, which a good number of school districts prefer.

How do you go about creating a "customer-centric" marketing and brand philosophy? First, we listen to franchisees and customers. We can't sit on our laurels and assume that the next generation of potential customers will automatically gravitate to both of our brands. We continue to invest resources to make sure we remain relevant to the consumer by connecting within popular culture and some influencers on an opportune basis. Through our marketing advisory committee, made up of franchisees, marketing leadership, and key sales staff, we solicit ideas and have collaborative discussions. We evaluate different promotional concepts based on opportunities we have in our development pipeline with promotional partners. We then send quarterly marketing calendars to all franchisees in advance of each quarter.

Describe your marketing team and the role each plays. I am blessed with a great marketing team. Dana Knudsen is the senior director of marketing responsible for both the Dippin' Dots and Doc Popcorn brands and she reports directly to me. On the Doc Popcorn side, we have a brand manager, based in Colorado, who also has a strong operational background with the brand both internationally and in the U.S. We do all our creative in house, with a group of very talented designers, photographers, videographers, and content writers. We also manage our web and online presence with key players internally along with our agency partners.



7 Reasons Why You Shouldn't Hire a Franchise PR Agency.

You found out a competitor is using a franchise PR agency. Or maybe a colleague is hounding you to hire an agency they worked with in the past. Suddenly, you've got the urge to reach out and interview PR companies.

Hiring a franchise PR firm is a big decision, and not to be taken lightly. Before you start the evaluation process, make sure it's the right time to hire a PR firm. If the following reasons are on-point with your current company situation, save yourself (and the PR agency) the inevitable grief and frustration that will soon follow.

DON'T hire a franchise PR agency if:

1. It's too early.
My firm is regularly contacted by new brands with an FDD in hand, ready to dominate the world. Not only are new brands usually cash strapped, their brand story isn't fully baked yet. Without franchisees, and without a track record of success, it's hard to get your story told to the world. Plus, there are a roster of marketing materials that need to be created before launching a PR campaign.

2. You have marketing issues to address... like your FDD.
Franchise brands are eager to get visibility on a national level and in local franchisee markets. However, franchisees are unwilling to validate a brand story of success if they are struggling. And prospects fall off the sales grid when they see unfavorable sales numbers. Media coverage can provide third party validation, but it can't solve sales weaknesses.

3. You don't have the money to do it right.
When a franchise brand contacts us and expresses interest in discussing a potential relationship, it's a flashing red light when they say, "We really don't have a marketing budget, just tell me how much you would charge for a client like us." The fact is, successful brands commit to a yearly marketing budget that supports sales goals.

4. You are desperately looking for the magic bullet. And PR is your new brand savior.
Nothing seems to be working marketing wise. Franchise sales are down, and franchisees are struggling. A big PR push can save the day, right? Wrong. In my opinion, PR is one of the most cost-effective marketing strategies around, but PR is only one tool in the marketing toolbox. Find out what's making your brand sick versus expecting PR to gloss over problems.

5. You want to measure PR by how many deals you close in 6 months.
This is classic feedback from an uneducated, uber-aggressive franchise sales executive or CEO. When asked what success would look like if we work together, the answer is "the only goal is generating franchise deals." PR is very capable of driving candidates to your brand, however, its main goal is creating and shaping brand perceptions and trust.

6. Your decision maker is always the smartest one in the room.
The decision maker won't trust the PR agency from the start, refuses to set mutual measurable goals and expectations, nor provides the resources it will take to make the partnership succeed. Every agency decision will be questioned and evaluated based on changing expectations. If the decision maker isn't willing to let the experts do what they do best, don't waste your money.

7. You are too busy / distracted to make the relationship work.
I get it. You have a small staff and big goals to meet. However, like any relationship, successful PR programs take time and commitment by both the agency and the client. If you don't have an internal point of contact to lead the charge and get the right decision makers to weigh in and support the program, you're not ready to hire a PR firm.

So, there you have it. 7 reasons why you're not ready to hire a franchise PR agency. When you are ready, I know a pretty good firm I can refer you to.

David Chapman is the CEO of 919 Marketing Company, a national franchise marketing agency located in Raleigh, North Carolina. Check out "The 7 things other PR firms don't want you to know" on our blog at 919marketing.com. David can be reached at dchapman@919marketing.com or 919-459-8156.

When it comes to helping the brand connect with franchise prospects, why is it so important for the marketing department to have a "personal touch"? At the end of the day, business is moved forward by people. Our franchisees are generally small-business owners who respond well to the human touch. We bring key members of our marketing team to discovery days to connect with franchise prospects so they can see how we drive marketing efforts. Once a prospect has agreed to join Dippin' Dots and Doc Popcorn, marketing plays an important role at franchisee training, from both a brand support and local area marketing perspective. Key marketing team members also attend our annual franchisee conferences, where they have the opportunity to mingle with our franchisees and catch up with them on a human level.

How does this help your franchise sales and development effort? Marketing is a critical element in enticing new prospects. Before investing hard-earned money in a new concept, prospects need to see that we have a sustainable model. A good amount of our focus has been on our co-brand model of Doc Popcorn and Dippin' Dots together for prospects who are interested in a physical location-centric model. We also have the diversity in our model for those who aren't interested in a physical location-centric business, with a more mobile business on the Dippin' Dots side that highlights profitable opportunities in the fair and festival space, with K-12 public schools, and with other wholesale opportunities for traditional retail channels.

What ways/tools do you rely on to do this? We use many of the tools that are common for franchise businesses, including online videos, lead portal ads, and magazine ads. We also share franchisee testimonials and distribute news releases. But the most valuable tool is our staff at the franchising office. We guide franchisee prospects through the entire process of due diligence right up until discovery day and then, ultimately, to the date of signing and preliminary training. We also continue to provide resources and personal support, not only through the franchising office, but also through the marketing team and with field support staff.

Do today's prospects expect more from the franchise marketing department? What, and how do you provide it? Yes, they do. We provide it with support from three levels. 1) Our marketing support includes digital solutions for reputation management and local marketing resources. One of the more pragmatic tools we offer is "My Dot Space" and "My Pop Space," white-label tools that offer customizable templates to create a plethora of POP and other marketing support materials. We have also created an opportunity for franchisees to request certain custom Dippin' Dots flavors so franchisees can meet local consumer tastes and demand. 2) Our director of field operations and franchise training provides ongoing local area marketing support for franchisees, along with support for grand openings or reopenings. 3) We have region managers in the field for both Doc Popcorn and Dippin' Dots who assist franchisees and collaborate on business building and local marketing activities.

If you're currently a marketing professional with your sights set on the CMO chair, it's important that you invest in self-education. Hopefully, you report to a CMO who creates growth opportunities for you and other team members and provides exposure to other realms of your business. If so, take advantage of the opportunities to take the lead.

How is today's consumer and marketing data helping you fine-tune your marketing initiatives? We are relying on data collected by our agency partners, in particular our social media agency, digital agency, and our PR firm, in addition to our internal monitoring of all media platforms. We also conduct consumer research, done by third-party research firms. K-12 students are another resource that has proven successful when it comes to new Dippin' Dots flavor development. We listen closely to this overall feedback to make adjustments to packaging design and flavor profiles. Recently, research was helpful for us to update our Dippin' Dots character mascot, leading us to create Frozeti the Yeti, which consumers helped name.

Describe the evolving role of social media in your marketing efforts. Social media is critical to all brands. It's about having dialogue and conversation with our consumers and developing even stronger relationships over time by listening and responding to them. We have social media calendars of activity for both Dippin' Dots and Doc Popcorn. Each social media platform plays its particular role in this dialogue. Additionally, with the aggregator tool we use that assists with reputation management, we can reach out to franchisees with positive feedback when they are receiving great ratings; alternatively, if there are any concerns we can connect immediately with franchisees and recommend quick solutions. To keep our connectivity with the consumer strong, we've employed promotional campaigns with user-generated content that have been effective. We also receive great unsolicited content and images from consumers through social media that inspire our creativity to generate other ideas for social media. We occasionally partner with influencers who are relevant to our brands, but we don't rely too heavily on this strategy.

How do you work with other internal departments, and does technology help? I continually reinforce the strength of cross-functional diversity and collaboration. Within my groups, I have structure in place where marketing, franchising, and sales work together to share information and make decisions together. Similarly, we have structured meetings (and plenty of informal ones) to meet and sort through business challenges with our team members in finance, operations, manufacturing, and R&D. We also have structured meetings between the two brand teams of Doc Popcorn & Dippin' Dots, and between our international team and domestic team so we are sharing best practices and looking to harness synergy wherever possible. The senior director of sales for Dippin' Dots has done excellent work team-sourcing ideas for implementing technology to improve our way of doing business in the field. Some of those resources include Action Card, which has improved the franchisee site evaluation process; Expensepoint, which has simplified expense tracking and reporting; and Formstack, which has helped mitigate the daunting task of completing paperwork in the field.

How do you manage costs and budgets for the marketing department? My group and I are very focused on maximizing value from our marketing activities as well as from investments in other areas of our business within sales and franchising. We have detailed budgets that are created annually and reviewed monthly. We work closely with our partners in the finance area of the company and entertain any course correction mid-year, if necessary. We also have a process to request additional funding between budget cycles if a meaningful opportunity presents itself. A request that was not part of an original budget is presented to senior management for approval or not.

Do you see vendors as business partners? Why/why not? We believe in having long-term collaborative partnerships with our vendors. If they are not part of a solution for a particular business problem, then they are part of the problem, as the saying goes. We present strategic business challenges to our vendor partners in packaging, flavors, inclusions for our recipes, or to our agency partners to look for solutions to challenges that are strategic in nature.

How have marketing strategies/tools changed over the past decade? How have you adapted? The marketing landscape is changing faster than ever before and will continue to do so. The ways in which the public consumes information is more fragmented and splintered than ever. Leading networks and search engines are companies like Facebook and YouTube, with many other choices for consumers to access information, all of which change rapidly. While marketing strategies need to be strategic in nature, there is a premium on being more nimble than ever before and prepared to adjust strategy quickly when needed. We are listening to the consumer even more than we have in the past. This has helped us not only in how Dippin' Dots and Doc Popcorn should evolve product and promotions, but also where our brands should be made available outside of traditional food service verticals. This may be more in K-12 schools, catering, convenience stores, etc. More than ever, consumers expect products and brands to be where they are, rather than going to where the product is.

How is your marketing/branding strategy developed, and how does it flow through the system? We obtain input from our overall advisory councils for Dippin' Dots and Doc Popcorn, as well as from the marketing advising committees for both brands. Our marketing team and our franchising team work closely to fine-tune our strategies over time. We use corporate marketing investment dollars to drive longer-term strategic initiatives, and ad fund dollars to typically underwrite the cost of more near- to medium-term initiatives, working synergistically with our longer-term strategies.

What advice would you offer to aspiring CMO executives? If you're currently a marketing professional with your sights set on the CMO chair, it's important that you invest in self-education. Hopefully, you report to a CMO who creates growth opportunities for you and other team members and provides exposure to other realms of your business. If so, take advantage of the opportunities to take the lead. Attend professional conferences, write articles, and respond to media inquiries. Learning how to handle some of those "under the microscope" tasks will prepare you for the CMO role. ■

Q What role does your marketing team play in site selection and real estate?

NICK ADAMS

Marketing Director
Hwy 55 Burgers, Shakes & Fries

While our marketing team does not play as vital a role as some other departments in Hwy 55's site selection and real estate, it does have an important seat at the table. Chiefly, our marketing minds help discover optimal locations and features for our core demographic.

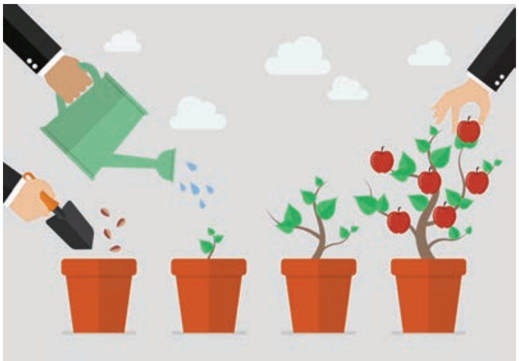
The restaurant industry has seen an influx of innovative loyalty programs in recent years. Hwy 55 has been at the forefront of this emerging trend, and our mobile app is constantly evolving to give our guests the best possible variety of perks and personalized offers. While customer satisfaction and retention are the main marketing objectives of any loyalty program, there is another vital component: data.

The wealth of data that we can leverage from our extensive customer base is instrumental in our site selection process and, more broadly, real estate. For site selection, linking our loyalty provider with a company specializing in location mapping has allowed us to make better, data-driven decisions on optimal sites in relation to our best and most loyal guests. This ability has given us the confidence to know we will succeed in newer markets.

From the real estate side, our marketing department helped discover that we were not meeting the needs of our base as well as we could have. This revelation has led, in part, to an exodus from strip centers and malls to a new standalone concept. With the data-confirmed knowledge that families with young children make up our most important demographic, social listening techniques revealed their needs were evolving. As anyone with a young family understands, convenience is king. While we are performing extremely well operationally in our restaurants, this was, at times, not enough to meet the rapid pace of how many live their lives. Rather than standing entrenched in the way we had always done things, we let the data and voice of our guests lead our transformation.

A traditional drive-thru, combined with our world-class, full-service dining room, will allow us to fully meet the needs of our guests, pushing the Hwy 55 brand forward. Our marketing team has been instrumental in our site selection, as well as in the discovery and implementation of our new concept. Sometimes in plain sight, sometimes hiding from view, the information is there, and it has a lot to say. ■

SPONSORED



1+1=3

Accelerate your Brand's Growth with a New Kind of Capital Markets Partner

If you're a franchisor with aggressive growth targets over the next few years, finding capital solutions for your franchisees is critical. And the more lenders on your list for franchisees to choose from, the better, right? Well, it may be time to rethink that strategy.

In reality, applying for a loan with several lenders to find the best deal is enough to drive any franchisee crazy. Piles of applications, hours of phone calls, and waiting for an answer make for a time-consuming and frustrating process. And for your brand, managing the lender list and continually educating them all on your brand is a real drag.

Alternatively, if you're serious about making financing simple for your franchisees (as well as your brand), consider consolidating your lender list with a dedicated capital markets partner. A capital markets partner can be a powerful ally at every stage of growth, especially when they understand franchising inside and out and can deliver growth-oriented financial products from a deep network of lenders, all via a single application.

Additionally, a trustworthy capital markets partner will take the time to define a brand story, create a transparent business case for continued company growth, and forge lasting relationships with lenders.

Franchise-focused ApplePie Capital has proven to be an indispensable strategic capital markets partner for brands and their growth-minded franchisees with a transformative online lending network dedicated to long-term sustainable success.

ApplePie Capital is redefining what franchisors should expect from a capital markets partner, namely:

- Deep understanding of your brand
- Management of your lender network and recession resistant capital
- Comprehensive financing programs for your franchisees
- Continual education of lenders about your brand
- Efficient prequalification of your franchisee candidates
- Diverse capital solutions that provide choice and meet franchisee needs wherever they are in their lifecycle
- Focus on long-term goals, not just the transaction at hand
- Efficient online process powered by modern technology
- Real-time visibility into your development pipeline

Launched in 2015 to bring a fresh approach to franchise finance, ApplePie is now one of the nation's largest franchise lenders. ApplePie creates custom lending programs for each brand tailored to address the full spectrum of financing needs throughout their franchisees' life cycle.

"Franchising is the only thing that we do," says Ron Feldman, ApplePie's Chief Development Officer. "We are franchising experts who lend. By creating a process and a system, we can serve our brand partners better and faster and have them only work with prospective franchisees that are going to get to the finish line."

"ApplePie creates custom lending programs for each brand tailored to address the full spectrum of franchisee needs."

When it comes to securing the best funding options possible, the name of the game is transparency. Establishing clear communication between you, your franchisees, and the lending community is crucial to develop meaningful financing programs. While your FDD is important, it doesn't explain the business within the context of a broader financial landscape.

"Telling your brand story does not mean giving someone your FDD," notes Feldman. "With our fully integrated partners, we get involved in the development stage and find the right capital options to accelerate their growth."

Hand & Stone Massage and Facial Spa, with over 400 locations in North America, has seen the benefit of partnering with ApplePie first hand. "They go beyond just your traditional lender," says Bob McQuillan, Vice President of Franchise Development. "As we have evolved, so have our lending needs—and ApplePie has been there every step of the way. We actually have our own portal site built within ApplePie's website, so we can track all of our company's deals -- not only when a franchisee opens a first location, but as they grow to their second and third, too."

READY TO MEET YOUR GOALS WITH A FRESH, NEW APPROACH TO FRANCHISE FINANCING?

Contact us at **grow@applepiecapital.com** or **1-844-734-GROW** to discuss your franchise growth plans. Together, we'll plant the seeds for your success. Easy as ApplePie.

> “From the real estate side, our marketing department helped discover that we were not meeting the needs of our base as well as we could have. This revelation has led, in part, to an exodus from strip centers and malls to a new standalone concept.

AMANDA PLOGER

Marketing Director/ Project Manager
Moran Family of Brands

Marketing's biggest role in site selection is running market research. When we are looking to open a new location, one of the first things we do is pull a demographic profile for the area. In this profile we are not only looking at the census data of population, average annual salary, and number of vehicles owned by a homeowner or renter. We also do a competitive analysis on how many current auto shops are in the area, if any have closed in the past 12 months, and what types of services these auto shops provide. This initial set of demographics helps us determine if we want to go further in investigating if a site is viable or move on to a new location.

Once a market is determined to be viable for a new location, marketing will run a deeper analysis of demographics to pinpoint the ZIP codes or specific town to examine. In this deeper analysis, we map out demographics on where homeowners who have a vehicle at least 4 years or older live who meet our minimum income average. This helps us determine where we are going to target direct mail and other marketing messages.

Included in this search we also run a competitive analysis in ZIP codes where we are looking to expand. This helps us understand who the local competition is, whether it's a mom-and-pop shop, big box store, or another franchised brand. This helps us develop our first-year marketing plan for the location. In addition, we also run a report on the top employing companies in the area. We look at all the companies to see if they are a viable option for an outside sales connection to develop their local fleet business. This way the franchisee can get started on their outside sales plan before they even open.

After all of this data is pulled and the site is finalized, we then go over the data again in person with the franchisee when they come in for training. After all the data is reviewed, marketing will help the franchisee map out and commit to their first-year marketing campaign. This will then be the plan they have from the moment they open their doors. We review the plan every three months to make sure they are on the right track. ■

O2O Media Strategies

Succeeding at online-to-offline marketing

Written By
ANDREA BRANDON

When shoppers start on their buying journey, we know they often take a complex path through a variety of digital and traditional media to research and locate products and services.

They may start their discovery by browsing through brick-and-mortar retail locations, then jump to a more in-depth online investigation and remain online through the purchase. The reverse happens as well, with shoppers clicking through websites and social media, then seeking a local store to buy or pick up. Of course, consumers jump back and forth between online and in-person too. Again, the buyer's journey can be complex.So what's a brand to do?

Integrated, omnichannel marketing is increasingly important as all consumers, especially cost-conscious Millennials, take twisting and turning paths to purchase. As part of omnichannel marketing, online-to-offline (O2O) media strategies are designed to educate and entice the 85 percent of consumers who say they shop in-store weekly, according to eMarketer—and that doesn't count grocery stores.

These aren't all Baby Boomers either. Younger shoppers tend to hit more stores or service locations when they head out. Millennials average four stores per week, according to the same eMarketer report. Research conducted by Roth Capital Partners found that nearly two-thirds of U.S. Millennials use a combination of online and in-store activity to research and purchase.

O2O AND MILLENNIALS

Millennials will make up 75 percent of the U.S. workforce by 2025. If you want to sell to this generation (and others) as they shop from online to offline, consider the following.

1. **Know what they're looking for.** According to Google, potential customers are generally trying to figure out three things: inspiration for their purchase, help planning a trip to the physical location, and help narrowing down their purchase options.
2. **Be where they're searching.** No surprise that Millennials and Gen Z are spending enormous amounts of time on social media. In 2018, 83 percent of Millennials were using Facebook, 67 percent used YouTube, and 45 percent used Instagram; usage was closer to 30 percent each for Twitter and Snapchat. More and more franchises are localizing social messaging chatbots like Facebook Messenger to schedule in-store services such as repairs, spa and stylist appointments, and so on.
3. **Realize what you want to say isn't always what they want to hear; adjust accordingly**. Sprout Social claims marketers are focusing social content on posts that teach and tell stories. Meanwhile, consumers are looking to your social media to find discounts and sales (73 percent) and to see new products and services you're showcasing (60 percent). However, there is common ground where consumers are interested in social posts that teach them (59 percent). Consider actively promoting sales, special store events, and product launches on your franchise and local social accounts. YouTube is ideal for teaching about product or service use.
4. **Be where they're buying.** Google tells us that 61 percent of shoppers would rather shop with brands that have physical locations instead of with brands that are only online. And when they have an item they need or want immediately, almost 80 percent will go to the location to buy. Millennials shopping at your locations are quite possibly on your website, local landing pages, or social media when they're in-store. More than half consider getting deals (or coupons) on their phones when in-store "cool or useful," according to Google.
5. **Don't forget in-store pick up or drop off.** "Buy online, pick up in-store" (BOPUS) locations doubled in 2018. Consider options for upselling through remarketing efforts for those who order online and then come to your physical location where they can add on purchases.
6. **Understand how to attribute leads and optimize.** This part is admittedly tricky. Technology is improving in this area. Partnering with a media agency that has deep experience tracking touchpoints and optimizing campaigns ensures you can connect the dots and generate more leads.

Perhaps the most important thing for franchise marketers to keep in mind is to be a good partner to your agency. If you're not willing to share your prospecting and customer sales data—whether generated online or offline—with your media agency, they can't match sales back to marketing efforts to truly understand success. Look at your agency as an extension of your own team. Together, you can develop and optimize O2O commerce strategies that drive sales. ■

Andrea Brandon is vice president of marketing and creative services at Mindstream Media. She works across the organization and its client base to build awareness and generate leads for both the agency and its franchise brands. Learn more at mindstreammedia.com.

Chief Encourager

The #1 skill a great leader needs to master

Written By
JOHN DIJULIUS

Being a great leader today is tough. You need to be smart, agile, open-minded; the list goes on and on. However, to help others obtain their highest potential, the most critical skill any leader (executive, supervisor, teacher, coach, or parent) needs to master and execute is the ability to "Encourage."

ENCOURAGE = IN-COURAGE

The word encourage comes from the Old French word *encoragier,* meaning "make strong." Have you ever actually thought about the word "encourage" before? To encourage is to put courage in another person. When you encourage, you are filling another up with courage.

I know for me personally the only reason I accomplished certain things earlier in my life was because I didn't have the heart to let people down who believed in me. Remember those who gave you a second (and third and fourth) chance, allowed you to screw up, and gave you the opportunity to make it right? Are you the person that, when people speak about their success, will talk about the belief you had in them, long before anyone else? Your faith and constant encouragement would not allow them to fail.

EMPLOYEES DO NOT QUIT COMPANIES—THEY QUIT MANAGERS

Is your team willing to walk through a fire for you? Have you demonstrated that you would walk through a fire for them? Are you their biggest cheerleader? Studies have shown that the reasons people leave their jobs are directly related to how connected they feel at work. The Family and Work Institute has found that compensation and benefits have only a 2 percent impact on job satisfaction, while quality and workplace support have a combined 70 percent impact. Retaining employees is not a function of the human resources department. Employees are most engaged when they feel as though their work is important, they are appreciated, they learn and grow, and they feel a part of a great team.

In fact, the single most important determinant of an individual's performance and commitment to stay with an organization is the relationship that individual has with their immediate manager. People leave their manager far more often than they leave the organization.

CAUGHT YOU DOING SOMETHING RIGHT!

Do you have a system that reminds and inspires you to encourage others on a consistent basis? In my companies, one of the most effective tools in boosting morale is our "Caught You Doing Something Right" card, which acknowledges some specific positive action or behavior a team member has executed. We keep stacks of these cards in the employee break room, call center, and any other room a team member may enter.

We started using them as a management tool, and now everyone has access to them. An employee may open their drawer and find a "Caught You Doing Something Right" card thanking them for helping someone through a mini-crisis the day before. Most employees collect and save these cards.

Our management team is required to catch people doing something right on a regular basis. This is so embedded in our culture that we now have a spreadsheet with every employee's name down one side and each manager's name across the top. The manager fills in the date they last sent that employee a "Caught You Doing Something Right" card. This way we can spot when someone hasn't been recognized in a while and immediately "catch" them.

We have even held "Caught You Doing Something Right" contests, where the employee who *gives* the most cards wins a gift certificate to a nice restaurant. The entire team really gets into it. One shy employee went home one night and wrote out 111 personalized cards to everyone on our staff. ■

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

FRANCHISE RECRUITMENT AND DEVELOPMENT GUIDE

Table of Contents

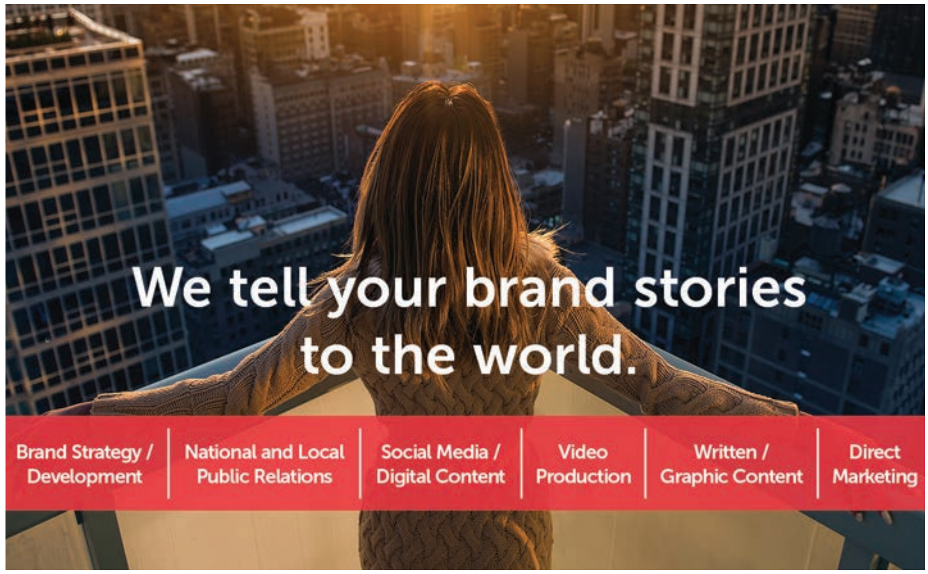
The four companies in this mini-guide offer solutions for two of the most important factors required for franchise success.

- **919 Marketing's** franchise marketing system can help you award more franchises and help franchisees grow by promoting your brand both nationally and locally.
- **Naranga's** franchise management system, developed by the founder of Edible Arrangements, can help you find and onboard the best candidates for your brand.
- **Silvercrest** can help you build your brand by simplifying and streamlining your marketing tools with a single portal for your national and local marketing needs.
- **Vickery Creek** is a new company founded by Greg Vojnovich, former CDO at Inspire Brands, Buffalo Wild Wings, Arby's, Sonic, and Popeyes. Turn the page for his Top 3 development tips.

Whether you're in the market or planning to invest in a new solution in the near future, you're sure to learn how these franchise-focused suppliers can help you grow.

919 MARKETING CO.

Multiple Franchise Marketing Services.
One Agency.



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.

CONTACT INFORMATION

DAVID CHAPMAN
CEO

E-mail
dchapman@919marketing.com

Phone
919.459.8156

Address
102 Avent Ferry Road
Holly Springs, NC 27540

NARANGA

We Help Franchisees Follow Your Process

naranga
simply succeed.

"We just want our franchisees to follow our process!"

We hear you. You have the recipe for success. Your challenge is to replicate that process across multiple locations. We can help.

As a leader in franchise operations software, Naranga's platform simplifies and automates operations across emerging, growing and mature franchise systems. Here's how:

Franchise Sales

Find the right candidates. Leverage our lead management CRM, which includes drip campaigns, auto-text reply to new leads and digital signatures to make your life easier.

Onboarding New Franchises

Make it seamless and give them access to a system that can guide them from post signing to grand opening. This allows them to self-serve and you the ability to log in and check on their progress on demand.

Communications, Support and Compliance

Provide your franchisees with a social media-like approach to communication. Also, give them the ability to chat to corporate or with other franchisees to share best practices. Don't stop there. Provide them with an online system for franchise support and compliance notifications.

Brand Standards

Provide both corporate as well as self-audit quality assurance reviews. This increases touches and makes your franchisees a true ambassador of your brand.

Local Marketing

Drive traffic to your locations or website via social, mobile and geofencing ads.

POS

Point of Sale Platform. In the cloud, with solid financial reporting.

WORLD-CLASS SUPPORT

Experience it for yourself.

To date, over 300 brands have made the decision to switch to Naranga. Schedule a call today at naranga.com or call 404.751.9329. #SimplySucceed

CONTACT INFORMATION

Website
naranga.com

E-mail
info@naranga.com

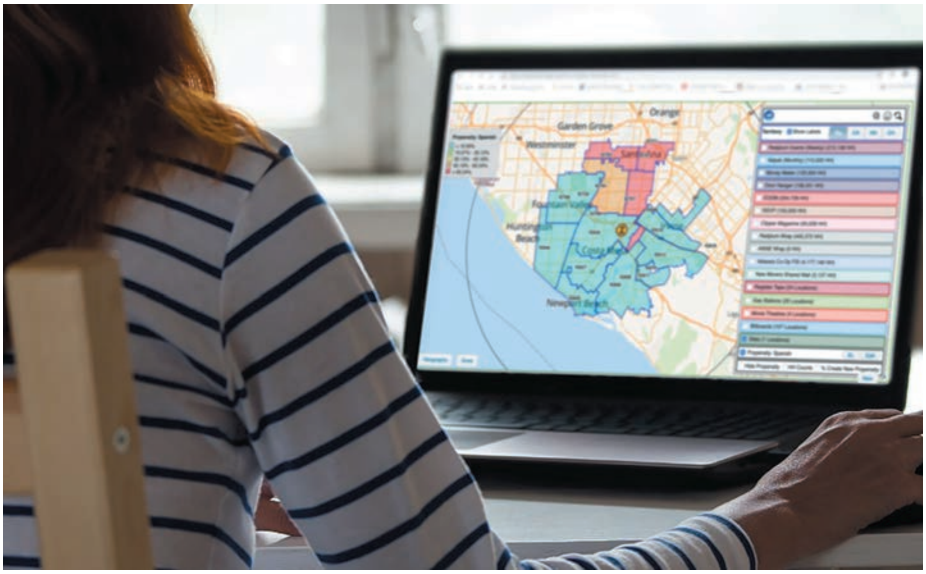
Phone
404.751.9329

Address
980 Hammond Drive
Suite 900-A
Atlanta, GA 30328

SILVERCREST

Delivering Sophisticated Marketing and Media Solutions Through Technology

silvercrest
technology • marketing • media



Silvercrest delivers marketing solutions for brands with the combination of proprietary technology, customer data, media buying, and print-on-demand needs harnessed in one sophisticated yet simple, cloud-based platform.

Our technological innovation and custom-built tools can simplify your brand's national and local marketing needs. Our system is the only platform that allows brands to manage and access all of these needs from one portal: Territory Analysis, Media Planning & Buying, National Ad Fund Budget Planning Tool, Creative Customization, Print-On-Demand, Coupon Bar Code Scanning, Smart Sizing, Grand Opening Automation, Specialty Products, Email Marketing, Social Media Management. Powering this is our Localized Media Automation Platform (LMap), which is a user-friendly, cutting-edge cloud-based system.

Now you can integrate over various channels with customizable tactics that include – but are not limited to – newspaper or magazine ads; door hangers; e-mail; social media; local media; business to business strategies; free-standing inserts; shared mail; solo mail pieces; digital media; TV; radio – to get your promotional message into the hands of the people who can use it most: the customers in your community. But Silvercrest has gone beyond just advertising campaigns to offer their clients Intelligent Tracking as well. Intelligent Tracking allows a client to see exactly where their media pieces are and if they have been delivered. Pushing the boundaries of advertising data, the barcodes printed on mail pieces not only deliver helpful tracking information but also valuable information on the interaction of individuals and the pieces they receive.

Let us help you build your brand by simplifying and streamlining your marketing tools with one portal. A Single Solution. Schedule your demo now.

CONTACT INFORMATION

WILLIAM RODRIGUEZ, CFE
President & Co-Founder

E-mail
wrodriguez@sca-mail.com

Phone
818.336.4800 x1

Website
www.silvercrest.agency
www.LMap.com

VICKERY CREEK LLC

VICKERY CREEK, LLC

The Franchise Development Experts

Got time to waste and money to burn? Then don't read this.

Whether you're opening your first restaurant or your 50th, the development process can really suck the life out of you. Why?

Because development is hard...and restaurant development is harder! What you don't know – or don't know you don't know -- can cost you tens of thousands of dollars in direct costs and hundreds of thousands of dollars in wealth.

Greg Vojnovic, the nation's foremost expert in restaurant development, and former chief development officer for Inspire Brands, Buffalo Wild Wings, Arby's, SONIC and Popeyes, knows what can go wrong in the industry and how to beat it. That's the reason he revolutionized restaurant development more than 15 years ago.

With over 40 years in the restaurant industry, 20 of those in restaurant development, he's been directly involved in building more than 1,500 restaurants. And, he's one of the very few C-Suite restaurant execs who's signed not just the back of a paycheck, he's signed the front of paychecks too.

Here are his Top 3 tips for a smooth development project:

- **Don't skimp on strategy**
  Having a solid approach – even before you identify and purchase your first site – can mean the difference in your long term success. The right approach will pay big dividends later.

- **Speed wins**
  Go faster because it's always better. But, rushing, without careful planning, only leads to a crash. With transparency, alignment and collaboration, you will win, win, win.

- **Know when to ask for help**
  Even the best, performing at the highest levels, need a little something extra. They have coaches, trainers, advisors – that's how they remain on top. If you can improve your development strategy, get help early.

Greg Vojnovic is founder, president and CEO of Vickery Creek, LLC, a development resource and support company.

CONTACT INFORMATION

GREG VOJNOVIC
Founder, President & CEO

E-mail
gv@vickerycreekllc.com

Phone
404.310.3755

Website
www.vickerycreekllc.com

Address
Vickery Creek, LLC
620 Grimes Bridge Landing,
Suite 1000
Roswell, Georgia 30075

FRANCHISE FINANCE

How 9 franchisors help operators find capital

Written By
EDDY GOLDBERG

Franchisors offer all kinds of assistance to help franchisees find funding. Among those we spoke with, the most common types included waiving or reducing franchise fees and/or royalties for the first year or more; connecting franchisees with approved banks and other lending sources that have already vetted the brand; and offering discounts and financial incentives for additional units and accelerated openings. Simply put, lenders want to lend, franchisors want to grow, and franchisees want to start their own business or expand the one they have.

"It's a three-legged stool: franchisor, franchisee, and bank. They have to line up," says James Short, executive vice president and director of food franchise finance at BBVA Compass. "If I were a franchisor looking for new franchisees, there are things I'd want to think about, the same criteria banks look for." These include asking the following questions:

1. Are they a true restaurant operator or a private equity firm or investor that needs one?
2. Does the new franchisee have the back office personnel to facilitate additional growth? Do they have the finance, real estate, HR, and operational capacity to handle it? Or the ability to grow their back office and operational sides?
3. What segment does the franchisee have experience in? For example, are they a QSR operator looking at a casual chain? "We've financed QSR operators into casual, but we require an operating officer with experience in that new segment so the operator doesn't have a 1- or 2-year learning curve," says Short.
4. Do they have development experience, or someone on their team who is a chief development officer type? If a franchisor wants a franchisee to build 20 or 30 units in the next 5 years, they first must feel confident that franchisee can find the financing to do that. "We'll look at the development agreement and the capex schedule hand in hand, and make a determination as to whether they have the capability and capacity to adhere to that development schedule," he says.

As for size (see sidebar), "While we primarily focus on larger national and regional brands, we are willing to finance local and smaller brands if we have the right operator and that brand is relevant to the geography in which they're operating," says Short. This runs the gamut from SBA financing for single-unit operators to multi-bank syndicated finance for 100-plus unit operators; and for purposes that include enterprise franchising, real estate, refinancing, acquisitions, remodels, and new unit development.

Asked for his take on the current franchise lending environment, Short cited a few potential headwinds. "Are we getting to a peak in the economy where discretionary spending and consumer sentiment will be affected?" He's also keeping any eye on new

James Short, BBVA Compass

A day in the life at Tough Mudder Bootcamp

development feasibility. Because so many restaurants have been built in the past 8 years, he looks at where new ones are proposed to see if the area is overbuilt and can support additional restaurants. Minimum wage hikes, he says, have significantly affected many state and local businesses and will continue to squeeze margins and increase the percentage of labor costs, leaving operators no choice but to raise prices. However, he says, in today's economy, will consumers be willing to pay?

A&W RESTAURANTS

A&W, which celebrated 100 years in business in 2019, offers reduced royalties for new franchisees and an incentive program for existing ones. Under its Second-Century Growth Incentive program, A&W offers a "stair-step" royalty program starting with a reduced royalty of 2 percent for the first year, with 1 percent increases each year until royalties reach 5 percent.

"It could be worth up to $50,000 or more over 5 years, based on what their sales are," says Paul Martino, president and COO of A&W Restaurants. "It allows for these folks to get started the first 3-plus years."

As an older brand, A&W has third-generation operators, with a single unit in the family for 40, 50, even 60 years. "Now their kids are growing up and we're providing an avenue not only to transition to their children, but also for them to open additional restaurants to pass on," he says.

Historically, most of the brand's franchisees have been single-unit operators, but that's changing. About 60 percent of A&W's recent growth has been organic, he says, with existing franchisees adding units and new franchisees looking to start with 3 or more units. "This is a shift that needed to happen," says Martino.

Over the past couple of years, A&W has started to focus on helping those single-unit legacy franchisees build the infrastructure to handle growth. To help get them organized for potential multi-unit development, he says, A&W has partnered with some financial service providers and advisors expert in structuring, financial support, and guidance. This initiative includes finding the best financial fit options to secure funding for expansion.

"We're not experts in financing, so we've found partners to work with them to find the best deal," he says. "First and foremost, it's important that these third parties understand our business, and then provide support and guidance to our franchisees." The same holds for banks, he says, which have to understand the business before they feel comfortable enough to lend.

"We're positioned to do 10-plus new restaurants this year and 20 or so next year," says Martino, adding that A&W is not pushing to grow too rapidly as it builds for the next 100 years.

GOLDEN CORRAL

"With the continuing escalation of costs, we recognize the need to help our existing franchisees by reducing our initial franchise fee to help on the up-front development costs. Instead of $50,000, we reduce it to $15,000," says Van Ingram, vice president of franchise development at Golden Corral. "It's strictly for them and a nice incentive that has been well-received by operators, who recognize that we are participating in the up-front costs," such as permitting and development fees.

One caveat: time. After paying the $15,000, franchisees have 18 months to open. After that, the $35,000 kicks in. "We have the option to extend the timeline, and we will if they're close," says Ingram.

The program has been in place for just a few years and is reviewed annually to see if it will continue. So how is it working? "Our existing franchisees have responded very well, opening 8 to 10 per year, and all qualified for this incentive," he says.

One thing Golden Corral does differently is to have a long-term, in-house finance specialist who works with both franchisees and lenders. At most brands, says Ingram, that role usually is filled as an offshoot of another department, or franchisees are pointed to a list of lenders who have worked with the brand before.

Julie Davis at American Dairy Queen

At Golden Corral that person is Sam Starling, vice president of special financing, who's been with the brand for nearly 30 years. In our "Challenge the Pros" article elsewhere in this issue, Ingram says, "Sam maintains relationships with an approved list of more than 40 lenders whom he uses to assist franchisees in creating a financing plan tailored to their individual business needs." Starling also is actively involved with franchisees and lending institutions to restructure debt.

Ingram emphasizes that the reduced fee does not reduce the training and support provided. Franchisees still get all the usual support in critical start-up areas such as real estate, construction, and operations.

For legacy brands like Golden Corral, or any mature brand, says Ingram, a little education and updating is needed when longtime franchisees look to expand. "A lot of our franchisees have been in our system 25 or 30 years and may have not developed a store recently," he says. "Things have changed. Zoning and permitting are now so much more difficult."

There's also the size and complexity of financing a Golden Corral. The average investment, he says, is $3.5 million to $5.5 million, with a 10,000-sq.ft. building, a large parking lot, a kitchen to cook 150 items, and seating for 400. Having an in-house financing specialist goes a long way to making deals happen.

DQ GRILL & CHILL

This past February, American Dairy Queen (ADQ) unveiled four new incentive programs intended to motivate current and prospective franchisees to open more DQ Grill & Chill restaurants. ADQ is targeting 10 major metropolitan markets across the U.S. this year and next. The programs are designed to reward franchisees for on-time development, with bonuses for meeting—and beating—the opening schedule.

1. Timeline incentives. A fixed incentive payment of $30,000 if franchisees open a new DQ Grill & Chill restaurant within 32 weeks from the date of the consent letter; those opening within 40 weeks receive $15,000.
2. Multi-unit opening incentives. Franchisees who open multiple DQ Grill & Chills within the same calendar year are eligible for an additional $10,000 per opening.
3. Year-on-year incentives. Franchisees opening new DQ Grill & Chills in consecutive years are eligible for an additional $10,000 on their first opening in the second calendar year.
4. Re-purpose incentives. Franchisees that develop and open a DQ Grill & Chill by expediting the conversion of a closed, former DQ, or other QSR restaurant facility are eligible for $10,000.

The thinking behind this is to "keep the ball rolling," says Julie Davis, ADQ's director of U.S. franchise sales and development, who joined the company last October. "It aims to keep franchisees focused on incentives, to encourage today's growth, and carry over for future years."

This program marks a shift for the brand, which was founded in 1940. "Our legacy operators were mom-and-pop," she says. "As business has become more sophisticated we're looking for multi-unit and multi-brand operators."

Finding cooperative lending partners is not a problem for the nearly 80-year-old brand. "We're not a finance house, but with all our experience building Grill & Chills for the past 20 years, the unit economics are well established, and we have lenders come to us to be on our preferred lender list," Davis says.

FAZOLI'S

Fazoli's offers franchisees a development incentive that includes a guarantee of at least $125,000 in savings for franchisees who develop at least three locations. Franchisees developing more than five locations will save more than $200,000. Initial franchisee fees are reduced depending on the number of units, and royalties are reduced 2 percent during the restaurant's first year open.

"We've put a little twist on a typical incentive, adding that guarantee," says Doug Bostick, senior vice president of operations and franchise development. "After the third one is open for a full year, we go back and calculate the savings through royalty reduction and initial franchise fees," he says. "If they didn't realize the guaranteed savings, we'll either write a check or reduce royalties some more."

So far, so good: "If anyone falls short, we offset it. We haven't had to do that yet, thankfully." This is the second incentive Fazoli's has rolled out in the past 4 years, and has no set date to pull it back.

As for financing, "We really have only one preferred lender: we recommend ApplePie Capital," he says. "We offer it as a service to our franchisees." He's brought the company to franchisee conferences to speak directly with operators. ApplePie has worked not only with new franchisees, but also with existing ones to finance remodels and upgrades of their POS systems, for example. In the past six months, Fazoli's also has begun working with Boefly, looking to leverage its connections with hundreds of lenders.

However, he says, "There hasn't been as much of a need for the groups we've been talking to in the past 5 years." Why? "We've


CHOOSE THE RIGHT FUNDING
PARTNER TO **FINISH STRONG**
FranFund designs smart all-in-one funding plans that get franchisees in the race and across the finish line.
IFA
INTERNATIONAL FRANCHISE ASSOCIATION
SUPPLIER FORUM
Entrepreneur
TOP
FRANCHISE
SUPPLIER
2018
Get started at bit.ly/franfund-fum
FRANFUND

FRANFUND

Fast forward your funding & your future.

> From the start, our experience with FranFund has been outstanding. Their professionalism, patience, and communication really made a complicated process much easier to navigate. Great companies are made of great people and FranFund has the best. I highly recommend FranFund as a trusted partner for anyone looking to own a franchise!
>
> - Marcy Simons from Roswell, GA | *Fish Window Cleaning Franchisee*

A preferred partner of the IFA and recognized as a top franchise funding supplier by Entrepreneur, FranFund, Inc. designs smart all-in-one funding plans that grow with your franchise business.

Founded by a veteran in the franchise industry with first-hand experience as a franchise owner, franchise developer, and new franchise creator, FranFund specializes in funding solutions for franchisees. With our deep roots in franchising, we know how to navigate the challenges associated with starting or growing your business.

No matter where you are in the journey of business ownership – whether you are considering leaving your current job to start a new venture or if you are looking to expand your existing operation – we are here to help. Based on your specific financial picture, we will work with you to design a funding plan that will set your business up for long-term success. We provide a free funding consultation and make sure you understand all of our program and service costs upfront before you commit to anything.

Our most popular funding programs are SBA loans and 401(k) business financing, which allows you to use qualified retirement savings tax-free and penalty-free. We also offer conventional loans and other non-traditional solutions including unsecured loans, securities-backed loans, equipment leasing, and refinancing programs.

By utilizing our franchise-specific pre-approval tool and cultivating an extensive network of lenders who are comfortable with the franchise model, FranFund's loan approval rate is 99%.

We believe delivering an exceptional customer experience is just as important as providing high-quality products and services and are proud of our high level of customer satisfaction. Our greatest successes are those of the clients we work with.

FRANFUND®

CONTACT INFORMATION

TIM SEIBER, CFE
Director of
Franchisor Relations

E-mail
info@franfund.com

Phone
817.730.4500

Address
505 Main Street
Suite 200
Fort Worth, TX 76102

been able to attract some pretty sophisticated groups, people who already have restaurant experience and other brands they're working with. They usually bring in their own sources," he says. And from a development standpoint, he adds, there haven't been many franchisees unable to honor their commitment because they couldn't find financing.

TWIN PEAKS

When we spoke with Joe Hummel, president and CEO of Twin Peaks, he was preparing to roll out new incentive programs at the brand's national franchise conference the following week. "We put together resources with traditional lending banks that will be available to franchisees with our support behind them. It's been a project for us in the last 90 to 120 days," he says. The brand has 85 stores with 4 more under construction.

Hummel says he was looking to create incentives for development agreements to accelerate openings and boost referrals. "We're finalizing it this week, with input from franchisees," he says.

He planned to meet with franchisees and the brand's business council (franchisee and franchisor representatives) at the conference to finalize the specifics. With the pieces in place, Hummel was looking forward to collaborating with franchisees to nail down what would be most attractive to them as a way to accelerate openings, what would be a fair incentive for referrals, and more.

COOLGREENS

Coolgreens is a young brand with big plans. Today it has 7 franchisees and 7 locations open, with 5 more under construction and contracts for another 25 to 30, says CEO Robert Lee.

Coolgreens had recently opened when Lee ate at a restaurant. He liked it and asked if they were thinking of franchising. A few years later he purchased majority control with plans to franchise the concept. "I wanted to take lot of what I'd learned as a franchisee and apply it as a franchisor," he says. "I preferred to build as a franchisor, rather than re-up as a franchisee." Lee, a franchisee of Phenix Salon Suites at the time, has sold his Texas units and still has some in California.

To help franchisees solve the funding challenge, Coolgreens has partnered with Boefly. "We started working with them when we started franchising toward the end of 2017 and signed up with them shortly afterward," he says. "It's been a great experience on the filter side to vet franchise prospects directly, then point them in the right direction."

The relationship with Boefly is not only beneficial on the vetting side, but also as a liaison for franchisees to find the best funding source. Boefly-connected lenders, he says, have come through in different, creative ways for new franchisees, including 401(k) financing. "One franchisee went the SBA route, which definitely has its place, despite a lot of hoops and hurdles, and some franchisees preferred to go the bank or a private route."

The brand has a 3-store minimum because, he says, "We never want to have a franchisee with a one-store island." With Coolgreens still a young brand in the franchise arena, that policy may change, he says. "What makes sense for us today probably won't make sense in 6 months. We're always evolving so it's tough to have a static program. The best solution for one individual may not be best for others."

TOUGH MUDDER BOOTCAMP

Tough Mudder is another new brand with big ambitions. When we spoke with Dan Henry, vice president of sales and operations, the brand was about to open its fifth location, with another in July. Henry says he expects to have about 10 by year-end.

"We signed our first franchise agreement in 2017, but didn't really award franchises until 2018," he says. "We wanted to get it right before rapidly expanding," he added with a nod toward Item 4 in the FDD.

Tough Mudder's first endurance event was held in 2010, the year it was founded. A typical course is about 10 miles long and has a couple of dozen obstacles to overcome. And while this may seem a tough sell to lenders, Henry says they have figured out the fitness space, which is "pretty established now among lenders and banks. Money's going heavily into the fitness space."

He says the brand is working with Benetrends during the evaluation and exploration period, with the hope that candidates can walk into discovery day with pre-approval. "We listen very closely during the first stages of the evaluation process about when to get them in touch with lenders," he says.

His long-term objective is to find a single lender for all the brand's needs who would, after due diligence, approve anyone he sends them. "We always have our eye out, constantly looking at different options for our franchisees. We don't want to be aligned with a group that recommends only one option." Benetrends, known for 401(k) IRA rollover funding, does more than that, he says, offering a full suite of lending opportunities.

NESTLE TOLL HOUSE CAFÉ

At Nestle Toll House Café by Chip, the go-to person for franchise finance is Paul Bosley, founder of Business Finance Depot. "I will entertain other sources and have used them in the past," says Benjamin Padilla, vice president of franchise development for Crest Foods, franchisor of the brand. "Right now, he's my go-to guy. I'm not working with others."

Business Finance Depot specializes in packaging SBA Express loans for working capital up to $150,000 and SBA 7(a) loans for projects from $250,000 to $5 million, and in packaging loans for equipment leases—and will offer alternate lending sources if a candidate wishes to self-fund or doesn't qualify for an SBA loan. The company launched in 2015, after being chosen by United Franchise Group to provide financing to all its franchise brands.

"He'll work very closely with franchisees, help with business plans, and has a large resource of a number of banks, particularly in the Southeast," says Padilla. "He'll try to line up a franchisee personality-wise with lenders. There's plenty of financing out there, but is it the best deal for our franchisees?"

For Padilla, the deal goes beyond the numbers. "I think there needs to be some emotion in lending. To do business with people, you have to like, respect, and trust them," he says. "Our philosophy is that we do not sell franchises, we award them, and we truly look for franchise partners who will embrace that philosophy."

Historically, this also has been a single-unit brand. That's changing here, too, but not without a certain level of caution. "Everybody wants to be a multi-unit operator. They buy five, open the first, and say, 'Holy cow, this is so much work!" says Padilla.

"I can train anybody to run one store if they'll just listen to me and follow the program," he says. "But in 35 years in franchising, I've seen more fail who had a successful single store but couldn't make that big change to be a multi-unit operator."

To help develop a successful long-term relationship with multi-unit operators, the brand has a "buy 3 get 2 free" program saving franchisees $37,500 in franchise fees they can use to fund the first 3 units and improve their chances of building out units 4 and 5. "We try to be lenient on opening schedules," says Padilla. "If you're truly looking after the best interests of your franchisees," he says, sticking rigidly to schedules is not good for the franchisee-franchisor relationship.

And, like Dairy Queen, there are advantages to being an established brand with a well-known name, in this case on the real estate side. "Our doors are beaten down by landlords who want the Nestle brand in their centers. So we do a lot to help our existing franchisees get a good location in a good center."

YOGI BEAR'S JELLYSTONE PARK

Jim Westover, vice president of product development and sales at Yogi Bear's Jellystone Park, emphasized the importance of aligning with the right financing people to secure funding for their franchisees, small or large. The brand has more than 80 locations in the U.S. and Canada.

"We have worked with a couple of folks for financing," says Westover. He also had good things to say about Paul Bosley and Business Finance Depot, whose connections with lenders not only include finding the best rates and terms, but also knowing the brand and its processes—especially important in the campground industry. "Most folks understand restaurants, but not campgrounds. You're never done adding to your campground—you can always add amenities, cabins, and more," he says.

"He first helps put together a business plan to present to the bank," says Westover. He says Bosley starts with Bruce Hurta at Lion Bank (aka Fidelity Southern Corp., whose acquisition by Ameris Bancorp was completed July 1). That bank, says Westover, is his brand's top funder. "The relationship helps franchisees because they understand our business model and what the SBA wants." ■

3 STAGES OF BORROWERS

James Short, executive vice president and director of food franchise finance at BBVA Compass, breaks down borrowers into three baskets.

1.

For smaller, new franchisees just getting into franchising, he says the SBA route is a great way to start. Many community banks have SBA divisions and often an approved brand list to help operators with 1, 2, or 5 units get off the ground.

2.

For operators with 5, 10, or 15 units, the next step is a regional or local bank. This group is always hardest to finance, he says, because, for example, if road construction or another external event causes a significant drop in revenue, there will be cash flow problems that might endanger repayment or other terms of the loan.

3.

At 10 to 15 units, Short says, "The world opens up for larger banks and restaurant shops with a specialty group. Once you get to that level, a restaurant shop like ours will refinance all their existing debt into one term loan, and consolidate and use the embedded equity the operator has established to develop a line of credit."

For franchisors, what's important about this, he says, is that the line of credit can be used for remodels, new store development, and potentially for acquisitions. "It's very streamlined financing using the equity they've built up, and the cash flow they're going to be generating through the new units," he says. It's also much more efficient for both the operator and the bank, compared with having to provide financing for each project. The availability under that line, he says, is based on the borrower's leverage metrics—the amount of debt versus the amount of cash flow.

SELECTION PERFECTION

To find the best sites, combine data with experience

Written By
SARA WYKES

Finding the perfect franchise location—one that increases the odds of success and reduces the chance of failure—requires the combination of data and factual information with experiential know-how and local knowledge. It's not rocket science, but it does require the right stuff. We asked franchise real estate pros how they're finding the best sites for their brands.

WHAT COMES FIRST?

Carl Jenkins is director of real estate for the 350+ unit Huddle House. His decades in franchising include time working in real estate for McDonald's, and he still depends on the acumen that directs that franchisor's site selection. "I always start by looking at where the McDonald's are," he says. "They usually have the best locations, especially for restaurants. Then I look for the best location nearby." For Huddle House that means good locations close to commercial and residential retail businesses that offer parking and are accessible from primary and secondary roads.

Eve Sembler is director of peripheral leasing for Brixmor Property Group, which owns and operates more than 400 retail centers across the U.S. The first thing she considers is who will interact with the business at a new location. "I want to know who will see the site when driving by, who shops at the property, and who lives in the area. This is so important, because the best operators know exactly whom they are trying to serve. When the operator's target customer aligns with the consumer shopping at the center, that's great real estate."

At PuroClean—which provides remediation for water and fire and smoke damage, mold removal, and biohazard cleanup to commercial and residential customers—site selection doesn't depend on a strong retail presence. "As an emergency restoration company, a key factor that contributes to our site selection process is the ability to respond to customers within an hour," says Tim Courtney, vice president of franchise development.

"We have large, open territories in which franchise owners are assigned a protected office location signifying their dedicated service area and consisting of 100,000 in population by ZIP code. Also, we have established relationships with national accounts within the insurance industry, and we select sites based on the areas where they receive claims requiring fulfillment."

Customer profiles do change, however, as do franchises. "Usually a franchise knows who their customer is," says Emily Durham, partner and director of hospitality services for Houston-based Waterman Steele Real Estate Advisors. "That doesn't mean this doesn't evolve, and you need a critical mass of units for good data. The older franchises have more data."

In Durham's 30-year career in the restaurant industry, she also has witnessed many changes. "You find that some of the older franchises are being replaced by newer ones. You can assume a lot about the transfer of a customer from one franchise to another, but we're in a time when it's all evolving."

Amy Hunn, vice president of construction and facilities for Floyd's 99 Barbershop, wants to know as much as she can about the franchisor's customers and where they live. "The first thing we research and consider is the demographics of the neighborhood. We look at population density, income levels, and past and projected stats. Understanding these key pieces of information helps us determine if a community can support a successful Floyd's 99 location."

Dunkin' Brands also considers several factors in site selection, focusing on one in particular. "The most important is the convenience the site provides," says Ian Poole, director of real estate development (West). "Dunkin's core consumers are people who are on the go and looking for speed and convenience in their coffee and food orders. So all of our sites strive to offer quick service, whether our guests order in-store or in the drive-thru."

Dunkin' also strives to be as flexible as possible, says Poole. "We offer our franchisees a variety of flexible concepts for any real estate format, including freestanding restaurants, end caps, in-line sites, gas and convenience, travel plazas, and universities, as well as other retail environments—in addition to the opportunity to co-brand alongside Baskin-Robbins."

WHAT MATTERS?

At Huddle House, Jenkins likes to look for areas in flux—markets that are changing because of new business activity. "You can get a shift in the market and some areas that once were strong become less so," he says. "That means asking where are the new jobs coming from? Where is the new housing? Pay attention to those things."

Brixmor's Sembler wants to know more details about an area too. "I start by thinking about the community," she says. "Who lives in it, what needs do they have, and how can we best serve them? From there, it's great to get a feel for the operators currently in the market and how they are performing. This gives me a good sense for the demand and what the community responds to. The best way to get a sense for these questions is to spend time at the center, seeing with your own eyes while using market research data."

Matt Stanton, chief development officer at Wellbiz Brands (Elements Massage, Amazing Lash, Fit36, Fitness Together), agrees. "The first thing to consider is market research," he says. "You want to know everything from demographics to shopping patterns in the area. You should also consult the franchisor for what data they are able to provide based on what has worked and what hasn't for other units in the system. If you jump right into looking at what's available without doing your due diligence and market strategy, you might get sucked into the trap of taking whatever is available at that moment, when it might be more beneficial to be a little more patient and get the right real estate."

Typically, he says, franchisors have likely invested in a research firm to help with real estate analytics to discern which markets are the best to target for expansion. This research can vary from basic customer demographics to psychographics, co-tenancy statistics, competition, and site attributes.

People, Products, and Process... the perfect blend.

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

Our customized online stores have helped franchise communities nationwide scale rapidly, save money and efficiently manage their promotional items, signage, apparel and marketing collateral. You can streamline operations, maintain brand compliance and shop conveniently online.

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

CLAYTON KENDALL
360° BRANDED MERCHANDISE

At PuroClean, Courtney says he finds useful data in reports and data from the U.S Census Bureau, and uses a mapping program to analyze area details. In addition, his team reviews national insurance data, which shares per capita losses on claims in the water, fire, and mold restoration industry.

At Floyd's 99, "We are constantly evaluating the business to better understand trends and who our customers are to ensure our demographics are current," says Hunn. "We then partner with a local broker, who uses this information and their local knowledge to help us determine what areas would be the best fit. Once we have identified an area or neighborhood that meets the demographic requirements, we begin searching for a space that meets the physical requirements such as visibility, parking, utilities, and other criteria."

Hunn says visibility plays a big role in the brand's site selection process. "The biggest difference for us is we are not looking for sites that would fall into a destination trip, like a mall," she says. "We are looking for locations that are part of the community and our clients' everyday business or shopping habits. Getting your hair cut is usually considered a chore or errand, and we want to make it as easy, fun, and convenient as possible."

Dunkin' uses multiple techniques to assess a site, including analytics, market knowledge, and previous stores' performance. Says Poole, "We strive to be very thorough in our site selection process, leveraging technology such as software programs that aggregate data on demographics, competition, and traffic to help us select the best locations."

And with all Dunkin' openings, he says, "We work closely with our local franchisees to strategically select the best sites. Our franchisees live and work in their local communities and know the pulse of the market regarding optimum locations that might open up in the neighborhoods they represent."

Dunkin' also has team members on the ground across the country who work with franchisees to determine the best sites. "Collaboration with our franchisees in all respects, including site selection, is key as we are a 100 percent franchised brand," he says. "We always keep in mind our core consumers of on-the-go coffee drinkers, so we look for locations with strong foot traffic or that are on people's commutes."

FRANCHISE TYPE MATTERS

"As a restoration franchise company, PuroClean operates out of a vehicle and requires a commercial storage space to house and maintain equipment," says Courtney. "So our site selection focuses on identifying a place that allows us to properly store and maintain our equipment within our protected office location. It should also provide ample space for the franchise owner, operating team, and technicians to serve their customers. Thinking ahead is also recommended. "You should also consider if there is an opportunity to expand your space and services, depending on desired revenue streams," he says.

Brixmor's Sembler agrees that the type of franchise and sector a brand operates in play a huge role in site selection. "Each category attracts a different kind of customer," she says. Risk plays a part, too. For example, a fast food operator looking to open their first site in a new city may want to position their new restaurant in the heart of a retail node as close to a Chick-fil-A or McDonald's as possible. "This strategy places the new concept in proximity to established peers where customers are already going. It can elevate a new concept."

However, she adds, this strategy can be risky because the new concept is competing head to head with a best-in-class operator and paying a premium for the real estate. "Each franchise concept and each franchisee will have a unique strategy as it approaches a market. Having a clear sense of the goals before even starting the site selection process is very important," Sembler advises.

A ROLE FOR BROKERS?

Depending on the brand and its development goals, Sembler also is a believer in working with brokers. "A broker can provide a huge value to a franchisee during site selection," she says. "Brokers know their markets, have established relationships with landlords, and may be aware of upcoming vacancy opportunities that are not yet advertised." She says sophisticated brokers also have access to a large amount of data about market rents and how major retailers in the market are performing. "Finding the right broker who will give you attention and clearly understand your strategy can have a huge impact on your success," she says.

To find the best sites for Floyd's 99 Barbershops, Hunn sees the value of working with local, experienced, knowledgeable brokers. "They understand the trends of the community and what areas meet the requirements of the business," she says. "A good broker also will have knowledge not only of what is currently available for lease, but what might be coming up in the market that would be a good fit." And during lease negotiations, she says, local brokers will have a stronger knowledge of local rents, what other tenants have been able to negotiate, and have established relationships with area landlords.

Introducing

POLN8

Earn. Redeem. Enjoy. Repeat.

Loyalty powered by FPN

(877) 782-8181 • buzzme@POLN8.com • POLN8.com

While Waterman Steele acts as a master broker for franchises who want to roll out across the country, "We don't do anything without local people," says Durham. "Nothing compares with someone who lives across the street. You may have all kinds of resources, but we get local folks involved. Because while there are patterns and correlations, it's not the same in every market."

Again, it's different for PuroClean. While they're establishing their business, most franchisees choose to lease a property, says Courtney. "As they begin to thrive, they often choose to move into a space to house their vehicles and equipment, or determine they would like to purchase the property when they build sufficient capital. This increases their company's overall value."

VALUE ENGINEERING

Vitality Bowl co-founder Tara Gilad has developed a focus on efficiency. "Right now we're working on value engineering each location," she says. "Costs are rising, so we are trying to identify locations that don't have such high initial construction costs. We're going for smaller locations, trying to value engineer our design, bundling, and equipment costs."

Founded in 2011, Vitality Bowls began franchising in 2014. Its growth since then has been striking: more than 100 cafes are open or in development. That rapid growth curve has meant a concerted focus on the criteria that work for a site.

"We want to make sure we get the right site, but we are not a dictatorship," says Gilad. "We don't tell franchisees they *have* to get this location. We always give them a choice. A master broker will identify the right locations and, ideally, we want to have three top locations in a market. We like to have a Plan A, Plan B, and Plan C. We are also patient and we want our franchisees to be patient for the right location. We don't want them settling."

LESSONS EARNED

"We learn from every store we open," says Poole. "As consumer preferences change, so must we. Dunkin' is constantly evolving, as evidenced by our recent transformation to simply Dunkin' and positioning ourselves as a premier beverage-led, on-the-go brand."

As an example, Poole points to the recent rollout of Dunkin's "Faster than Ever Drive-thru Experience," which features an "On-the-Go" drive-thru lane for DD Perks members who order ahead using Dunkin's mobile app. This feature, which can be found in select NextGen locations, "is something we take into consideration now during the site selection process," he says.

At Huddle House, Jenkins' experience has shown him he can trust his gut, and he is cautious about how much data he relies on before making a decision. "I don't rest my hat on technology. You can get so much data that you develop analysis paralysis," he says.

"We focus on systematizing the real estate process," says Waterman Steele's Durham. "It cannot be just a one-off, it can't be just made up as you go. You want a standard LOI process so that no matter whose hands it's in, it can't be messed up, particularly if we're going to plan out 30 at once. The only way to control it is to make it a system; create site approval packets, for instance, so no matter where brokers come from, they get same information in the same order. Otherwise it's all over the place."

Time also proves whether site location choices were good ones or not. "More experience means more information comes in that is not on the market. That is invaluable," she says. "The longer you do site selection for people, the more opportunity you have to see how the choices have turned out." ■

AI'S GROWING ROLE IN SITE SELECTION

The rise of artificial intelligence for business is upon us, but while it has become a popular buzzword, the powerful new tool is still young, says Navin Bhutani, director of development for LocateAI, a company founded 5 years ago by three Stanford University computer science grads who wanted to take AI-driven data collection and analysis to a higher level.

"We don't want to take away the local market knowledge," he says. Local brokers often have historical knowledge that hasn't been incorporated into the current state of data collection, or perhaps never can be. And despite increased use of AI in the coming years, local knowledge will remain invaluable.

"Data might say, for example, that one location in a neighborhood is better than another, but a local broker can tell us that there is customer traffic for a certain franchise type that flows in one direction or toward another franchise, but not in reverse," he says. "For our AI to pick that up, we would have needed to commingle sales data."

The real world does produce behavior that might not, or cannot, be anticipated and incorporated into a computer model. "Unless you see real-life examples, you can't imagine the various possibilities of things that affect performance," he says.

Machine learning can broaden and speed data analysis, offering more nuanced conclusions, but it remains a work in progress. What is undeniable, says Bhutani, is that the future state of franchise site selection will become more objective and include more combinations of key variables.

"Franchisors, franchisees, and private equity companies want to know where they can be successful—they want to be smarter, with useful, actionable data," he says.

GT&S Franchise Executive Search, LLC

GT&S Executive Search to Focus Exclusively on Franchising

Three franchise veterans team up in new executive search venture

SCOTT LEHR
GT&S Partner & CEO

GARY GARDNER
GT&S Partner

TOM PORTESY
GT&S Partner

Senior executives from three of the most respected entities in franchising have come together to launch GT&S Franchise Executive Search, LLC. The new company will focus exclusively on placing senior-level executives with franchise companies nationwide.

The three founder-partners are Gary Gardner, Chairman of Franchise Update Media; Tom Portesy, President and CEO of MFV Expositions; and Scott Lehr, who recently left his position at the International Franchise Association (IFA) as Executive Vice President of Development, Marketing, & Conferences, where he'd worked since 1990. Officially retired, Lehr now serves as a consultant to the IFA.

"Each of us has been helping franchisors find the right people for years," said Lehr, who will serve as the managing partner following the wrap-up of his IFA consultancy. "We've all been informally helping franchisors find the right franchise executives and assist executives to find their next opportunity. It was a natural activity for Gary, Tom and me to do."

Lehr met Gardner at the first event he attended after joining the IFA, and the IFA has been a partner with MFV for more than 25 years. Collectively, the partners bring 90 years of franchising experience and their networks of contacts to the new venture.

"Over the past 30 years, the three of us have probably placed hundreds of people in positions in franchising," said Portesy. "We saw how important the quality and talent of people at the senior level are to the success of a franchise company."

"Tom and I can't run it because we're still in our full-time jobs," said Gardner. "Scott is in the perfect position to take this idea and run with it. He'll be a great operating partner."

The network of contacts and connections the three partners bring to the new venture, with both franchise companies and individual franchise executives, will give GT&S a leg up in matching qualified candidates with franchise companies.

"Franchisors are facing new challenges finding talent in today's robust economy, with nearly full employment making it tougher to find qualified candidates for CEO, president, COO, and head of franchise development positions," said Lehr. The economy is placing additional pressure on franchise executives in a market where brands in many sectors are fighting for a larger slice of a shrinking pie.

Another challenge involves finding candidates who possess two skill sets that are more important today than in past years: finance and technology.

"Their bosses now are the private equity firms, and C-suite executives today must speak their language and understand what drives value for them," said Lehr. "And with the continued M&A activity of smaller brands being acquired by larger entities seeking economies of scale, C-suite executives today must manage a more diverse portfolio of multiple brands."

ABOUT GT&S EXECUTIVE SEARCH
To learn more about GT&S call Scott Lehr for a private and confidential consultation.

CONTACT	EMAIL	PHONE
Scott Lehr	scottlehr@franchiseexecutivesearch.com	443.414.6131

Q Is your development team involved in helping candidates find financing?

VAN INGRAM

VP of Franchise Development,
Golden Corral

Yes, our development team has a tremendous resource in place to assist potential and existing franchisees with their financing. His name is Sam Starling, the vice president of special financing at Golden Corral.

Most companies do not have a dedicated resource like Sam to explore and cultivate financing options. He has worked with Golden Corral franchisees to help them secure funding for nearly 30 years. Sam maintains relationships with an approved list of more than 40 lenders whom he uses to assist franchisees in creating a financing plan tailored to their individual business needs. Franchisees are not required to use one of these approved lenders. However, they typically do because of Sam's targeted approach to pair the best-fitting financial partner with the franchise entity.

Sam meets with our new franchise candidates during their initial corporate interview, before they become a franchisee. He discusses available financing options and is instrumental during the due diligence phase. He serves as a valuable resource for our new franchisee sales efforts.

The comprehensive support Sam provides stretches beyond new franchisees. Golden Corral has nearly 200 franchise entities, and Sam is actively involved in helping existing franchisees finance remodels, equipment packages, and other restaurant upgrades. For a legacy brand like ours, which has been around for 46 years, it is imperative to have this level of assistance in place to finance restaurant upgrades that elevate the customer experience.

Frequently, as existing franchisees seek to expand their businesses by opening new stores, their existing capital structure will not allow them to take on new or incremental debt to finance such expansion. They may need to recapitalize or restructure their balance sheet, restructure their existing debt to provide a more efficient capital base, or simply seek new sources of funding to meet these new capital requirements. Sam also is instrumental in working with these existing franchisees to assist them in these efforts as they seek to grow their businesses and expand their operations.

Let's face it, restaurant financing can be daunting for new franchisees. We are fortunate to be able to provide an experienced and well-respected resource like Sam early in the initial stages of a new franchise partnership. We are thankful for Sam and we know our franchisees are, too! ■

> Frequently, as existing franchisees seek to expand their businesses by opening new stores, their existing capital structure will not allow them to take on new or incremental debt to finance such expansion.

WES BAREFOOT

Director of Franchise Development,
ShelfGenie

At ShelfGenie, we use a variety of channels to generate interested, qualified candidates. These channels include a variety of digital marketing sources, as well as franchise brokers/consultants. When working with candidates referred to me by a broker/consultant, I've found that in many cases they have already been introduced to one or more funding companies and have a pretty good grasp on what their funding options are and how much capital they will have access to.

So I'm normally not in a position where those candidates are looking for any guidance from me in terms of securing funding, but just to understand our investment and how much capital they would need to start a ShelfGenie franchise. With other candidates, it's more likely that I will be in a position to help them better understand their options for funding.

ShelfGenie does not offer any in-house financing, but we do have a small network of trusted companies that we recommend to candidates, depending on their financial status, net worth, capital needs, etc. These are companies that specialize in helping people secure funding to invest in franchise businesses, and who have a good understanding of our model and what type of capital is needed.

We are also registered with the SBA, and I've had multiple candidates over the past several years use an SBA loan to get into our brand. The SBA has an Express Loan program that has proven a good fit for our candidates. The loan is up to $150,000, carries a low fixed interest rate, and does not require any personal collateral. And compared with other loans, the requirements to qualify are less stringent. Most ShelfGenie investments fall under the $150,000 threshold, so this has worked well for quite a few of our candidates.

Other candidates will use some sort of 401(k) or IRA rollover if that proves to be a better option for them. We like to be in a position to refer candidates to trusted professionals who can help them secure the financing they need. Some candidates rely on us for that, while others already have the funding piece figured out by the time I'm introduced to them. ■

FRANdata
Franchise Business Intelligence

1-800-485-9570
frandata@frandata.com

FIND YOUR NEXT BEST FRANCHISE PROSPECTS

We at FRANdata have been growing our data and contact competencies to serve our client's dynamic business development and marketing needs. In this competitive landscape, you need a solution that can help you go beyond your current capabilities by utilizing better information to help you to focus your resources only on selling to your ideal market targets.

> "The franchisee listings available for purchase from FRANdata are the pieces that complete our integrated recruitment strategies. They enable us to reach our ideal candidate in our target growth markets."
>
> **Julie Mitchell**
> Popeyes Louisiana Kitchen Franchising Manager

LEARN HOW FRANDATA CAN HELP YOU TODAY AT WWW.FRANDATA.COM

Show, Don't Tell

"Ingage" your prospects and boost your sales

Written By
EVAN HACKEL

Let's start by describing two people who are thinking about buying a franchise. Which one do you think will be more likely to buy?

Potential Buyer 1 attends a sales presentation. She comes home with a pile of printed material and says to her family, "They told me about their products, about the cost of buying a franchise, about their marketing, and showed me some ads. It was interesting."

Potential Buyer 2 attends a sales presentation. He comes home and says to his family, "I get why you buy a franchise. They have all these tools to make me successful. I signed up to take the training course for new owners and took a few lessons. I also did a videoconference with two franchisees, and we're going to stay in touch. Then I got a sneak peek at the company Facebook group and toured their internal portal and saw their business operating systems. I am incredibly excited and can see why I would be smart to make this investment."

The answer is clear about which prospect is more likely to buy. The takeaway I have for you is that if you want to sell more franchises, remember the old saying that a picture is worth a thousand words. In this case, it would be better to say, "An experience is worth a million words."

While the difference is obvious, what do many of us do when we are trying to convince prospects to buy? Mostly, a lot of talking about how wonderful our franchise is. The result usually is that the people we are talking *to,* like Buyer 1, come away and say, "It was interesting."

But you don't want people to say it was "interesting." You want them to say, "It was incredibly exciting! I want to know more, and I'm thinking I probably want to sign up." Having people touch and feel your business, which I call "ingaging" them, is the difference-maker. Why do I call it ingagement instead of engagement? Because in ingagement, the "i" stands for involvement.

HOW TO INGAGE PROSPECTS

Most of the time, franchisors show the cool, fun things they think a prospect would be excited to see. If the franchise is a scoop shop, they show a franchisee selling an ice cream cone to a smiling child. If it's a tire store, a franchisee is showing cool tires or rims to an eager customer.

That's all fine, but I would argue you should go deeper, much deeper. Whenever possible in the sales process, show, demonstrate, or ideally let potential buyers experience what you do in a tangible way, a way that lets them see and feel something about your brand and how it works. Let prospective buyers see *inside* your organization. Here are some examples of how to do that.

- Give them temporary access to let them explore your intranet and experience how you communicate. While they are taking this virtual tour, watch them and answer their questions. There is a huge difference when they drive their own experiences versus having you lead them.
- Let them explore the private Facebook group you've set up for franchisees.
- Host a Zoom or other video meeting, stand back, and let them experience what it's like to meet and interact with your current owners.
- Show them a company-wide video meeting; play them some video clips.
- If you do online training, set them up with passwords and limited access. Let them take some classes to experience what your training is like. Ideally, select courses that cover what your brand is and what it stands for—and what it means to be a brand steward.

When you let future franchisees see how your processes and training work, they will get a much better feel for your organization. They will be "ingaged" and much more likely to buy.

THE POWER OF TIME

Herb Cohen, in his classic book *You Can Negotiate Anything,* makes a great point. He writes that the longer people spend in a process, the more committed they will become. There is tremendous value in having prospective franchisees spend a lot of time learning about your system and understanding how it works. It will increase their likelihood of joining your system because they've invested more time and will want to get a return on that investment.

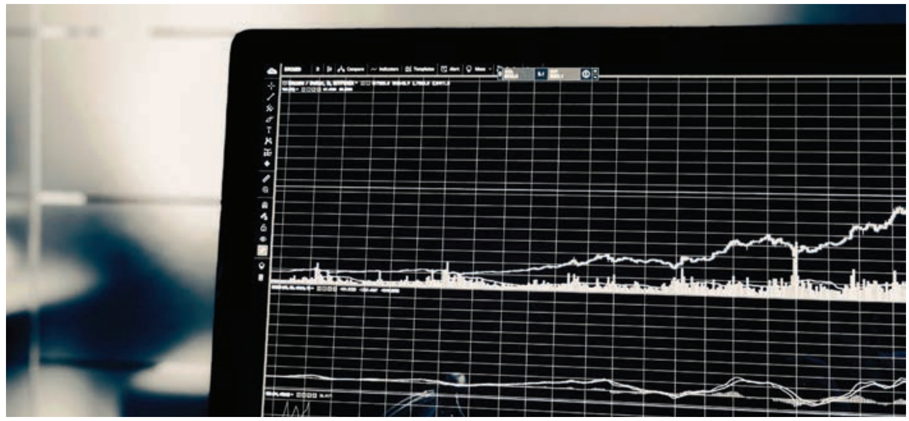
IN CONCLUSION

Remember that when people buy a franchise, they are buying a system, a proven methodology they believe will work for them. When you let them "ingage" and get under the hood to experience how your franchise really works, you are providing proof, building excitement, and showing them you have the tools they will need to succeed. And if you connect them with current owners and encourage them to get to know one other, you are building the kind of trust that can close sales. ■

Evan Hackel is a 35-year franchising veteran as both a franchisor and franchisee. He is CEO of Tortal Training, a leading training development company, and principal of Ingage Consulting. He is a speaker, the author of *Ingaging Leadership,* and hosts "Training Unleashed," a podcast covering training for business. Contact him at evanspeaksfranchising.com, follow him at @ehackel, or call 781-820-7609.

Accounting for Change

Impacts of new revenue recognition rules



Written By
DARRELL JOHNSON

Franchisors are mandated by the FTC's Franchise Rule to include GAAP-based financials in their FDD. As franchisors have started to experience, FASB changed what most franchisor financial statements look like because of the new revenue recognition rules, and we are now starting to see how financials are changing. By next year we should be able to draw some conclusions about whether these changes are having a material impact on those who are using the financials for decision-making.

While we're waiting for that assessment, now is a good time to understand how various stakeholders use (or should use) franchisor financial statements. Although layers of analysis can be considered, we can at least be reminded of some basic factors.

As with anything in an FDD, there is a natural friction between the legal and accounting professions on the one side, and the stakeholder desires on the other. This friction is generally described by one side saying as little as necessary to meet the regulatory requirements, and the other side trying to read between the lines to make business decisions.

Let's start with prospective franchisees, which is the group the FTC Rule was designed to inform. What should they care about? One of the more significant factors is whether the franchisor has sufficient financial strength to last as long as the prospective franchisee's investment horizon. That's primarily a balance sheet issue. An undercapitalized franchisor puts additional risk on franchisees, both in an absolute sense (the franchisor runs out of cash) and in a relative sense (a cash-strapped franchisor is far more likely to under-support its franchisees).

Each year FRANdata identifies more than 300 new franchise brands coming to market. Many are undercapitalized. For that group there is a disproportionate reliance on fee income. The new revenue recognition rules are making it harder for those franchisors by significantly lowering the amount of revenue they can recognize. That, in turn, will drive equity lower and put many into negative equity positions. Not only will that taint prospective franchisee assessments of franchisor viability; it's likely to draw the attention of state regulators, who are more likely to require escrow accounts for initial fees and put other requirements on franchisors with weak balance sheets. Perhaps we'll start seeing better capitalized franchisors come to market. Perhaps we'll just see fewer companies starting to franchise. We should start seeing the impact soon.

Another financial statement consideration for prospective franchisees is whether the franchisor is a good steward of its own money. Showing losses is never a good message for prospects. Neither is making a lot of money. However, neither is at the heart of what a prospect should consider.

The fundamental question the income statement should answer for a prospect is how much a franchisor is spending to support the system. Are there a lot of "affiliate" activities influencing the financial results and potentially representing a distraction to a pure focus on their franchisees? Are they spending a lot on corporate overhead? Is it possible to determine if a particular franchisor is "significantly" investing in the system? The good ones yes; others not much, if at all.

We tend to look at various parts of an FDD as separate topics. They are not. If an FDD were a painting the subject would be a landscape scene, not a group of individual trees or people. Other items in an FDD and in the franchise agreement describe (however sketchily) various types of support. How much of a franchisor's expenses, individually or even collectively, go toward training, field support, site selection, and so forth? These should matter to a prospect. That's what they're expecting. Good financial disclosures make it easier to connect the dots.

Existing franchisees have some additional reasons to examine franchisor financials. What's the marketing budget contribution by the franchisor? If there are rebates, are they revealed in the financial statements? Does the royalty rate align with the comparative level of support at other brands? Just because financial statements are provided in an FDD doesn't mean there is enough transparency to see these things.

Lenders are a necessary party to the franchise business model for most franchise brands. Most of the above considerations are also lender considerations. Until franchisors reach recurring revenue self-sufficiency, many lenders are hesitant to put money to work in a franchise system because of the risk that a franchisor will not make a sufficient investment in support systems, particularly during the most vulnerable two to three years after a loan is closed. A stronger balance sheet can compensate for some of the deficiency here. Having a lot of extraneous activities referenced in the footnotes also can be a flag for lenders.

When dramatic change is forced upon a business model like the FASB rule is doing, it presents an opportunity to reassess the fundamental reasons such information is being provided in the first place and perhaps make other improvements. Being mindful of some of the points noted here may actually result in more transparency and lead to better financial disclosures. ■

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.

Whither Brick and Mortar?

Mall vacancies mean new opportunities

Written By
CARL JENKINS

When I started in franchise real estate nearly 30 years ago, brick-and-mortar retail locations weren't just for shopping—they were destinations. They gave people something to do when we didn't have the Internet or social media to entertain us 24/7. And they gave franchise brands prime spots for real estate investment. There was no piece of real estate quite as prime as one across the street from a popular mall or shopping center.

Fast forward to August 2018, when the U.S. hit a 10-year high in closed-down retail square footage. Recent years have seen the shuttering of former behemoths such as Sears, Toys R Us, Payless ShoeSource, and many more—leaving huge vacancies in once-booming retail centers and changing the way other retailers, including franchise brands, need to look at real estate options.

While the future of brick-and-mortar stores continues to evolve, here are a few things for franchise real estate teams to consider.

NEW RETAIL OPPORTUNITIES

The closure of many brick-and-mortar retail locations is causing developers and retail landlords alike to reconsider what their properties need to look like to keep up with the changing economy. I've seen former shopping centers turned into offices for municipalities, and even one that has been proposed to transform into a cricket stadium. Developers and property owners are having to get creative with how they address the voids today's economy has left them.

For many, such as Simon Property Group or Brookfield Properties Retail Group, which own some of America's most profitable malls, this means conducting strategic, surgical demolitions on malls to transform them into lifestyle centers, complete with mixed-use tenants including apartments, hotels, and office spaces. This presents an interesting challenge for franchise real estate professionals. On one hand, this process of "de-malling" cuts back significantly on available real estate in markets of all sizes. With less space being designated for retail in these new lifestyle centers, the market becomes much more competitive—and that much more expensive too.

On the other hand, it's causing many brands to reconsider what their "traditional" space looks like. With Huddle House, for example, we've just recently debuted a new store footprint that provides a smaller, 2,000-square-foot building with fewer seats, but the same warm environment our fans have come to know and love. This smaller footprint allows us to pursue real estate opportunities our brand wouldn't have been able to fit into previously. It's important that franchise brands adapt to fit the market and its changes—or face the risk of losing out on potentially lucrative opportunities.

CHANGING TRADE AREA DYNAMICS

Once upon a time, it was considered a home run to secure a piece of real estate across from a mall or large shopping center. Today, however, you might be better off considering a site near an Amazon distribution center or a Walmart. The changing brick-and-mortar landscape has limited retail opportunities in markets of all sizes, forcing a shift in franchise trade areas along with it.

Now, possibly more than ever, franchise real estate teams need to put much more careful thought and consideration into where their next target areas should be. While it may no longer be desirable to be *inside* a retail shopping center, what about in front of the new grocery store where the Sears used to be? Consider what is motivating your target demographic to shop at actual retail locations instead of online. How can you get their eyes on your brand while they're at or on their way to that retail location?

That being said, it does take a good amount of time, energy, and resources to determine what your new trade areas should look like. To get a firsthand idea of the habits of your target demographics, consider investing in more robust economic studies, or have your team spend more time with boots on the ground in the areas you're considering for growth. You may need to spend more time in the analyzation process than in years past, but the result can mean the difference between success and failure for your brand.

As the future of brick-and-mortar retail continues to evolve, there are a number of opportunities franchise brands should keep an eye on. From the prospect of entering new types of retail spaces to reconsidering where you draw your business from, franchise real estate professionals and the brands they represent must continue to evolve to stay ahead of the curve and secure the next local hot spots. ■

Carl Jenkins is director of real estate at Huddle House. Previously, he spent more than 28 years in commercial real estate roles for Advance Auto Parts, McDonald's, and Panda Restaurant Group, where he supported both corporate and franchise development.

REAL ESTATE WORLD

A global look at the state of retail space

Written by
WILLIAM EDWARDS

The three major components of the P&L statement of a retail or restaurant franchise unit of any type and in any location worldwide are the cost of goods sold, the cost of labor, and the cost of rent.

In this column I focus on real estate trends affecting franchising in areas of the world where new franchise development is active. In answer to my question about the state of retail space rent, our correspondents from around the world provided different insights. Of course, a common thread is the cost of rent as a percentage of gross sales. We begin with feedback from a franchisor of a large global residential and commercial real estate brand.

- **GLOBAL** "Coldwell Banker has franchised real estate operations in 44 countries globally, and our parent company Realogy operates in over 100 countries worldwide. The United States has MLS data, numerous regulations, and laws managing the transaction of real estate and the people who perform these actions. These points do not exist in most global markets. This makes it highly important to exercise due diligence on the people and organizations who assist you in handling your real estate requirements."
  David Riker, *Vice President of Global Operations, Coldwell Banker, a subsidiary of Realogy Holding, which also owns Century 21 and ERA Real Estate*

- **CANADA** "As so many franchise systems operate in the retail sector, Toronto has become a boom town for franchising. The huge amount of commercial development and growth in population over the last 10 to 15 years has presented a virtual royal feast for any retail operation looking for good locations. All indications are that this situation will continue for some time to come."
  Edward (Ned) Levitt, *Partner, Dickinson Wright*

- **CHINA** "In the past 20 years of rapid growth of the Chinese economy, real estate and property development have enjoyed an unprecedented record of increase with the urbanization of Chinese society. Tremendous numbers of new shopping malls emerged in every tier of cities across China, which has provided space for both Chinese and international franchised businesses. Different from the U.S. market, standalone locations are quite rare and most franchise businesses choose to operate in malls. High rents and short lease terms are major challenges for most franchisees in China. A 3-year lease term is average. In some high-traffic, high-income areas, the lease term can be for just 6 months. This reflects the fast change of the market with new brands emerging every day and vying for good locations."
  James Liu, *Managing Director, FranChina, Beijing*

  Contrary to what we see in the news about China's economy, the China Chain Store and Franchise Association (CCFA) says the total sales of the Top 100 retail chains in 2018 were 2.4 trillion yuan (USD358 billion), up 7.7 percent year-on-year.
  Fung Business Intelligence, May 15, 2019

- **HONG KONG** "Hong Kong has always been one of the most targeted retail hubs for regional and international brands. It is a small city by geographic size, but a large and competitive market for businesses. Retailers must spend a sizable amount of capital on rent, costs, labor, and marketing campaigns to stay ahead of the game. With the power of an existing brand behind them, franchisees can leverage the established business system, brand recognition, and customer loyalty."
  Lawrence Wan, *Senior Director, Advisory & Transaction Services–Retail, CBRE Hong Kong*

- **MEXICO** "Mexican franchises have a very important ally called 'location.' Rent cost is one of the most relevant characteristics when people invest in franchises. It is vital to know the opportunities presented by the real estate market with the opening of new shopping centers throughout Mexico. As of May 2018, there were 738 shopping centers, representing an average of 28,000 square meters (300,000 square feet), totaling 22 million square meters (235 million square feet) of opportunities to locate franchise units."
  Ferenz Feher, *CEO, Feher and Feher, Mexico City; with additional information from May 2018*

- **SINGAPORE** "There are already too many malls in Singapore, and more are being built. The city-state has 6.1 million square meters (65 million square feet) of retail space, of which 8.7 per cent is vacant. Yet, a further 364,000 square meters (3.9 million square feet) are forecast to be added, with the biggest chunk hitting the market this year. All this when online shopping is replacing most in-store purchases. Retailers such as Crabtree & Evelyn are closing their physical stores. Many malls now have a much bigger proportion of food and beverage tenants than before. Like almost everywhere, the difference in rental in a mall is based on the unit's location or frontage, size, and floor level and not very much so on the type of business."
Albert Kong, CEO/Managing Director, Asiawide Franchise Consultants

- **SPAIN** "Spain has seen a tremendous increase in franchised F&B units in the past 3 years as the recession fades and unemployment decreases. Rental costs have been on a rapid rise, although many people think they will go back to normal during 2019. Across Spain there were 911 F&B franchise openings in 2018, 52 percent of the new franchise business openings. Of those, 63 percent were street commercial space, 31 percent in shopping malls, and 6 percent in other locations. Occupancy rates also went up during 2018. The growth was strong for street properties and weak in shopping malls, which are the ones suffering the most from online shopping. By size of location, small locations are the most popular. E-commerce is making many apparel stores change their strategy from many medium-sized stores to few large flagship stores in key locations."
***Tarsicio Merino Barby,** Founder/Managing Director, Almanor International, Madrid*

- **THAILAND** "The expansion of urban areas and the consumer's lifestyles in the big cities of Thailand motivated real estate developers to build the mixed-use complexes. Many franchise restaurants choose to locate in the office buildings near residential buildings and public transportation like the Skytrain and metro Bangkok subway. Developers plan to invest more than USD18 billion in mixed-use projects from 2019 until 2025."
***Sethaphong Phadungpisuth,** Managing Director, Gnosis Company, Bangkok*

- **THE UNITED ARAB EMIRATES** The massive Dubai Mall and Mall of the Emirates have been known for sky-high rents, high rent increases, and difficult landlords that want a major share of gross sales. Reality is starting to seep into this attractive market with many high spenders who love international brands. "A three-year cap on rent increases would ensure that no landlord can demand more based on his whim. It also assures tenants of a suitable time frame before they need to spend more. It's important to stress that the proposition looks compelling."
Gulf News, May 2019

THE UNITED KINGDOM "The UK retail market is currently experiencing unique and challenging market conditions, which is not being helped by the added uncertainty over Brexit. This has resulted in many national retailers looking to downsize their store portfolios through various insolvency options. However, this in turn is presenting a lot of opportunities for franchise operators to take advantage of the increase in stock coming to the market."
***Myles McKinnon,** Director, McKinnon Nelson Property Consultants, London*

"Real estate costs are a big issue for many franchisors who need prime sites, although things are getting better following some high-profile retail failures and some realism is creeping into the stance taken by landlords. For many brands, location is everything, so the success or failure of the unit will be determined to a great extent by the property costs—not only rent, but also 'rates,' a government tax that typically runs at around 50 percent of the headline rent."
***Iain Martin,** International Franchise Consultant, The Franchising Centre*

BOTTOM LINE

Our experience developing U.S. food and beverage franchises around the world indicates that for the same restaurant brand the cost of rent can vary from 8 percent to 25 percent of the gross revenue depending on the specific market, having a major impact on the EBITDA of the franchisee. Site selection remains critical for franchises no matter the country. Careful attention also must be given to the rent costs over time to ensure that a franchised unit of any type can be profitable. ■

William (Bill) Edwards is CEO of Edwards Global Services. EGS offers a complete international operations and development solution for franchisors based on experience, knowledge, a team on the ground in more than 40 countries, and trademarked processes based on decades of problem-solving. Contact him at bedwards@edwardsglobal.com or 949-224-3896.

Increase Signings by 30%

Stop ignoring funding, real estate, and territory analysis

Written By
ART COLEY

You'll improve the number of individual candidates signing franchise agreements over the next 6 months by up to 30 percent doing a better job with funding, real estate, and territory analysis in the middle of your brand's discovery process.

Here are three action items for recruiters to take with candidates:

1. Know the total dollar amount needed to properly capitalize the business. Take the amount in Item 7 of your FDD and add 6 to 36 months (depending on the brand and industry) of personal income requirements. This is not the same as business working capital. Household income replacement is top of mind for almost every candidate, and most recruiters are not discussing it. Do the work with them and get this amount down on paper!
2. Have clarity and proof on how the amount from #1 will be funded. If it's SBA, conventional, letter of credit, or home equity, get a pre-qualification letter. For a rollover, have them connect with one of the rollover firms for proof that the funds are there and that the rollover qualifies. If self-funded, you want copies or screen shots of the accounts and funds. If a family member, friend, or partner is the solution, have that person complete your application and show evidence of access to capital.
3. Provide the candidate with a real estate and/or territory checklist with action items. This can be a simple PDF explaining what the candidate will do and learn about in their area. Done right, a candidate will love this. It will be fun! They'll start to *"see"* themselves in business with your brand in their own backyard. I'm not suggesting they start working with the real estate team doing site selection and lease negotiation. Those are action items for a franchisee.

WHY IT WORKS

In the early part of the recruitment process, which I call the Vision Phase, a good recruiter gets crystal clear about a candidate's goals and life vision, experience, timeline, current financial situation, and decision criteria. A good recruiter helps a candidate understand the business model, industry, unit economics, and traits of top-performing franchisees. At this point, a candidate should feel inspired and excited about the idea that maybe their dreams have a chance of becoming a reality with your brand. They're starting to *"see it."*

So, what's next? Discovery day? Wrong! Focus on funding, real estate, and territory analysis *before* a candidate visits the home office to meet with the support team and executives. This middle phase, focused on funding, real estate, and territory analysis is what I call the Grind Phase. This is where a candidate starts to—in a practical and realistic way—connect the dots and color in the picture that was created in the Vision Phase. It's beautiful to see it happen for a candidate.

Consider the three action items above and what you could start doing right now. It could mean up to a 30 percent improvement in signings with stronger, better, and more prepared new franchisees for the support team.

Let's go to work! ■

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

OVER 90%

of recruitment teams say a combination of funding, real estate, and territory analysis are major bottlenecks in the sales process and killing deals.

CONFERENCES

Franchise Update Media now hosts 4 annual conferences

Franchise Leadership & Development Conference

October 15–17, 2019, Atlanta

An exclusive event for franchisor CEOs, presidents, COOs, CDOs, and franchise development executives. The advisory board of experienced franchise leaders directs the programs and content, focused on recruitment, sales, and development, as well as professional leadership—and the annual STAR Awards honoring the best franchise development teams.

European Master & Multi-Unit Franchising Conference

January 28–29, 2020, Vienna, Austria

For those interested in franchise expansion in Europe, this is a golden opportunity to meet like-minded franchising pros from across the pond. Join industry leaders, franchisors, franchisees, and master developers as they address common issues and solutions relating to European expansion.

Multi-Unit Franchising Conference

April 13–16, 2020, Las Vegas

The annual Multi-Unit Franchising Conference is the premier event targeting multi-unit franchisees in the food, hospitality, retail and service sectors—along with developers, chain store operators and private investment groups looking to build and expand multi-unit operations. This is the ultimate deal-making event for franchisors, multi-unit franchisees, and service providers.

Franchise Marketing Leadership Conference

June 16-18, 2020, Atlanta

The only industry event focused solely on topics of importance to franchise marketers brings franchisor CEOs, presidents, CMOs, and top marketing executives together for 2½ days combining speakers and presentations with peer-to-peer problem-solving workshops and roundtables.

Franchise Opportunities

Looking for your next franchise opportunity? Have we got the tools for you! Find articles on companies, concepts, industries, trends, and profiles—and search our features. Find franchisors looking for multi-unit franchisees, area reps, and area developers. Search by top opportunities, alphabetically, investment level, industry, state, and more at **franchising.com**

ONLINE Multi-Unit Community Grows

Check out our community-based website for multi-unit operators. It's your exclusive look into the world of multi-unit franchising, your one-stop shop to find:

- New brand opportunities
- Networking opportunities
- Online edition and archives
- Exclusive interviews
- Operator profiles
- Financing resources

www.franchising.com/topics/multiunit_franchising

Publications

"Don't just survive, thrive!" Franchise Update Media's *2019 Annual Franchise Development Report* and the best-selling book *Grow to Greatness* by leading franchise consultant Steve Olson, offer invaluable tips for franchise sales success and unit growth. To order, visit **https://afdr.franchiseupdate.com/** and **https://bit.ly/2IEBti8**

Quicklink

For a one-click link to articles in this magazine and to past issues of *Franchise Update* magazine, visit **https://bit.ly/2LJbyaC**

Ax the Pink Tax!

At European Wax Center, the success of the brand's Ax the Pink Tax campaign was just the start in educating Americans about the fact that women pay more than men for similar products—an estimated $1,351 each year, or $40,000 by age 30. "It's not a one-and-done campaign," said Baker, and the brand continues to build on last year's success.

Sherry Baker
President of Marketing & Product Development European Wax Center