

CEO MEG ROBERTS & Founder ANNA PHILLIPS, The Lash Lounge

ANNUAL WOMEN'S ISSUE

LIGHTNING IN A BOTTLE POWERS THE LASH LOUNGE

ANECDATA, FACTS & STATS

6 pages of data about women in business pg. 22

PR & MARKETING GUIDE

Firms that can help get your message out pg. 31

MARKETING KPIs

Mastering the data: strategies, tips, and tactics pg. 44



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CONTENTS

Franchise Update | Q1, 2020



04 FROM THE EDITOR'S DESK
INSPIRING WOMEN

06 LEADERSHIP
COVER: WOMEN LEADERS PROVIDE C-SUITE ADVICE
Our 7th annual Women's Issue profiles 20 inspiring female franchise executives

16 LEADERSHIP
FEATURE: THE LASH LOUNGE
Two women—the founder and the CEO—partner to accelerate growth

22 LEADERSHIP
ANECDATA
Facts, figures, and thoughts on the changing role of women in franchising

28 LEADERSHIP
CEO PROFILE: MICHELLE FEE, CRUISE PLANNERS
This early Internet adopter has transformed an industry

36 LEADERSHIP
CEO PROFILE: KIMBERLEE WHITE, JABZ BOXING
"Who doesn't like to punch?"

40 LEADERSHIP
FRANCHISE LAW
It's time to fix some of franchising's structural problems

42 LEADERSHIP
ANATOMY OF A BRAND: FAZOLI'S
Founded in 1988, this fast-casual Italian leader builds for the future

44 CONSUMER MARKETING
FEATURE: MARKETING KPIS
Mastering marketing data: strategies, tips, and tactics

47 CONSUMER MARKETING
CMO Q&A: AMY PRZYWARA, SYLVAN LEARNING
Passionate about helping children learn

50 CONSUMER MARKETING
CMO ROUNDTABLE
"What marketing KPIs are most important to your brand—and why?"

52 CONSUMER MARKETING
CUSTOMER SERVICE
Conversation "nevers" and "always" help build strong relationships

53 GROWING YOUR SYSTEM

MARKET TRENDS

Older brands learn new tricks to stay relevant

54 GROWING YOUR SYSTEM

CHALLENGE THE PROS

“Prospects today are more informed than ever. How has this affected your recruiting?”

58 GROWING YOUR SYSTEM

REAL ESTATE

Tips for brick-and-mortar stores on adapting to e-commerce

59 GROWING YOUR SYSTEM

OPERATIONS

Food “a la cart” is a moving way to spread your brand

60 GROWING YOUR SYSTEM

MILLENNIALS

Gen Y just might be your best pool of franchisee candidates yet

61 GROWING YOUR SYSTEM

SALES SMARTS

Improve you system through better listening—and respect

62 GROWING YOUR SYSTEM

INTERNATIONAL

Vietnam has become one of Asia’s hottest markets for franchising

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Inspiring Women

Written By **KERRY PIPES**

By now it's no secret that the rise of women leaders in franchising is a cultural and business development that's here to stay. Whether talking about female franchisees or top female executives in the C-suites of some of the world's most well-known brands, the role of women in franchising has changed for good... and continues to change... for the better.

This is the 7th year we've documented this trend, devoting our first quarter issue every year since 2014 to interviewing female leaders and writing about their growing roles in franchising. But we're far from the only media outlet to take notice (though we'd like to think we had something to do with it!).

In December, a *Wall Street Journal* article highlighted the rise of women in franchising. Citing research by Franchise Business Review, it noted that, as of May 2019, women owned or co-owned 35 percent of the franchise outlets in the U.S.—about 265,000 units—up 24 percent from a decade earlier; and that, in the 2 years ended last May, 4 of 10 (41 percent) new franchise outlets opened have been owned or co-owned by women.

Franchise corporate offices, too, are increasingly led by women who have the experience, intelligence, and drive to lead their brands well into the 21st century. Whether it's CEO, COO, CFO, CMO, CDO, CIO, or any other title that represents leadership, the cultural shift in the number of women leaders in franchising is changing the landscape and creating opportunities for more women to rise to the top more rapidly.

As we kick off 2020, we have taken the opportunity to seek out some of today's top female franchise leaders. You'll read about 20 women who hold high-level positions in everything from QSR to service brands, and just about everything in between. We asked them to describe their job and queried them on what advice they would give

to other women seeking leadership positions in the franchise world. As you'd expect, the answers are insightful, well-articulated, and inspiring.

We also jumped at the chance for in-depth interviews with The Lash Lounge founder Anna Phillips and the brand's CEO Meg Roberts. Phillips brought the concept of eyelash extension to the U.S. about 15 years ago, opened her first salon in 2006, and sold her first franchise about 10 years ago. In 2016, facing competition, she teamed up with Franworth to accelerate growth. That led to bringing in Roberts as CEO in 2018—and those two make quite a team!

It's a great time to be in franchising. And it's never been a better time to be a woman in franchising. There are more opportunities to excel and lead franchise brands today than ever before. In this issue you'll discover a group of great women busy inspiring franchisees, driving brand strategy, and moving their brands ahead.





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Inspiring Women

*20 female franchise leaders
share their wisdom*

Written By **KERRY PIPES**

Each year, beginning in 2014, we've dedicated our first issue of the year to Women in Franchising. This year we asked 20 female franchise leaders two questions:

- 1) What advice would you give to women seeking the franchising C-suite?
- 2) Describe your job in 100 words.

We received some inspiring responses, which we hope will inspire aspiring women. Our own advice to women seeking a seat in the franchising C-suite? Read on – and **Go For It!**



BROOKE BUDKE

Company: Title Boxing Club
Title: Vice President of Marketing
Years with current brand: 6.5
Years in franchising: 6.5

What advice would you give to women seeking the franchising C-suite? My advice to all people, not just women, seeking the franchising C-suite is keep your head down, work smart, be kind to all people, and practice gratitude in the workforce. I've learned that being efficient is the most important superpower in business as there will always be more work than time to get it done, especially as you climb closer to the top. You must be a product of the product and walk the walk within your brand standards—not just with your internal staff, but also with the franchisees. And, every day, you must intentionally focus on what's going right instead of on what's wrong.

Describe your job in 100 words. Our team serves more than 60,000 members in the U.S., Dominican Republic, and Mexico, of all ages, sizes, and abilities. The one thing that's true for all people across the globe is that they are all fighting battles in their life. At Title, we champion their fighting spirit through our boxing workouts, franchisees, staff, and trainers. We hustle hard internally to provide all resources, strategies, and brand innovation to the franchisees, helping them generate revenue and have an impact in their communities. I believe my job is a mix between inspiring franchisees, driving brand strategy, generating leads, moving the brand forward, and slaying company goals.



LEXI BURNS

Company: Twin Peaks
Title: Vice President of Talent Management
Years with current brand: 9
Years in franchising: 10

What advice would you give to women seeking the franchising C-suite? No matter what position you have in the company, make sure you involve yourself in the most important elements of the business. Show that you are interested in the overall growth of the business and not just the department you oversee. Respectfully challenge the status quo and be confident in your opinions. As a woman, you bring a unique perspective that should be acknowledged and considered. Establish clear diversity targets with leadership, measure progress toward your goals, and be consistent in your work ethic until you reach them. Get a seat at the table, keep it, and then look within the department or company and help other women find a voice too.

Describe your job in 100 words. I joined the Twin Peaks team when the company was just getting started. It has been an incredible rollercoaster ride to see the brand grow rapidly over the last few years to what it is today. I have the privilege of owning and protecting our unique culture. We have a strong culture and employee value proposition, and I have the opportunity to lead the brand and make sure that each person from the support office to the restaurants is an ambassador for that experience.



KAT DAVIDSON

Company: Coolgreens
Title: Vice President of Franchise Development
Years with current brand: 9 months
Years in franchising: 10+

What advice would you give to women seeking the franchising C-suite? It's incredibly important to find a brand that speaks to you personally. You're not just an executive, but a living and dynamic ambassador for the company. I found Coolgreens at a time when my health was a priority. As I started to find natural remedies in food that could heal my body, I also discovered that it was important for me to work for an employer who was aligned with what I believe. Instead of looking for a job, more important was searching for a brand that had the right mission. It is extremely important to research and take the necessary time to learn about the culture and the leadership team. At Coolgreens, I feel like I have found a place where I belong. The synergy between my brilliant team members is perfect and makes my goals much easier to attain. When passion is the priority, you'll see that it becomes a lot easier to sell and be an advocate for the company.

Describe your job in 100 words. At Coolgreens, I get to have my hand in nearly every part of the franchise development process. Everything from cold calling, vetting, building and cultivating the relationship, to finally introducing them to an unforgettable partnership. I love that I am responsible for those initial moments of a franchisee's journey that shape their experience with the brand! Coolgreens is an emerging concept with big goals, and it's very exciting to have a front-row seat and role in helping the brand reach new heights. I have an entrepreneurial, nurturing spirit, and that translates into what I do at Coolgreens.



EMMA DICKISON

Company: Home Helpers Home Care

Title: President and CEO

Years with current brand: 12

Years in franchising: 25+

What advice would you give to women seeking the franchising C-suite? Always look for a way to say “Yes” to opportunity. Most of the best things that have happened in my career are because I said “Yes,” even when I wasn’t sure how I would do it. Be confident that you will find a way to get it done.

Describe your job in 100 words. I love my role at Home Helpers Home Care. It is amazing to know your work is vitally important and can positively affect so many. I believe my role is that of the company’s visionary. I work to create a shared vision for the future, then provide my team, franchise owners, and vendor partners with the support and resources to bring it to fruition. It’s imperative not only that I set up our team for success, but also that I give them the space to leverage their unique expertise for the benefit of Home Helpers.



LISA DIMSON

Company: Your Pie

Title: Chief Marketing Officer

Years with current brand: 6 months

Years in franchising: 15

What advice would you give to women seeking the franchising C-suite? To be successful in a franchising organization, it’s important to understand that your ability to make an impact truly relies on your capability to build relationships. This is true for any position within a franchising organization. The rise into the C-suite shouldn’t change this philosophy, and my advice to any leader is wrapped around the verb “be.” Build relationships by being present, mindful, and engaged with your team, your franchisees, and your guests. This purpose-driven action will allow you to lead your business successfully, while making a difference in the lives you touch. I personally believe that leaders should be bold, brave, and brilliant in their pursuit to reach their goals for their brand. Leaders may not have all the answers. However having a high level of intellectual curiosity, a “Yes and” approach, complemented with treating others with respect, is a great path to a rewarding career in franchising.

Describe your job in 100 words. I lead our growth strategies to drive results to enhance unit-level economics for our franchisees, while also supporting brand development to bring Your Pie to more communities nationwide. In marketing, there are always competing ideas and priorities, so part of my role is a forward-thinking focus on innovation and finding effective solutions that drive measurable results, both at the brand and individual store levels. In today’s landscape, we have to leverage technology strategically to reach our customers, so a big priority for me is helping us stay ahead of the technology curve to deliver a personalized and frictionless experience to our guests’ ever-changing lifestyles.



HEATHER ELROD

Company: Amazing Lash Studio

Title: CEO

Years with current brand: 4

Years in franchising: 20

What advice would you give to women seeking the franchising C-suite? Identify at least one C-suite executive to mentor you, ideally another woman. This is not often an easy task because, frankly, women are not generally proactive in mentoring each other. This is something that I am on a mission to positively influence: women supporting, helping, and encouraging other women! It is such an exciting time for women in franchising with more opportunities than ever before in multiple industries. Invest in yourself, soak up the knowledge of those who have pioneered the road before you, never stop learning, and never give up.

Describe your job in 100 words. As the leader of the nation’s largest eyelash extension franchise beauty brand, I am enormously privileged to help women look and feel amazing! Our brand is recognized as one of the fastest-growing franchises of the decade. I, along with my entire team, know that this type of opportunity is rare and it is an honor to be part of creating a movement in the beauty category. We take the investment our franchisees make into our brand to heart and genuinely care about their success. To us, it is personal. We know that the success of our franchisees is predicated on the success of our entire business.



KRISTEN HARTMAN

Company: Cinnabon and Carvel Ice Cream (Focus Brands)

Title: President

Years with current brand: 7 (Focus Brands)

Years in franchising: 24

What advice would you give to women seeking the franchising C-suite? Embrace every opportunity that comes your way and believe in yourself. Women have an innate ability to understand people. That's essential in understanding consumers, which drives brands. And it's essential in our most important role as leaders, which is to build teams. I would add that we are natural collaborators, which is one of the most important traits of a leader in franchising. Partnerships with our franchisees are key to our collective success.

Describe your job in 100 words. My job is to build the brand and the business for two sweet brands, Cinnabon and Carvel, and deliver results for our stakeholders. Job one is to build an amazing team to do that, a team passionate about the brands, our success, and the success of our franchisees. I see my role as building a strong culture, a shared vision, tangible plans, and focusing on results. If our teams are enjoying what we do, we're likely delivering on that. And if our franchisees believe in what we're doing and are seeing results, their teams are building a strong connection with our guests, which builds the brand and business.



STEPHANIE HU

Company: Fitness Together

Title: CEO

Years with current brand: 6 months

Years in franchising: 6 months

What advice would you give to women seeking the franchising C-suite? Carpe diem! One of my brother's favorite movies growing up was "Dead Poets Society," and I think that phrase captures my approach to work and life: take action and don't wait for someone else to dictate your path. Additionally, I never really looked at the path to the C-suite as the goal, but instead looked at the skills I wanted to develop and improve upon as the goal. I would leverage mentors, colleagues, and others to understand where I had opportunities and then developed plans to exercise those "muscles." Furthermore, I believe franchises are set up well for women to excel. There is empirical evidence that shows female managers outperform when it comes to driving employee engagement, and one of the most critical aspects of partnering with franchises is ensuring engagement and alignment.

Describe your job in 100 words. My role can best be described as a Chief Engagement Officer. Franchising is unique in that I have three distinct constituencies—my immediate team and corporate partners, franchisees, and of course the end-consumer—and it's critical that I keep all parties engaged and aligned. Franchisees invest in our brand as much as we invest in them, so I want to make sure they are engaged and excited about what we are doing as that will resonate downstream to the end-consumer, which is ultimately how we all achieve success!



ANNE HUNTINGTON

Company: Huntington Learning Center

Title: President and Board Member

Years with current brand: 6

Years in franchising: 6

What advice would you give to women seeking the franchising C-suite? Stay resolute in your vision, embrace disruption, and practice diplomacy. The best leaders are those who are able to see above the canopy, stay focused on the company's vision, and rally others around that vision. Sometimes this means embracing disruption and transformation, which can be uncomfortable, but it is imperative to move the company forward. Successful leaders practice diplomacy and engage their teams regularly, foster a culture of collaboration, and project strength and stability to their team.

Describe your job in 100 words. As president and board member of Huntington Learning Center, I lead the company's franchise development efforts, oversee the marketing and IT departments, and organize and execute programs, partnerships, and initiatives that help the company achieve its long-standing mission to give every student the best education possible. As the second generation of Huntington family leadership, I serve as the voice of the company, directing its digital transformation, strategic vision, and people and procedures. In that role, I am a member of the Chairman's Council at Teaching Matters, a board member and secretary for the Learning Disabilities Association of America, a member of the IFA Women's Franchise Committee, and involved with CHADD and COPAA.



REBECCA JONES

Company: European Wax Center
Title: Chief People Officer
Years with current brand: 5
Years in franchising: 5

What advice would you give to women seeking the franchising C-suite? 1) Determine your purpose and make career and company choice decisions that align with your purpose. 2) Find ways to positively stand out or get noticed; do great work, but also volunteer for stretch assignments, special projects, and internal committees. 3) Be kind and ensure “doing the right thing” guides your decision-making process. 4) Hone your negotiation skills; this helps in business and also builds confidence in being able to ask for what you want. 5) Be deliberate about the mentors you engage with during the course of your career and own your role in the process. 6) Know the entire business inside and out so you can truly be a business partner, regardless of the functional area you are in.

Describe your job in 100 words. I am responsible for leading the brand’s overall human capital strategy, organizational design, cultural development, leadership development, associate learning, internal communications, and HR operations. During my tenure, I have built a high-performing support function and enhanced the culture and the impact of stakeholder experience across the company to assist in the achievement of the brand’s business goals, strategies, and the needs of the more than 10,000 members of the franchise network.



SUSAN LINTONSMITH

Company: Elements Massage
Title: CEO
Years with current brand: 1
Years in franchising: 13

What advice would you give to women seeking the franchising C-suite? Go for it! First, I’d love to see more qualified women leading franchise organizations. Second, if you are wired like I am and get your energy from making a positive impact on the lives of business owners, working for a franchisor is for you. I sincerely love working with franchisees. I respect people who invest their savings and take the risk to own their own businesses. Our role as leaders in a franchised organization is to steward the brand, set the course for future growth, and help drive unit-level profitability. A franchisor is not successful unless the franchisees are successful. I’d also advise them to make sure they understand the business they are in as well as anyone else. To get the respect and gain the confidence of your franchisees, they need to know that you believe in and understand the business. I believe in the power of massage therapy. I saw how it helped my mother for years when she was battling cancer, and I know how important it is for my own health and wellness. To understand the business, spend time with your franchisees. Listen to them. Share your thoughts. You may not always agree, but at least they know you took the time to solicit and consider their input.

Describe your job in 100 words. I’m the leader of a service business where our higher purpose is about improving the lives of everyone we touch. My responsibility is to protect and profitably grow the business. I’m responsible for providing a vision, setting the strategic plan, and leading the organization to execute flawlessly to deliver on the brand promise to every client, every day. I am accountable to our studio owners. Franchisees are on the front line and are the face of the brand to the clients. My job is to work with and inspire them, and to ensure both the franchisor and franchisees are set up for success.



HEATHER MCLEOD

Company: Authority Brands
Title: Chief Marketing Officer
Years with current brand: 5
Years in franchising: 10

What advice would you give to women seeking the franchising C-suite? 1) Build up your people. For me, this looks like investing in them, believing in them, and empowering them. I know our team can’t reach its full potential if I micromanage every task, project, and person. Put them in situations you know they will thrive and shine in. Focus on their strengths, and if you have weaknesses on your team hire someone with those strengths. 2) Be a department—and teach your team—to be easy to work with. People notice in a good way when your team is contributing to solving problems. They notice more when your team is causing those problems. Clearly articulate the value and goal for your team to proactively problem-solve internally and externally and be a collaborative leader in the organization. 3) Be an expert. And an expert listener. You—and your team—need to be experts in your area. But never be afraid of other people’s ideas. Listening, especially to franchisees, often paints the picture of where pain points are within the organization and what you can do to add more value.

Describe your job in 100 words. As CMO serving seven home service franchise brands with more than 920 owners, my role is to create strategies to drive franchisee top-line revenue. Implementing that goal can look different every day, but the one thing that remains constant day in and day out is prioritizing. My organization has doubled, both in staff and revenue, in less than a year, so there is a lot that needs to get done. Right now, I keep us all moving forward by strategizing and communicating clear priorities and goals for my team and myself.



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DAWN NIELSEN

Company: Kolache Factory

Title: Chief Operating Officer

Years with current brand: Lifer!

My parents founded the company in 1982 when I was 9 and I have always worked in the business.

Years in franchising: 20

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

Never believe that you can't do it. You can. Surround yourself with strong people who can help you be effective. You will end up wearing many hats and pulled in what feels like 1,000 directions. QSRs have many moving parts: operations, social media, customer service, brand reputation, government regulations, employee morale, recruitment, the list goes on. If you build a strong team, you should feel confident in delegating important tasks to others. Just be sure to follow up to ensure everyone is operating from the same playbook. Running a business today is vastly different from years past and is constantly changing. You can't be a master at everything, but you must know enough about everything to make good decisions for your brand, even if they are unpopular. You must believe in your decisions and in yourself.

Describe your job in 100 words. Leading the company's operations, I spend a lot of time making sure policies and procedures (new or old) are working the best they can system-wide, always with an eye toward improving the Kolache Factory experience for our customers and franchise owners. I work closely with people in research and development on everything from product offerings to packaging. Branding and communications are a top priority for us, so I spend time every week with our social media, branding, PR, and advertising teams to keep our message consistent, yet engaging. And then I deal with the unexpected—whatever that may be!



GHAZAL QURESHI

Company: Idea Lab Kids International

Title: Founder

Years with current brand: 9

Years in franchising: 3

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

Establish a culture of relationships and nurture them. Franchising is a people business and should be treated as such. Also, as you start out, do not be afraid to be yourself and make some mistakes along the way. Remember, failure is part of the equation—as long as you learn from your mistakes and commit to making yourself better every step of the way, and learn to step out of your comfort zone. One piece of advice I was given early on was, "Stay true to your passion and make sure you are happy every day doing what you love and are passionate about."

Describe your job in 100 words. It is with wonder and amazement that I wake up every day and reflect upon the journey I started with Idea Lab Kids 9 years ago. Today the job may be very different, but the passion remains the same. The job today has transformed into making sure all our 93 franchisees across the world are being provided with stellar programs, an innovative curriculum, and operational processes as they work hard on bringing excitement and joy to kids and families in their own communities.



ASHLEY SCHUETZ

Company: Massage Heights

Title: Vice President of Marketing

Years with current brand: 8

Years in franchising: 8

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

Always communicate your goals with your leadership team. Throughout my career I have been clear and open about my desired career plan. Because the leaders of my company consistently knew what I was working toward, they provided me with new opportunities as they became available. While the path wasn't always vertical, we had open lines of communication so I understood that a parallel move at times would build on my experience and help me to succeed when the next opportunity arose. Communication, hard work, and remaining open to all opportunities and learning experiences are key.

Describe your job in 100 words. I work with a great team to oversee all marketing strategy and messaging for the brand inclusive of consumer, employee, and franchise development. Our role in marketing is to support brand growth and lead the marketing strategy and development efforts, working with key vendor partners to enhance the brand's voice, vision, digital presence, and much more.



JENNIFER SCHULER

Company: Wetzel's Pretzels

Title: CEO

Years with current brand: 5+

Years in franchising: 5+

What advice would you give to women seeking the franchising C-suite? Spend more time focusing on what you do well and how to leverage those capabilities than on enumerating your development areas and the areas where you are “less than.” Self-awareness is good, but I find women tend to be very hard judges of themselves and, as a result, are hesitant to speak out with their recommendations or take chances for fear of making a mistake. Focusing on what you do well, finding ways to play to your strengths will not only help you build a track record of success, but also an inner confidence that will naturally attract others to you as a leader. And finally, find an organization where you can be your authentic self and where your passion matches the organization’s purpose. When that is aligned, it all goes easier!

Describe your job in 100 words. My job is to see the future in a growth-minded way that creates opportunities for my stakeholders: investors, franchisees, and employees. I have to champion change and bigger, bolder thinking in constantly shifting market conditions that aren’t always favorable. I have to protect a business model that delivers financial results to investors, a profitable business to our franchisees, and rewarding careers to our employees. For my team, my job is to align their talents and passion with projects and opportunities to maximize their strengths. I provide clarity and direction... and then help identify creative solutions to overcome obstacles they will inevitably find along the way.



MANDY SHAW

Company: Blaze Pizza

Title: President and CEO

Years with current brand: 2

Years in franchising: 14

What advice would you give to women seeking the franchising C-suite? Breadth counts. Make sure your career includes different roles and a variety of leadership positions across different functions and projects. Build your toolkit of experience as a business advisor with credibility to show that you’ve “done it before.” Say yes when offered opportunities, or be proactive and create them for yourself. Develop a reputation of integrity. Say what you mean, do what you say, and own your mistakes by admitting them. Have those tough conversations, and don’t be afraid to talk about the elephant in the room when everyone else is reluctant. It builds connections with others that will serve you well.

Describe your job in 100 words. My job is about partnership, leadership, and innovation. In the franchise business, partnering with your franchisees is paramount, so they feel like valued owners and contributors to the system rather than “just a royalty.” These folks sink tremendous capital investments into our ideas, processes, and system. Nurturing the associated relationship of trust is key. An amount of innovation and inspiration is required in this seat. Demonstrating that I am actively pursuing the best and integrating it seamlessly in our system leads our corporate team and franchisee base to excellence. Simply put, I have to make sure that the thousands of staff who work hard in the restaurants every day executing our vision feel recognized as individuals and part of the brand because they are delivering the result to every guest who walks through the door.



CHRISTINE SPECHT

Company: Cousins Subs

Title: CEO

Years with current brand: 18

Years in franchising: 18

What advice would you give to women seeking the franchising C-suite? 1) Build relationships with the franchise community. Accessibility, sincerity, and competency are characteristics that are important to the franchise community, and the sooner you work to demonstrate that you have those skills the better. It can take a while to build credibility, and naturally there will be some skepticism. 2) Follow other leaders and pay attention to how they achieve success. Leaders do not have one personality or style; each can find success differently. Learning from others may save you the expense of costly mistakes as you navigate your way to the top. 3) Part of finding success as a leader is understanding your leadership style and how to harness it to meet your goals. The best leaders have high emotional intelligence and use that trait when working through difficult situations or communication challenges. At the end of the day, the leader in the C-suite needs to be a visionary for the brand, which involves a high level of communication skills. 4) Make your career goals known. You might be reaching for the stars, but if no one else knows that, you may get lost in the shuffle and be overlooked. Clearly articulating your goals and career development is critical. It not only demonstrates that you want to achieve more, it also shows you are not afraid to go after it.

Describe your job in 100 words. I am the visionary for the Cousins Subs brand. In this role, I build internal and external relationships to show our stakeholders how they are a pivotal component of our company’s success. I also ensure that the public knows about our authentic and dynamic story and how our company is built to make their lives better. A significant portion of my work week is spent in our stores. I work as a cashier to get a better pulse on our day-to-day operations, and I meet with franchise partners to enhance our relationships and ensure they’re operating at peak performance.



CHRISTINE WILLIS

Company: Qdoba Mexican Eats
Title: Vice President of Franchise Operations
Years with current brand: 4.5
Years in franchising: 10+

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

Franchisees have invested personally into their franchise business and have “skin in the game.” They seek thought leaders who are trustworthy, have done their homework, and have a strong viewpoint, but who also are open to different perspectives, being respectful to the franchise lens on the business. As I interact with franchisees, I make sure to focus on *their* business and what they are trying to solve. Another key piece of advice is to be responsive, meet commitments, and ask how we can create more value for their business. It is also important to create predictability for franchisees and script out a cadence for how communication is provided so there is clarity when information will be received. Franchisees do not like surprises, but when something does happen (and it will) it is important to take ownership and accountability.

Describe your job in 100 words. I have the honor to lead all of the brand’s franchise operations and franchise growth. Our franchisees operate more than 380 restaurants in North America with continued plans for growth. During my time with Qdoba, I have developed an operations structure and enhanced opportunities for franchisees to become involved in advisory capacities, along with creating a consistent and predictable communication structure. Qdoba has a strong culture built on hospitality, positivity, and performance, and this culture is how we also approach our franchisees. I am so proud of the relationship I have built with the franchisees, and I get to role model a desire to be a franchisor of choice with every interaction.



LISA ZOELLNER

Company: Neighborly
Title: Chief Marketing Officer
Years with current brand: 4
Years in franchising: 25

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

I would advise them to be intentional about the roles they take on as they progress in their careers. A broad array of experiences creates a strong foundation for successful leadership, so an aspiring leader should take on projects and roles across functional areas and industries to sharpen her skills. To be a well-rounded, effective executive, women should broaden their experiences beyond the area they intend to specialize in and be open to expanding their knowledge base through varying projects and training. For example, while my primary focus now is on the organization’s strategic marketing efforts, the operational experiences from early in my career equipped me with a broader view of the impact of marketing and the importance of execution. I’d also say that it’s important to remember that the purpose of honing your own skills and experience is so that you can provide the support needed to help the team achieve its goals. It’s all about the team!

Describe your job in 100 words. My role is to oversee marketing and strategic initiatives driving growth across our organization’s growing portfolio, currently 22 home service brands in 9 countries. Our focus is on building brand equity while helping our 3,700 franchisees build their businesses locally. My mission since joining Neighborly has been to create a seamless “one-stop shop” experience for consumers across our service verticals. This began with the creation of Neighborly as the overarching brand and extends to the development of digital platforms to connect consumers seeking home service professionals with our franchisees, who deliver those services with excellence. ■

TRAINING THE NEXT FRANCHISE GENERATION

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LEFT: DAVID WILD, DIRECTOR OF FRANCHISING, SLOAN'S ICE CREAM
RIGHT: MICHAEL SCALIA, FRANCHISING INTERN



LIGHTNING

in

a

BOTTLE

Two women—the founder and CEO—
team up to accelerate growth

Written By **EDDY GOLDBERG**

In 2006, after outgrowing her successful one-room business doing eyelash extensions, Anna Phillips opened her first full salon, The Lash Lounge, about a mile from her Colleyville, Texas location. Word spread quickly, and it wasn't long before she had a month-long waiting list. Within a couple of years, she'd opened two more. "It was like catching lightning in a bottle," she says.

"I had seen beauty trends come and go, but when I would perform a lash extension service there was just something about it, an immediate transformation unlike any other service I could provide. It gave women a sense of confidence," she says. "I've seen women open their eyes and start crying, seeing themselves as beautiful for the first time. I can't explain it."

By offering eyelash extensions as a single, exclusive service, elevating it from a supporting role at the back of the salon to the soloist at the front of the stage, Phillips has a legitimate claim on being the person who pioneered and popularized the concept of a dedicated eyelash extension salon in the U.S.

As the business grew, customers urged her to open more. In 2009, one of them connected her with a franchise consultant who helped her learn the ropes of franchising, create an FDD, and begin selling franchises.

From 2010 to the end of 2015, The Lash Lounge saw a steady growth of signings for new salons. "We were the first of our kind for a long time in franchising, the first in the country to create an exclusive destination for lashes, which meant growing the system fast wasn't urgent," says Phillips. That changed around 2013 when serious competition appeared in the franchise space.

"We were still self-funding the whole franchise project and working through the hurdles as they came," says Phillips. But with the newly arrived competition, and more on the horizon as the concept and service caught on, Phillips needed to move faster, she says—not only to keep her business viable, but also to assert The Lash Lounge's reputation for exceptional quality and professionalism that she'd worked so hard to establish for the eyelash extension industry and The Lash Lounge specifically.

"I knew what my forte was. My strength was helping the owners, training the staff, and showing them how to navigate through owning a salon," she says. "I knew I could open a successful Lash Lounge with a blindfold on, but the scale and scope of franchising was a whole new animal." So was opening more and more salons.

To head off the competition and accelerate the growth of her business—while maintaining the high standards she'd developed—Phillips needed to find the right partner, not only for financial support, but also for the expertise and hands-on experience required to grow a franchise system.

"Companies were coming out of the woodwork to court me to become a partner," she says. "Until I met Franworth and John Rotche there wasn't a company that was the right fit, culture, and alignment." That was in early 2016. By spring they'd become partners.

"We spent the rest of that year fine-tuning and tightening up what The Lash Lounge offered," says Phillips. "For example, in the early salons we had a small retail boutique, and while it added some nice flair it wasn't scalable and took the focus away from our expertise: the core service of eyelash extensions."

The next two years, says Phillips, "were a wild ride. We sold close to 400 licenses in 2 years. I think I lost count at 320."

MORE VOLTAGE NEEDED

As the number of salons grew, Phillips told Rotche she needed a CEO to help guide the company forward. Dave Keil, former CEO of Pure Barre and Honey Baked Ham, had recently relocated to Ann Arbor, and joined the Franworth team where his first assignment was as CEO of The Lash Lounge. Just over 200 licenses were sold when Keil came on board. It wasn't long before the number of licenses awarded soared to nearly 400, and he knew even more talent was needed to maintain the momentum in multiple areas—from ensuring the quality of the product and the service to opening and guiding new franchisees.

Making the Transition

With Roberts firmly at the helm on the business side, Phillips has embraced her role as Chief Innovation Officer and continues to head up training in Dallas. In doing so, she keeps her finger on the pulse of the services guests want and continually develops new ones to remain the market leader.

"In franchising you always want to stay relevant and on trend," she says. "I've seen a lot of franchises that were very successful, but with changes in technology and disruption, products or services become obsolete. Then you have to revamp."

Phillips, who had a previous career in IT, says she knows enough about technology to be a little bit dangerous. "I think every couple of years you have to redefine what your differentiators are. What we are doing now is incorporating technology into our services and businesses. My wheelhouse is figuring out how do we add technology and enhance the experience for our guests."

One example was switching to a new POS system from Mindbody, a software provider focused on the health, wellness, and beauty sectors. "The switch made a lot of sense for us to grow in scale, as well as making it easier for customers to rebook," she says.

On the customer side, she's seen enough women come into beauty salons eager to have their hair styled like a favorite celebrity. Phillips saw this again with eyelash extensions. The problem, of course, is that what works for one person may not work for another.

"One of the things I've created over the years is a way to identify the most complementary design for lash extension based on your eye profile," she says, and has a patent pending on a technology for that.





Women Mentoring Women

In this current stage of her career, Roberts has made another transition: from her younger self seeking mentors to a seasoned executive younger people can come to for help, advice, or just to talk. “It’s important to find somebody you admire and want to emulate, male or female,” she says. “It’s so important for female leaders to be accessible.”

Roberts’ own mentors include, among others, Mary Kennedy Thompson, COO of Franchise Brands at Neighborly; Shelly Sun, founder and CEO of BrightStar Care; Barb Moran, CEO at Moran Family of Brands; and Susan Beth, COO at NRD Capital.

Today, she says, she’s being mentored in some ways by the younger women working on the team with her. She admires their knowledge of emerging trends, social media, and technologies. “I may be mentoring them, but they’re also teaching me every day,” she says. “I really enjoy that.”

In the summer of 2018, Rotche mentioned the possibility of bringing on Meg Roberts as CEO (see sidebar, p. 20). “I knew of Meg from the franchise community. It would be like a dream to be able to work with her,” says Phillips. Roberts came on immediately as president, with Dave Keil as CEO.

“I was really excited about the opportunity of working with Franworth and collaborating with Anna,” says Roberts, who became the first female operating partner at Franworth in September 2018, after serving as president of Molly Maid from 2012 through 2018. “John Rotche spoke highly of Anna—of her ability to identify an industry and the vision to start The Lash Lounge concept. The concept of eyelash extensions was totally unknown when Anna started. She showed a lot of courage and creativity, and that was inspiring to me.”

Though she admittedly knew little about eyelash extensions at the time, Roberts was a veteran in the marketing of services, the value of a recurring revenue model, and was intrigued by the emerging industry. She had spent more than a decade at Molly Maid honing her skills in franchising and was ready to apply her experience and leadership to a burgeoning group of franchisees. “Anna’s story is really about pioneering an industry—discovering the island so to speak—and my role, together with the entire home office team, is to act as the compass points for success.”

Women Founders & Leaders on the Rise

Phillips, who's been in franchising for about 10 years now, says she is seeing more women in the founder role and in C-suite and executive-level roles, and that it's encouraging. "I think women typically go home to children, family, and other responsibilities. We're seeing more women taking on the challenge and the good fight," she says.

"In my own experience in franchising, the women I've met have been very supportive, instead of in competition with each other. In itself, that's an amazing example to other women who want to make a difference and get in and have the drive and skill set to do it. I didn't go into owning The Lash Lounge with the intention of franchising it, but here I am. It's like drinking from a firehose, but I wouldn't change it for the world."

An additional benefit of the partnership with Franworth has been getting to know the women behind the company's other brands. "By design or luck they've brought on more female-founded brands," says Phillips. "I feel like we're seeing more women founding businesses. It's exciting!"

LASH LOUNGE 2.0

One of Roberts' first objectives was to take a fresh look at every aspect of the system, to recalibrate and simplify the system, separating the "must haves" from the "nice to haves."

"For us to grow responsibly required looking at all those pieces in the process, from our software to marketing. Making sure each facet of the business was simplified and streamlined for the franchisees was job #1," says Roberts, who refers to today's model as "Lash Lounge 2.0."

"Lash Lounge 2.0 was a necessity," she says. "When you're opening nearly a salon per week, it's imperative that the home office and franchisees are aligned behind the right model and making the right choices in lockstep for shared success." For Roberts this meant balancing the luxury of the brand with the replicability of standards, economics, and support.

CHARGING AHEAD

While the two women are humming along harmoniously today, and as excited as they were to join forces, it didn't happen instantaneously. In fact, it took some time. One hurdle was being separated by nearly 1,200 miles.

"That's probably our biggest challenge across the board, just because of the communication factor," says Phillips, "There's nothing like being in the same office where you can walk in and say, 'What do you think?'"

"It is a challenge," Roberts agrees, "but we've built an amazing team and assembled great talent without the restriction of

location." With team members scattered across the country, from Dallas to Ann Arbor to Philadelphia, Roberts uses skills she learned from Gino Wickman to keep the team aligned, and she asks the team to follow similar meeting processes and cross-communication standards.

Still, in the beginning both women had to make personal adjustments as they learned to work together. "It was two women in leadership, each used to being in the driver's seat," says Roberts. To make it work, she says, "It takes each to set aside their preconceived notions, their need for total control."

And yes, there were bumps at first. "It can be tough for women in leadership to connect, because there can be an unspoken competitiveness that doesn't serve anyone," says Roberts. "We had to decide to trust as friends, then trust in business."

"We had a lot of long phone calls with even a few tears, and we've been very vulnerable with each other," says Phillips. "With me having to relinquish this baby I created from scratch, we've had a lot of growing pains. But I think where we are at now is quite phenomenal."

"Clarification sometimes requires uncomfortable conversations, even hurt feelings," says Roberts. "It takes time to address, appreciate, and understand each other. When we hit snags now, we're confident we can be direct with one another knowing our intentions are not personal, but business. Honestly becoming friends makes the business that much easier."

Relinquishing control is always difficult for a founder, and the company's rapid growth exacerbated this. "Every single waking hour of Anna's time was focused on the business," says Roberts, a scenario that is neither scalable nor satisfying for the founder. "Anna doesn't have to be in charge of every detail now, but she could perceive it as interference and loss of control—and now I better understand how difficult an adjustment that must have been. I needed her perspective the same as she needed mine."

"For most founders, their identity is very connected with the business. They eat, sleep, and bleed the business," says Phillips. "That passion drives the business and attracts people. But you have to learn to hand off the control to someone who can run the business, and trust that they can do it in the right manner."

The role of a president or CEO, says Roberts, is to create scalability—a very different skill set from the visionary founder. Sometimes those skill sets or styles will clash, even when two people share common goals. "A partnership between a founder and a leader is not a reflection on anyone's inability," she says. "Rather, it's a recognition that at this stage you need additional talent."

"We were going at 100 miles an hour, and some decisions I didn't totally agree with. But to some degree, you have to disconnect from that founder identity," says Phillips. "This past year has been humbling for me, but I realized I needed to disconnect my identity and the decisions. And I feel like I have, trusting the people who are on board. And from Meg's point of view—she's a gun for hire in the nicest way—she had experience handling hundreds of franchisees and I didn't. We'd never been in each other's shoes, but now I'd say we are comfortable with each other's style."

"Provided the time, a founder could train each franchisee how to operate their business, but our job is to train and support hundreds," says Roberts. "Once we learned to balance ideas and prioritize execution, our team's energy really ignited our progress." That progress was marked by the 100th opening in New Orleans this past December.

MORE OPENINGS AHEAD!

The goal for 2020 is to open 40 more salons and to keep improving the model as The Lash Lounge opens even more salons in the coming years. “We’re getting better, opening them faster, and the units are ramping up much more quickly. I firmly believe we couldn’t have done that without someone as seasoned in franchising as Meg is,” says Phillips.

“The evolution of the lash industry has been amazing since 2004. It feels like a lifetime of lashes already,” says Phillips, who still owns three salons, one now with a partner, and has learned to enjoy running her part of the business in Dallas.

“I never opened up The Lash Lounge with any expectations of where we are now. It’s sort of surreal,” she says. And, despite the many challenges along the way, she says, “For both of us, our goal is to grow this industry—and do it in the right way. It’s a great partnership. Learn to work together and the magic happens.” ■

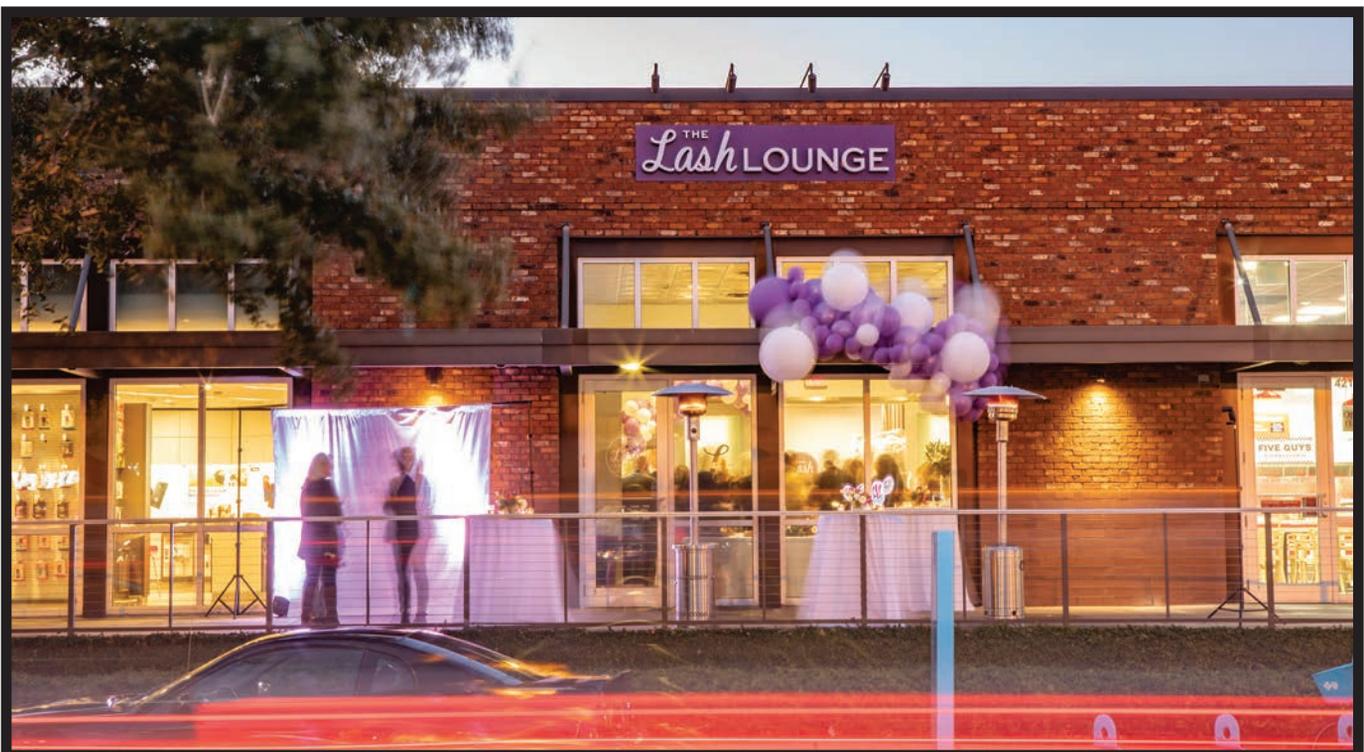
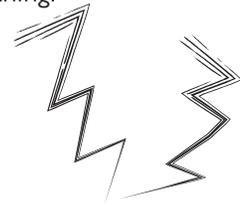


Lightning Strikes Twice

In the summer of 2018, while on vacation at the beach with her kids, Roberts received a phone call from an old friend: John Rotche, founder of Franworth and a former co-worker at Service Brands International.

“John called me out of the blue and said he had a job opportunity for me I couldn’t refuse. I said, ‘It has to be perfect, I’m not leaving town,’” Roberts recalls. “I had security, worked with people I adored, and really cherished my relationships with the Molly Maid franchisees. But John is pretty convincing, and the idea that I could help build a system from the start was incredibly appealing.”

Roberts, who had been at Molly Maid for more than 12 years, was ready to stretch. “I thought, ‘I may be in the last third of my career and when will I have another opportunity like this that fits my skill set, is in my home town, and will challenge me in new ways?’” she says. “Uncharacteristically, I didn’t spend a lot of time on the decision. When would lightning strike like this again?” And lightning it has been. “The business, the growth, the team—it’s been electrifying and I wouldn’t change a thing.”



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A Potpourri

of Data

The gender wage gap, funding, board participation, and more

Written By **EDDY GOLDBERG**

“...We have more women in C-level upper-management positions than ever before, and when those women leave Corporate America, they have more confidence to run their own business.”

—Jania Bailey, CEO of FranNet (WSJ, 12/1/19)

GENDER PAY GAP: HALF OF MEN STILL DON'T GET IT

In a study published by *Time* magazine on Equal Pay Day 2019 (April 2), nearly half (46 percent) of men believed the pay gap “is made up to serve a political purpose.” The study, which surveyed 8,566 American adults in March, found that 21 percent of men believed that reports on the wage gap in the media were “fake news,” while 31 percent believed they were “overblown.” To quote renowned social observer Charlie Brown, “Good grief!” Those responses might help explain the next couple of items.

CLOSING THE GENDER PAY GAP... IN 257 YEARS?!

In December, the World Economic Forum’s “Global Gender Gap Report 2020” predicted that the gender wage gap won’t even out for another 257 years because of a lack of progress in closing the economic participation and opportunity gap. The report studied 153 countries, ranking each on four criteria: economic participation and opportunity, educational attainment, health and survival, and political empowerment. The report noted that progress in the U.S. has been slow, that American women still struggle to enter the very top business positions in the workplace, and that only 21.7 percent of corporate managing board members are women.

GENDER BIAS IN VC FUNDING

In June 2019, a Bloomberg article reported on a study by market research firm Crunchbase on venture capital funding for women. The findings, though not surprising, were disappointing. Crunchbase looked at more than 13,000 businesses over 5 years. Here are some of their findings:

- Startups founded by women in gender-neutral categories received 54% less funding than female-founded businesses targeting a female audience.

Share of Women-Led Brands by Sector

Sector	% Women-Led
Health & Fitness	16.7%
Child-Related	12.2%
QSR	11.9%
Beauty-Related	7.2%
Sit-Down Restaurants	6.9%
Maintenance Services	4.1%
Automotive	3.6%
Education-Related	3.6%
Retail Stores	3.6%
Business-Related	3.3%
Real Estate	3.3%
Services – General	2.9%
Pet-Related	2.6%
Retail Food	2.6%
Baked Goods	2.1%
Clothing & Accessories	2.1%
Sports & Recreation	2.1%
Frozen Desserts	1.9%
Lodging	1.4%
Personnel Services	1.4%
Building & Construction	1.2%
Decorating & Home Design	1.0%

Source: FRANdata

Top Women-Led Brands Ranked by System-Wide Revenue

BRAND	EXECUTIVE	TITLE	FRANCHISED UNITS	COMPANY UNITS	TOTAL DOMESTIC UNITS	SYSTEMWIDE SALES
Taco Bell	Julie Masino	President, North America	6,805	472	7,277	\$9.55 billion
RE/MAX	Pamela Alexander	CEO	3,801	0	3,801	\$5.22 billion
Sonic Drive-In	Claudia San Pedro	President	3,424	176	3,600	\$4.41 billion
Cruise Planners	Michelle Fee	CEO & Founder	2,810	1	2,811	\$2.03 billion
Snap-on	Irene Sudac	President	3,327	106	3,433	\$1.18 billion
Anytime Fitness	Stacy Anderson	President	2,423	28	2,451	\$987.54 million
ABRA Auto Body & Glass	Ann Fandozzi	President & CEO	59	278	337	\$829.21 million
Primrose Schools	Mary Jo Kirchner	CEO	395	0	395	\$708.85 million
Window World	Tammy Whitworth	Chair & CEO	199	0	199	\$682.53 million
Interim HealthCare	Jennifer Sheets	President & CEO	334	0	334	\$632.35 million
Dickey's Barbecue Pit	Laura Rea Dickey	CEO	521	5	526	\$490.00 million
Proforma	Vera Muzzillo	CEO	594	0	594	\$459.49 million
Auntie Anne's	Heather Neary	President	1,219	12	1,231	\$453.46 million
Fastsigns	Catherine Monson	President & CEO	620	0	620	\$422.10 million
Honey Baked Ham	Linda van Rees	CEO	212	201	413	\$416.98 million
BrightStar Care	Shelly Sun	CEO & Co-Founder	319	13	332	\$402.10 million
Spherion	Karen Fichuk	CEO, Randstad North America	188	0	188	\$352.43 million
Blaze Pizza	Amanda Shaw	President & CEO	289	7	296	\$270.76 million
Wienerschnitzel	Cynthia Galardi Culpepper	Chair & CEO	324	0	324	\$254.69 million

Source: FRANdata

- Women have a difficult time pitching businesses considered gender-neutral. Of the funding women do receive, “a disproportionate amount goes to businesses that cater to women, like fashion, beauty, and cosmetics companies,” according to the article.
- The most notable women-led companies fell into what Crunchbase called “gendered” businesses. These businesses received 110% of the funding that went to female-founded companies, according to Bloomberg.
- Among 257 mobile communications companies started in the past 5 years, only three were founded by women; another 17 were started by a mixed-gender team. According to the study, female-founded companies, which accounted for only 1.2% of the funding, received just 0.3% of the funding.
- According to the article, “Women who run highly technical companies say the sexism they face from potential investors ranges from subconscious to overt. They say they’re not taken seriously as experts in their field and that they have to go above and beyond to prove there’s a market for their

product or company—even if they already make money or have paying customers.”

- In addition to receiving less venture capital than men, women reported that they spend more time than men asking investors for money—a competitive disadvantage that puts them even further behind their male competitors, who can spend more time building their businesses and meeting targets.
- “If my name was Jack and I had the same credentials, I probably would have been able to get double the amount of funding at double the valuation,” said Falon Fatemi, CEO and founder of Node, an artificial intelligence startup. “And I have male investors and friends who agree with me on that.”

WOMEN-OWNED BUSINESSES SHOW GROWTH AND DISPARITIES

The stated hope of the “2019 State of Women-Owned Businesses Report” from American Express is that it will “motivate the key players in the entrepreneurial ecosystem to reflect on what is working and what is not and to make adjustments to their plans to accelerate the growth of women

Females in the C-Suite & Female CEOs/Presidents

Sector	C-SUITE				CEO/PRESIDENT				
	Female	Male	Total	% Female	Female	Male	Total	% Female	% All Female-Owned
Education-Related	26	41	67	39%	15	19	34	44%	4%
Child-Related	83	143	226	37%	51	76	127	40%	12%
Beauty-Related	45	145	190	24%	30	59	89	34%	7%
Health & Fitness	122	382	504	24%	70	172	242	29%	17%
Personnel Services	7	47	54	13%	6	20	26	23%	1%
Pet-Related	18	62	80	23%	11	39	50	22%	3%
Real Estate	33	145	178	19%	14	52	66	21%	3%
Baked Goods	23	68	91	25%	9	34	43	21%	2%
Retail Stores	23	110	133	17%	15	57	72	21%	4%
Sports & Recreation	14	92	106	13%	9	46	55	16%	2%
Automotive	31	205	236	13%	15	84	99	15%	4%
Services – General	32	129	161	20%	12	74	86	14%	3%
QSR	134	672	806	17%	50	325	375	13%	12%
Business-Related	35	187	222	16%	14	97	111	13%	3%
Retail Food	32	136	168	19%	11	77	88	13%	3%
Sit-Down Restaurants	90	507	597	15%	29	227	256	11%	7%
Frozen Desserts	17	122	139	12%	8	63	71	11%	2%
Decorating & Home Design	10	70	80	13%	4	34	38	11%	1%
Maintenance Services	65	355	420	15%	17	185	202	8%	4%
Building & Construction	11	112	123	9%	5	57	62	8%	1%
Party-Related Goods/Services	9	38	47	19%	2	24	26	8%	0%
Lodging	118	373	491	24%	6	116	122	5%	1%
Clothing & Accessories	15	19	34	44%	9	10	19	47%	2%
Printing	2	46	48	4%	1	16	17	6%	0%
Computer Products & Services	4	18	22	18%	2	10	12	17%	0%
Security-Related	0	16	16	0%	0	9	9	0%	0%
Publications	3	10	13	23%	2	6	8	25%	0%
Travel	2	8	10	20%	1	4	5	20%	0%
Photographic Products/Services	2	3	5	40%	1	2	3	33%	0%
Total	1,006	4,261	5,267	19%	419	1,994	2,413	17%	100%

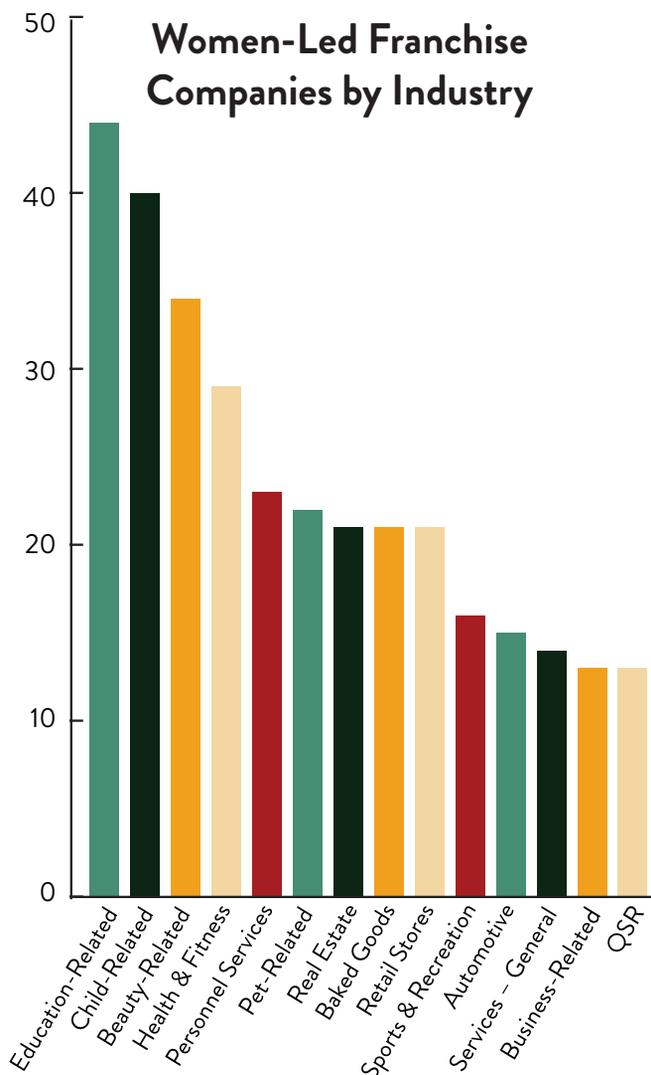
Source: FRANdata

entrepreneurs.” The report, packed with data, includes sections by industry, state, company size, race and ethnicity, and more. Here are just a few findings:

- The share of women-owned businesses rose from 4.6% in 1972 to 42% in 2019.
- Between 2014 and 2019, the number of women-owned businesses climbed 21% to nearly 13 million; employment grew by 8% to 9.4 million; and revenue rose 21% to \$1.9 trillion.
- As of 2019, women of color accounted for 50% of all women-owned businesses. An estimated 6.4 million businesses owned by women of color employed 2.4 million (25% of all

women-owned businesses) and generated \$422.5 billion in revenue (23% of all women-owned businesses).

- The gap between African American/Black women-owned businesses’ average revenue and all women-owned businesses is the greatest of any minority.
- As of 2019, Latina/Hispanic women-owned businesses numbered 2.3 million (18% of all women-owned businesses), with average revenue per firm of \$50,900 (vs. an average \$142,900 among all women-owned businesses).
- As of 2019, Asian American women-owned business numbered 1.2 million (9% of all women-owned businesses), with average



revenue per firm of \$191,200 (vs. \$142,900).

- The disparity between minority and non-minority women is increasing. In 2014, minority-owned businesses averaged \$67,800 in revenue; by 2019 the average had dropped to \$65,800. In 2014, non-minority women-owned businesses averaged \$198,500 in revenue; by 2019, the average had jumped to \$218,800. According to the report, “The disparity has an enormous effect on the U.S. economy. Four million new jobs and \$981 billion in revenue would be added if average revenue of minority women-owned firms matched that of white women-owned businesses.”

WOMEN ON BOARDS—SLIGHTLY BETTER IN 2019

A report from MSCI ESG Research reviewed the board and executive management structure of the 2,765 companies in the MSCI ACWI Index (a global equity index representing the performance of selected large- and mid-cap stocks across 23 developed and 26 emerging markets) as of October 31, 2019. Key findings from the report:

- Progress is still slow, but there was improvement for the first three quarters of last year: 20.0% of directors were women in 2019, up from 17.9% in 2018 and 17.3% in 2017. This increase slightly shortened the path to 30% female directorship

(projected for 2027, based on the latest data). At the current pace, a 50/50 gender split among global directors might be reached by 2044.

- The number of companies with majority female boards doubled in 2019 compared with 2018. Yet these 22 firms accounted for fewer than 1% of the constituents of the Index; 98.7% of the boards remained male-dominated.
- In emerging markets, female directors and executives were more likely to have financial expertise than their male counterparts: 47% vs. 39%. In developed markets, the report found no significant differences in professional expertise (risk or financial) between male and female directors.
- 57.3% of the companies subject to mandatory gender quotas had exceeded requirements. Italy and France had the highest percentage of companies with more females than required.
- Not part of the report, but here in the U.S., California passed a law in 2018 that required publicly traded companies based in the state to have at least one woman on their board by the end of 2019. This requirement will grow to two for five-member boards and three for those with at least six board members by 2021. As usual, California is leading the way—and other states are considering similar laws. Also as usual, the law is being challenged.

PATHWAYS TO EQUITY

An in-depth, 64-page study from the Institute for Women’s Policy Research, “Pathways to Equity: Narrowing the Wage Gap by Improving Women’s Access to Good Middle-Skill Jobs,” noted the following:

- “Half of the gender wage gap is due to women working in different occupations and sectors than men. Improving women’s access to good middle-skill jobs can help close the wage gap and improve women’s economic security. The Pathways to Equity Initiative shows job changes that can improve women’s economic standing and meet employers’ demands for skilled workers.”
- “Women are 83 percent of workers in middle-skill occupations that pay less than \$30,000 per year, but they are just 36 percent in growing middle-skill occupations that pay at least \$35,000 per year.
- Workers in middle-skill female-dominated occupations earn only 66 cents for every dollar made by workers in middle-skill male-dominated occupations.

CATALYST CEO CHAMPIONS FOR CHANGE LEADS THE WAY

At the 2019 Catalyst Awards Conference, more than 700 leaders from more than 250 companies came together to discuss the Future@Work and how to ensure that women are fully included. Key actions that emerged from the conference that any organization and leader can take included the following:

- Rethink your recruiting practices
- Focus on developing interpersonal skills
- Enable employees to be their authentic selves
- Make flexibility a benefit for all
- Don’t bake unconscious biases into technologies
- Hold everyone accountable

Share of Women-Led Brands by Sector

Sector	Women-owned
Interior Decorating Services	86%
Modeling Schools/Beauty Pageants	68%
Clothing/Toys/Accessories	63%
Chinese Fast Food	63%
Travel Agencies	61%
Education—General	60%
Cosmetic Aids/Services	57%
Clothing/Accessories	55%
Cruises/Tours	55%
Children’s Educational Programs	55%

FBR: WOMEN IN FRANCHISING—CAREER ADVICE AND SATISFACTION

In an article in *Global Franchise* magazine, Michelle Rowan, president and COO of Franchise Business Review, provides the following advice for women considering a career in franchising:

1. Ensure you’ll get the support you need.
2. Look for a progressive brand with a vision.
3. Make sure the franchisor seeks out and values input from its franchisees.
4. Ask a lot of questions.
5. Seek expert advice.

Rowan also provided the results of a survey on franchisee satisfaction from 6,400 female franchisees representing 300 franchise brands:

- 90% — I enjoy operating this business
- 88% — I enjoy being part of this organization
- 85% — Would recommend my franchise brand to others
- 84% — I respect my franchisor
- 80% — I believe my franchisor acts with a high level of integrity
- 74% — Would “do it again” knowing what I know today



Catalyst CEO Champions for Change

Global Representation of Women

Executives:



Senior Managers:



Managers:

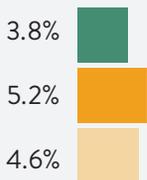


Women Board Directors

Women Board Directors:



Women of Color Board Directors:



- 2013 Champion Companies
- 2018 Champion Companies
- 2018 Global Companies Comparison
- 2018 S&P 500
- 2018 Fortune 500

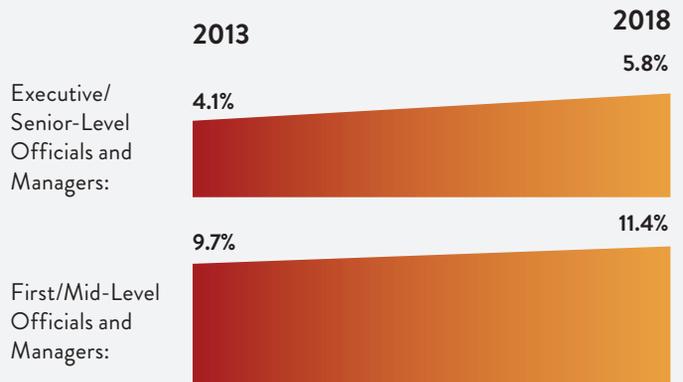
Launched in 2017, Catalyst CEO Champions for Change was formed to demonstrate that a continued focus from the C-suite on advancing women at the top levels of business makes a difference. So far, more than 60 CEOs of major global corporations have signed on to demonstrate that gender equity is a top priority for them, and they have committed to sharing metrics on their progress. Now in its third year, the latest report on this campaign also looks back at the progress these companies have reported from 2013 to 2018.

“These pioneering CEOs are leading the way for others in making workplaces that work for women,” noted Catalyst President & CEO Lorraine Hariton in the report. The companies, among the world’s largest, include IBM, Dell, P&G, Unilever, Walmart, Target, Chevron, Avon, Coca-Cola, Pepsi, and more than 50 additional well-known global brands.

One bright spot from 2013 to 2018 was the increase in women board directors, the report states. “Our Champion companies have dramatically increased the number of women on their boards of directors—from 22.6% in 2013 to 30.7% in 2018. In comparison, women represented only 24% of board directors in the S&P 500 in 2018. The numbers for women of color have also increased—from 3.8% for Champion companies in 2013 to 5.2% in 2018. Women of color held 4.6% of Fortune 500 board seats in 2018.”

Source: Catalyst, Progress in Action: Catalyst CEO Champions for Change

US Women of Color



Women in S&P 500 Companies



Source: Catalyst, Pyramid: Women in S&P 500 Companies (January 1, 2020)

CRUISITUDE!



Cruise Planners finds success through hard work and fun

In the early 1990s, Michelle Fee was watching the budding Internet as it began taking hold in the business world. At the time, she was a travel agent and young mother. She saw that the emerging technology was going to fundamentally change the way business was conducted. So she and two partners developed a business plan and launched Cruise Planners as a new and unique business model for travel planning. It turned out to be the right idea at the right time.

Today, Cruise Planners, an American Express Travel Representative, is the nation's largest home-based travel agent franchise company in the industry, with more than 2,500 home-based travel advisors.

Fee is quick to point out two things that have made Cruise Planners a unique business opportunity. First, she says, unlike its competitors, corporate does not own competing travel companies and does not sell travel. "Our focus is entirely on building

our 2,500-plus travel advisors' business and helping them succeed," she says. Second, she says the company's model works well because it's set up to allow its franchisees to work remotely, whether that's at home or anywhere else in the world. All they need is an Internet connection.

The results speak for themselves. In the travel industry, which has been on the rise for some time, Cruise Planners has been named the nation's #1 home-based travel franchise by *Entrepreneur* for 16 straight years.

Fee says her own background as a travel agent has helped her understand the needs and challenges of her franchisees. "I know how new franchisees feel when starting their business," she says. "I felt the same way and experienced the same things."

Marketing, technology, and innovation have been fundamental to the success of the Cruise Planners since the beginning. Today the brand remains the leader in pushing martech boundaries and



Michelle Fee, 57

Founder, CEO

Company: Cruise Planners, an American Express Travel Representative

Units: 2,500+

Years in franchising: 25

Years in current position: 25

charting the course in the travel industry, relying on in-house marketing and technology to help its franchisees become more profitable. In December, the company announced 14 new proprietary tools for their travel advisors at its annual convention.

“We’re an industry-leading innovator and taking giant leaps pioneering our proprietary tools focused on loyalty and retention and accommodating clients’ changing needs,” she says. “These programs are designed to make life easier and help our travel advisors be more efficient, effective, and to help them analyze their business.”

Beyond the focus on technology leadership, the corporate culture is characterized by an open-door policy, informal mentoring, and fun. For example, Fee dresses in crazy outfits and performs skits at the brand’s annual conventions.

That embodies the emphasis on “Cruisitude”—a term used throughout the system. Says Fee, “It’s a signature word with a simple but important meaning—a positive outlook on life and a love for all things travel.”

LEADERSHIP

What is your role as CEO? While juggling being a young mom to two small kids, I started Cruise Planners in 1994 as a home-based model when the Internet was still in its infancy. I recruited and trained travel agents to work remotely, which was uncommon for the time as most travel agencies were brick-and-mortar stores. With a talented team in place,

Cruise Planners is now the nation’s largest home-based travel advisor franchise network and an American Express Travel Representative with more than 2,500 franchise owners across the nation, one in every state, selling land and sea trips. Cruise Planners is more than just cruises—we’re your full-service travel advisors planning land tours, destination weddings, completely packaged vacations, and more. As an experienced entrepreneur with a passion for travel and a drive for success, I pride myself with the evolving development and growth of the brand to remain at the forefront of the industry.

Describe your leadership style. Over the years I’ve learned not to take myself too seriously. At our annual convention, my team has me dress in silly outfits and perform skits. When you can laugh at yourself and have people laugh with you, people are more likely to relate to you as a person instead of looking at you as a figurehead. I’ve dressed up as a unicorn for National Unicorn Day to celebrate our team members, who we affectionately call unicorns. And for April Fools’ Day, people really thought I dyed my hair green because we really love the color green at Cruise Planners.

What has inspired your leadership style? My dad has had a tremendous impact on my life, personally and professionally. When leading, he always told me, “Do what is right, not what is easy.” To grow as a company, you have to challenge yourself by asking, “Is this right, or is this easy?” This means running a company that constantly innovates, pushes the envelope, and jumps into discomfort. As a hair salon owner, he taught me the important lessons of hard work. My first job was sweeping hair up on the floor of the salon. That humble experience taught me that nothing is below me and to appreciate every role in a company, no matter how small.

How do you transmit your culture from your office to front-line employees? We have an amazing culture and we have a fierce and fearless leadership team who have an open-door policy. Everyone is incredible at informal mentoring, providing men and women with company and personal goals for them to accomplish. Furthermore, they are given opportunities to interact with different levels of employees who can share additional experiences so they can relate and get a sense of inclusion among colleagues. Each one of them embodies “Cruisitude”—our signature word representing a positive outlook on life and a love for all things travel.

Where is the best place to prepare for leadership: an MBA school or OTJ? OTJ. I only have a high school diploma from St. Thomas Aquinas High School.

Advice to CEO wannabes: Hire People Smarter Than You. I am not afraid to recruit someone who knows more than I do about a given topic. In fact, today we have the strongest executive team and home office team we have ever had because I put my pride aside and found the right people who can challenge me to get the best result and the job done.

MANAGEMENT

What do you think makes up a good management team? When you have the right people in the right jobs. Recognize that everyone has their own unique talents because when you have the right team, they're unstoppable. Most people will work harder for someone they truly like. I have an open-door policy so anyone in my office can come in and chat for any reason. There is no ivory tower.

PERSONAL

What time do you like to be at your desk? Early morning.

Do you socialize with your team after work/outside the office? Definitely! I'm active on Facebook and use it as a way to maintain the relationships I have with more than 2,500 travel advisors that we have nationwide, our travel partners, and our 135 Home Office team members who make up our corporate office. I believe in the power of personal relationships. Since I may only have a few face-to-face opportunities with our travel advisors throughout the year, social media helps me keep up with what's going on in their lives and see the successes they're having as a Cruise Planners franchisee. I especially love getting to see all the destinations they are traveling to!

What technology do you take on the road? I always have my iPhone with me. Our Cruise Planners App is what makes us truly mobile. Our travel advisors have their entire database on their smart device. They can literally do business from anywhere in the world.

How do you relax/balance life and work? At the end of the day, what I love most is spending time with my family. Sometimes that includes bringing them along on a business trip and mixing it up with some leisure time to turn it into a "bleisure" trip.

Favorite vacation destination: Key Largo is my island getaway! There is a magnetic appeal from the lush botanical scenery to the relaxed vibe from the boating life community. It allows me to unplug and disconnect, giving my brain a chance to slow down, reconnect with nature, and enjoy each and every moment with my family and friends.

Favorite occasions to send employees notes: At Cruise Planners, we love celebrations and go over the top! We celebrate our team members' birthdays and joyous occasions (engagement, wedding, adoption, baby's arrival, etc.), praise and acknowledge them for their hard work, and grieve when they suffer the loss of a loved one. This also applies to our Cruise Planners travel advisors because they're also part of the Cruise Planners family. When one of our franchisees reaches a million dollars in sales, we send them a canister of special "CP green" popcorn that says, "Congratulations, you just popped into the Millionaire's Club!"

BOTTOM LINE

What are your long-term goals for the company? My long-term goal is for Cruise Planners to take over the travel world!

How has the economy changed your goals for your company? Nothing is impossible. Our 2019 annual convention theme was "Mission Possible." We're an industry-leading innovator and

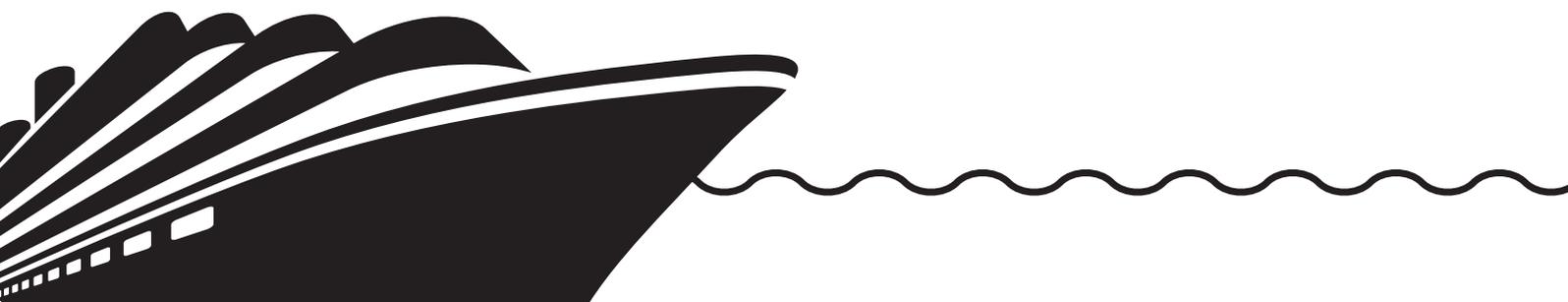
taking giant leaps pioneering our own proprietary tools focused on loyalty and retention and accommodating clients' changing needs. These programs are designed to make life easier and help our travel advisors be more efficient and effective, and to help them analyze their business.

Are there any trends in the industry that you foresee having an impact on your brand? We've been seeing and continue to see travelers pre-booking. Our advanced 2020 bookings are already projected to grow by 25%. Agents should market wisely and proactively reach out to clients that haven't booked in a while to lock in plans now and take advantage of pricing. We also often tend to see bookings rebound in the years following an election. Our travel advisors are always staying up to date on whether cruise lines are changing their itineraries. It's one of the benefits to working with a travel advisor because if things do change, they handle all of that for you.

How do you measure success? For me, success is seeing our franchise owners being their own boss and establishing and growing their business, while traveling and running their own travel agencies from anywhere in the world. Unlike other travel franchises, our corporate office does not own competing travel companies and does not sell travel. Our focus is entirely on building the business of our 2,500-plus travel advisors and helping them succeed. Cruise Planners is named the nation's #1 home-based travel franchise by *Entrepreneur* for 16 straight years. I'm proud that we're continually awarded by our travel partners because of the success of our travel advisors.

What has been your greatest success? Starting an initiative that allows Cruise Planners to give back to our global community. We have our own charity, CP Cares, that started out as a humble effort to support causes that we, as a family, care about a great deal and raise money for all year in different ways. In 2014, I ran for the Leukemia & Lymphoma Society's Woman of the Year and was crowned after raising \$292,000 toward research and finding a cure for cancer. To date, we've raised and donated more than \$2 million to support various charities including the Leukemia & Lymphoma Society; Hurricane Dorian Relief through Feed For The Poor; SOS Children's Village Coconut Creek; Joe DiMaggio Children's Hospital; Forgotten Soldiers Outreach; and many more. The list of charities that our family supports continues to grow annually. Together we can make a difference.

What can we expect from your company in the next 12 to 18 months? We just announced an incredible 14 new proprietary tools for our travel advisors at our annual convention at the beginning of December, some that are live now and others that will be rolled out soon. We don't sit back and rest on our laurels. We're already planning for our 2020 convention. ■



ADVERTISING, MARKETING & PUBLIC RELATIONS GUIDE

Table of Contents

<u>FISH</u>	<u>32-33</u>
<u>919 MARKETING CO.</u>	<u>34</u>
<u>TOPFIRE MEDIA</u>	<u>35</u>



WE BROUGHT BLOW OUTS TO THE BIG APPLE AND THE RESULTS BLEW US AWAY



Blo Blow Dry Bar was in search of a PR partner to help them build national awareness among consumers. The creative minds at Fish got to work and we planned an activation that brought the brand's services to the New York City HQs of several national consumer media outlets and social media platforms. Appropriately dubbed "Boozy Blow Outs," Fish delivered refreshing sips (AKA cocktails) while Blo stylists created a variety of looks from Blo's hair menu, allowing media to experience the brand's signature styles. Not only did the events generate buzz for Blo, it gave the brand a chance to meet face-to-face with key media contacts and influencers for future opportunities.



"We knew Fish was known for solid media contacts and long-standing relationships with influencers, but their creativity and ability to execute a national campaign like 'Boozy Blow Outs' has literally blown us away. After seeing the outstanding success and recognition our brand received from national consumer writers and social media contacts this past year, we're thrilled to continue our work with Fish as our PR agency and look forward to many successful years together as partners." - Vanessa Yakobson, CEO of Blo Blow Dry Bar

betches

GLAMOUR

People


REFINERY29

SELF

Women'sHealth



FISH

Results Like Blo's Are Typical

fish



WANT TO KNOW OUR SECRET?

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

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

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

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

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

Here are just a few of our capabilities:

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

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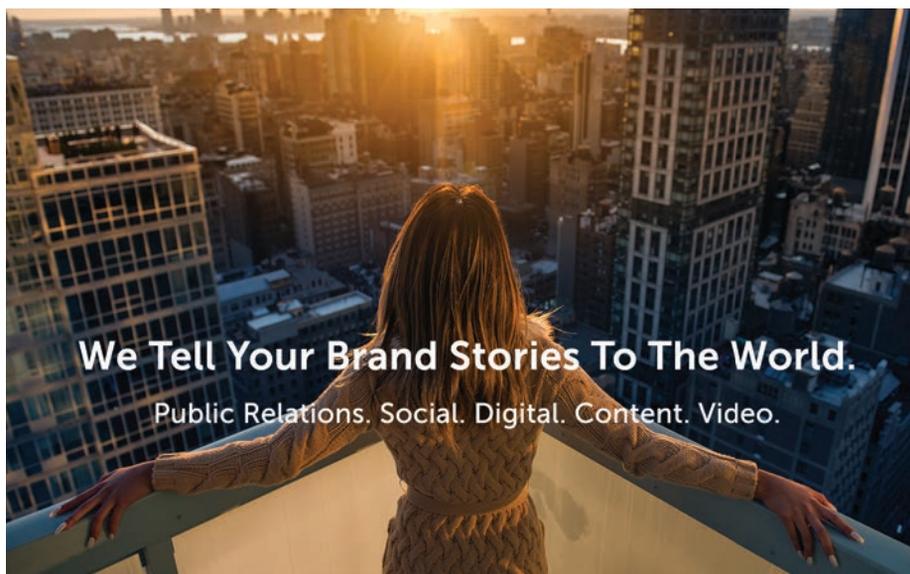
Website

fish-consulting.com



919 MARKETING CO.

Multiple Franchise Marketing Services.
One Agency.



919 Marketing Company is the fastest growing franchise marketing agency in the country.*

Our senior level marketing experts focus on what franchise brands need most — national and local PR, social media, digital marketing, content development and award-winning video production.

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 franchise marketing campaigns! To date we have worked with more than 100 emerging and category leading franchise brands.

How we do it.

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.

How we're different than other franchise marketing agencies.

919 Insights is the franchising industry's first and only AI powered data analytics platform that captures the behaviors of franchise website visitors. 919 Insights identifies what topics are driving prospects to your website, what content is being viewed or watched, and what topics are converting invisible prospects into leads. We uncover insights about your prospects and the competition that translate into more efficient, more effective marketing programs with proven, documented results.

We are the best in the business at telling your brand stories to the world.

Ready to get started?

*2019 Inc 5000 ranking

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TOPFIRE MEDIA

Franchise Lead Generation Experts



**INTEGRATED PUBLIC RELATIONS
+ DIGITAL MARKETING
= DIGITAL FRANCHISE LEAD
GENERATION**

TopFire Media is an award-winning, full-service public relations and digital marketing agency specializing in franchise lead generation. We leverage expertise in franchising, public relations and digital marketing to help emerging and mature franchisors maximize their growth objectives.

TopFire Media was ignited by the spark of an idea from franchise industry leaders from iFranchise Group who recognized that all brands, large or small, require effective, coordinated marketing strategies to power their franchise growth.

Our mission is to attract high-quality prospects through a range of services including:

- digital franchise development advertising
- search engine optimization & content marketing
- public relations & social media
- website design & development
- consumer/franchisee local marketing

We build client strategies around measurable indicators that track progress, identify opportunities, and define success. We take a comprehensive view of client goals and maneuver among digital marketing tactics to optimize results.

TopFire Media helps franchisors achieve their growth goals by fine-tuning the right mix of tactics, including search engine marketing, compelling media stories, targeted digital advertising, and others.

TopFire Media also supports franchisees by simplifying the creation and management of campaigns across multiple locations, through search, display and remarketing ads, social media ads and posts, local and national SEO, reputation management, and more.

TopFire Media's client roster is balanced across consumer marketing and franchise development campaigns. Our team's wide-ranging expertise allows us to provide sound strategies for any industry or concept.

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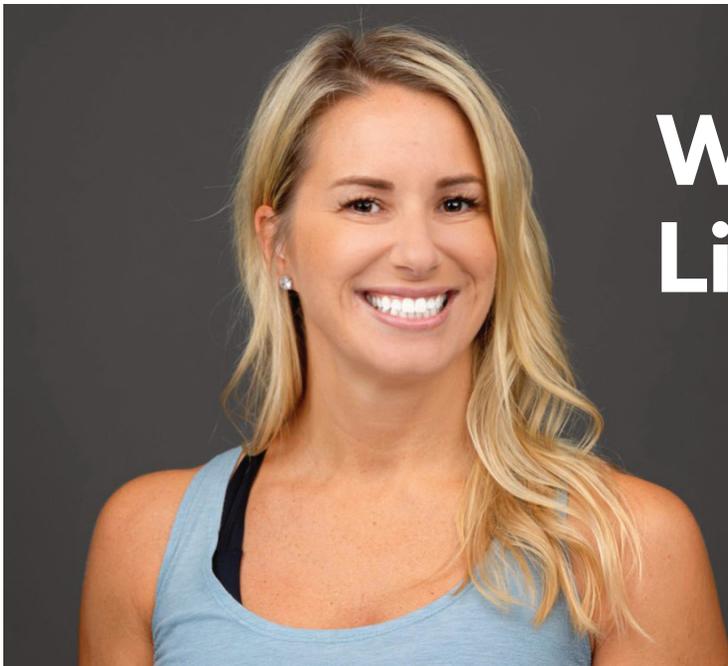
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Who Doesn't Like to Punch?

Written By **KERRY PIPES**

Jabz Boxing founder Kimberlee White goes national

Kimberlee White remembers doing a circuit-style boxing workout at a studio several years ago. She loved the workout but didn't care for the male-dominated environment. She wasn't alone. It turned out this was a common feeling among many women, and it became the impetus for a business idea.

White and her business partner Len Hayko bought a small warehouse in Scottsdale, cleaned it up themselves, and brought in a welder to build a boxing ring. When they opened their first Jabz Boxing studio in 2012, their goal was to create a full-body circuit-style workout that used boxing-inspired exercises and was designed specifically for women. They hoped to provide great workouts, great instructors, great music, and a great environment. The concept was a local hit, word spread, and a business was born.

"When members started approaching us about opening another location nearby we knew we were onto something," says White. She and Hayko borrowed some money, created an FDD, and sold their first franchise the following year.

Local growth soon expanded to regional growth, and in 2019 the concept went national. Today there are more than 20 Jabz Boxing studios open from Arizona to as far away as Delaware, Pennsylvania, and New Jersey. In January the company announced a 5-unit deal for additional locations on the East Coast.

Many of their franchisees are former clients who were looking for a relatively low-investment business opportunity, she says. Opening a studio can cost less than \$150,000. White says the emerging brand is looking to break ground in more markets and hopes to see another 10 to 14 units open this year.

Jabz focuses on developing fitness, not fighters. "Our workouts combine cardio, strength training, core work, and plyometrics to help give clients a full body workout to maximize results and meet all of their fitness needs," says White. Certified trainers help guide and motivate women of all sizes, ages, and body types though an energetic and personal workout experience. There are never more than 16 women in a class.

White, who grew up playing sports, sees herself as a kind of coach for the brand. "The coaches I saw who were happy, exciting, and positive were the coaches who had the best-performing teams," she says. "It is so important to communicate with your team, to be flexible, and to also have empathy and compassion."

Her goal is to have several Jabz Boxing locations in every state, and says she believes boxing for fitness is now more popular than ever. "People are starting to realize that boxing training is a full-body workout that includes both strength and endurance training. Plus, who doesn't like to punch?"

LEADERSHIP

What is your role as CEO? My role includes supporting and supervising staff, promoting their growth, educating myself on the latest and greatest fitness trends (going to seminars, reading articles, attending conferences), managing all the company's operational aspects, analyzing data and metrics to determine the performance of brand and studios, establishing policies that promote a positive culture for the brand, and to reflect on and analyze data from current marketing efforts.

Describe your leadership style. It includes being outgoing, enthusiastic, and optimistic, while at the same time being direct, analytical, and systematic. I strongly believe your brand/company

Kimberlee White, 34

Co-founder, CEO

Company: Jabz Franchising

Units: 20+

Years in franchising: 6

Years in current position: 4

is a reflection of you as a person. If I want Jabz to continue to grow and thrive in the way that I envision, I need to set that example by practicing what I am preaching. My goal is to have passion and enthusiasm for Jabz radiating from my body so that it's contagious to those around me, including my Jabz team.

What has inspired your leadership style? Growing up, I was very involved with sports. The coaches who were happy, exciting, and positive were the ones who had the best-performing teams. I view myself as a “coach” to my team. It is so important to communicate with your team, to be flexible, and to also have empathy and compassion.

What is your biggest leadership challenge? Sometimes I second-guess myself when comparing myself to other leaders who have far more experience than I do.

How do you transmit your culture from your office to front-line employees? We have a very streamlined onboarding process in place when bringing on new employees in the corporate office, and even for new hires within the studios. We start by sharing the history of Jabz and how we started in a warehouse on an \$18,000 student loan. We want our team to understand we are extremely passionate about Jabz and our mission to empower all women. Sharing the evolution of Jabz with new hires helps them feel they are part of something very special, therefore building equity in their hearts for Jabz. We also never stop training. Everyone needs a refresher on expectations. Last, communicating feedback with the team is crucial for making sure your brand is being represented well.

Where is the best place to prepare for leadership: an MBA school or OTJ? I have learned most of my skills from being on

“Growing up, I was very involved with sports. The coaches who were happy, exciting, and positive were the ones who had the best-performing teams. I view myself as a ‘coach’ to my team. It is so important to communicate with your team, to be flexible, and to also have empathy and compassion.”

“Hard work pays off! Surround yourself with a great team and treat them like gold. Remind yourself daily why you do what you do every day. Take time to reflect on all your hard work. This will help refuel your tank on days where you are exhausted.”

the job. To be a good leader, you really have to understand people. Every person and situation is different. Being exposed to different situations and learning from other leaders has made the most impact on my leadership style.

Are tough decisions best taken by one person? How do you make tough decisions? I think tough decisions should be thought about and then talked through with your closest team members. When presented with a decision, I work out the pros and cons on my own and then open the conversation up to my team and take their input into consideration.

Do you want to be liked or respected? Being liked as a leader is nice, but being respected is more important. It is much more important that people respect you as a person for the decisions you make and your reasons for making them, as well as the way in which you conduct yourself at work.

Advice to CEO wannabes: Hard work pays off! Surround yourself with a great team and treat them like gold. Remind yourself daily why you do what you do every day. Take time to reflect on all your hard work. This will help refuel your tank on days where you are exhausted.

MANAGEMENT

Describe your management style: I manage my team like a coach. I establish clear goals and then, as a team, we break the goals down into mini-goals that must be accomplished to reach the big goals. We have weekly meetings with a set agenda to make sure everyone is on the same page and accomplishing their tasks for the week. As a manager, you have to stay positive and proactive and let your team know their opinion is valued. I am constantly thanking my team for all of their hard work and often rewarding them with gift cards, thank-you notes, or their favorite drink from Starbucks.

What do you think makes up a good management team? A good management team needs to have good intentions and lead by example. While being firm and setting boundaries, it is also important to appreciate your team and make them feel valued.

How does your management team help you lead? I could not do what I do every day without my team; they are my lifeline. Knowing that I have a strong team behind me gives me the courage and confidence to make tough decisions and also to take risks.

Long term goals? “To have several Jabz studios in each state. When individuals think of ‘women’s fitness’ and ‘community’ I want them to think of Jabz!”

What makes you say, “Yes, now that’s why I do what I do!”? Whenever I receive a text or email from a client thanking me for creating Jabz and sharing how much Jabz has changed her life on so many levels, it gives me the chills! I save all of these emails, texts, and notes in my “Jabz Journal.”

PERSONAL

What time do you like to be at your desk? By 9 a.m., after a Jabz workout of course!

Exercise in the morning? Wine with lunch? I always work out in the morning. After a long day at work it is hard to head to the gym. I have lunch in my office with my teammates.

Do you socialize with your team after work or outside the office? Yes, but not too often.

Last two books read: *Girl, Wash Your Face: Stop Believing the Lies About Who You Are So You Can Become Who You Were Meant to Be* by Rachel Hollis; *The Woman Code: 20 Powerful Keys to Unlock Your Life* by Sophia A. Nelson.

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

How do you relax/balance life and work? I love spending time with my husband, my 3 dogs, and my pet pig. We love watching football on Sundays and being lazy by the pool in the summertime.

Favorite vacation destination: Maui.

Favorite occasions to send employees notes: I am a note sender. I love sending notes for little things.

BOTTOM LINE

What are your long-term goals for the company? To have several Jabz studios in each state. When individuals think of “women’s fitness” and “community” I want them to think of Jabz!

Are there any trends in the industry that you foresee having an impact on your brand? I think women are finding or making time to focus on their health and fitness more today than in the past. I am happy we can provide a fun, effective, and inclusive environment that women can come into for a quick workout. I also think “boxing for fitness” is being sought out now more than ever. People are starting to realize that boxing training is a full-body workout that includes both strength and endurance training. Plus, who doesn’t like to punch?

How do you measure success? When I see our Jabz community growing and our owners and clients are sharing success stories and thanking me for starting Jabz, that is how I measure success.

What has been your greatest success? I think it has been being able to make *all* women feel confident and comfortable at Jabz. Often there is a certain perception about a “gym” and what kinds of clients go there. We have clients of all different ages, skill levels, and fitness levels, and I love that.

Any regrets? No regrets, just lots of learning experiences.

What can we expect from your company in the next 12 to 18 months? We will be expanding in four or five more states including Maryland, Florida, Delaware, Utah, and Colorado, opening up approximately 10 to 14 more units. ■



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TIME FOR CHANGES

Fixing franchising's structural problems

Written By **MICHAEL SEID**

In the September 27, 2019 edition of *The New York Law Journal*, Ron Gardner, a partner at Dady & Gardner, penned an article titled “Franchising From the Franchisee Lawyer Perspective.” He brings up some interesting issues, but I am compelled to question his proposed solutions.

Ron is a friend and one of the most talented franchisee lawyers I know. He is one of a handful of franchise lawyers who guest lectures at the graduate course on franchising I teach at The Ohio State University. His lecture provides to my students an essential balance on the legal and business issues in franchising, from a decidedly franchisee-centric viewpoint. My firm provides strategic and tactical advice, primarily to franchisors, in the U.S. and internationally, and furnishes expert witness and litigation support. My leanings are clearly franchisor-centric.

FDDs AND DUE DILIGENCE

There are two principal areas in which I take exception to Ron's article. The first is where he describes a “very typical franchise agreement” with an initial fee of \$75,000, an 8 percent royalty, and terms that he believes are unfair. The economics he cites are not typical, as the average initial and continuing fees in franchising are closer to \$37,000 and under 6 percent. Few initial fees reach \$75,000, and there are more royalties below 5 percent than there are above 7 percent. Even if you were to accept, purely for argument's sake, all the terms Ron outlines being in the typical agreement, he leaves out an important point: Under our system of franchise regulation, every potential franchisee should be aware of those terms well before they enter into their franchise relationship.

Ron may argue that the prescribed Franchise Disclosure Document (FDD) is too difficult for anyone other than a franchise lawyer to understand, and that a franchisee cannot afford to engage a lawyer to assist them in conducting a proper supported due diligence. I don't disagree with him that the FDD is a challenging document, as are most disclosures. However, the FDD was never intended as a standalone document any more than any other investment disclosure. It's merely a material tool to be used in a supported due diligence.

I have lobbied for many years for structural changes to the content and format of the FDD. There has been far too much lawyer and regulator input in its format and content, and too little franchisee and business-side input to date in my opinion. However, even as currently designed and with all of its flaws, the information a potential franchisee requires is there. In evaluating any investment opportunity, having proper advisors and conducting a supported due diligence is essential.

I come from a school that if any investor can't afford legal counsel, the likelihood is that they are undercapitalized for the business and should wait before making such an important investment. On the other hand, I believe if they have the resources and choose not to engage proper advisors, that is a choice. I just don't subscribe to the belief that if a prospective franchisee fails to act responsibly and protect their own interests, it gives rise to any argument obligating a franchisor to modify how it wishes to license its intellectual property.

There are many qualified franchisee lawyers, including Ron's firm, available to prospective franchisees. There are no restrictions on the depth of a due diligence, and while

there is a minimum cooling-off period before an agreement can be signed, there is no maximum cooling-off period. The potential franchisee has control on when to enter a franchise relationship, and not becoming a franchisee is a totally appropriate option. Not engaging proper advisors before making any investment is merely a bad decision.

FOLLOW THE SYSTEM

The second principal area of disagreement I have is Ron's suggestion that to avoid joint employment and other problems, franchisees should be given independence and be allowed to "run their own businesses as they see fit." Franchising is not the type of license where a licensee obtains the right to use someone else's intellectual property with the right to modify the products and services in any fashion they choose. Franchising is not a blind license, but is a brand license where consistency is its hallmark.

Most franchisors already recognize market differences and, where appropriate, allow some variations in products and services. But, picture a marketplace where any brand has little consistency and the end user does not know what is being offered from location to location. Consider the other franchisees whose investment is centered on a system with brand consistency. A franchise system that allows independent choice, as he proposes, would have little value. Also, you would need to rewrite, if not entirely eviscerate, the Lanham Act, in order to adopt that approach.

[Editor: The Lanham Act, officially The Trademark Law of 1946 (named for Texas Rep. Fritz Lanham) provides for a national system of trademark registration and is the primary federal trademark and service mark law in the U.S.]

I know of no one in franchising who does not appreciate well-written and thought-through regulations so long as they don't impinge on a franchisor's private property rights. The terms that each franchisor independently decides are appropriate to include in their license may not be those Ron finds acceptable, but consider a marketplace covering more than 300 distinct industries with government-mandated terms of offering. That approach has been tried in market philosophies other than capitalism, and I can't think of a single example anywhere in the world or during any period of time to show any measure of success when measured against the vibrant commercial economic performance of our current disclosure regimen.

Ron's admonishments concerning franchisors that "exert more and more control over their franchisees" "will ultimately backfire" is not without merit, however. But in a competitive marketplace, those restrictive systems may not be as attractive as other less restrictive offerings to some people, and the market will balance out Ron's concerns without regulatory tinkering. Pre-sale disclosure works quite well and the results have been overwhelmingly positive, especially when the potential franchisee makes an educated decision on the opportunity. Pre-sale disclosure, though, needs to be improved.

Now I would personally love to find a way to mandate that every potential franchisee use the services of great franchisee lawyers like Ron before they invest in any franchise. However, no one is going to make that mandate enforceable, and no one is going to require franchisors to offer franchises only to those who do.

EVERYTHING ON THE TABLE

A good start in addressing the root cause of Ron's concerns would be to thoroughly revise the FDD now while the FTC is going through its mandated review process. We began in the 1960s in California with a disclosure that contained 22 items and a receipt. It is inconceivable to me that, materially, very little has changed in more than 50 years.

Consider that it has been more than 40 years since the introduction of the personal computer, and more than 25 years since the Internet became a useful source of information. Yet, other than being able to transmit documents by email and sign contracts electronically, those tools have gone largely unused. It is hard to fathom that franchise regulation has walled itself off from the benefits of technology in providing information.

Unencumbered by the existing 23 current items, consider what we might choose to include in a revised format, such as management letters that tell the reader what happened last year and what is expected and planned for this year; or executive summaries, similar to those used in other sophisticated investment documents. These may be options to consider.

Consider the possibility of including an investment analysis, eliminating charts that merely reference the contract, moving some of the essential information now found in the bowels of the documents to the front where they are more easily found by the reader.

We might even look closely at eliminating or simplifying information no one really cares about and include information they do. What real harm or benefit might there be if statistics not included in the FDD could be linked from other, more robust, sources; or if videos or other presentations might be available as franchisor-chosen supplements to what the regulations require.

Everything should be on the table for consideration, and if a discussion on safe harbors is needed, then let's include that in the review process as well.

CONCLUSION

I don't disagree with the thrust of Ron's article. Franchising, as with any complex method of distribution, will always need to be improved. But, given the vast number of successful single- and multi-unit franchisees today, generalized statements about material problems cannot really be supported. But lack of material problems should not give us any reason to be complacent or to ignore Ron's warnings, and we would be wise to open ourselves up for change.

If we don't, then I would expect the type of solutions Ron proposes will be implemented by legislators who don't understand franchising. And as he rightfully states, some of them, as we have seen in California, already have. ■

Michael Seid is a managing director at MSA Worldwide. MSA provides strategic and tactical advisory services, primarily to franchisors, on a global basis. Call him at 860-523-4257 or email mseid@msaworldwide.com.

Fazoli's Refreshed

Adapting for the next 30 years

Written By
DOUG BOSTICK

For a brand that celebrated its 30th anniversary in September 2018, there's no denying it: Fazoli's has staying power, a loyal fan following, and is clearly doing something right.

The company was founded in 1988 (as Gratzzi's) by Jerrico, Inc., a multi-brand restaurant group based in Lexington, Kentucky, and then parent company of Long John Silver's. Franchising since the early 1990s and after numerous ownership changes, Fazoli's is still based in Lexington. Today, with nearly 220 restaurants in 28 states, the brand is owned by private equity firm Sentinel Capital Partners, which acquired it in 2015 from Sun Capital Partners, which had owned it since 2006.

To maintain its best-in-class status, the brand must remain focused on providing guests with an experience that is unmatched in the industry. That experience comes from the quality food, the unparalleled service, and the final piece: a complete brand refresh.

Like many legacy brands, we faced a few growing pains, including operational challenges and changing consumer tastes. The brand also needed a redesign to appeal to new guests and stay relevant in an ever-changing business landscape. In 2008, when Carl Howard joined as CEO and president, the brand was ready for a refresh. (Editor: See our profile of Howard in the Q1 2018 issue of this magazine, available on our website.)

"When I joined, the brand was ready for its next act," says Howard. "We went to work creating the next evolution of Fazoli's. We're proud that so many of our franchisees stuck with us and were able to reap the benefits. We are a much stronger brand because of our challenges, and we made a commitment to keep our finger on the pulse and keep the momentum going."

Restaurant industry veterans and business partners Allen Peake and Mike Chumbly opened their first Fazoli's restaurant in the mid-1990s, but sold in 2000 feeling the brand needed an update. "The restaurant industry is competitive," says Peake. "If you don't have a concept that is fresh and appealing for customers, they will find a different place to eat. It's vital to evolve as a brand."

In 2015, Peake and Chumbly were so impressed by the changes the brand had made that they decided to give it another shot. They saw a renewed opportunity that was "right on the money." They now own three new locations and have six more in development.

"After we saw major improvements in food quality and the exciting new prototype, we decided it was time to get back in business with Fazoli's," Peake says. "The updated design helps attract a new customer, and that's a tremendous value."

Peake says the key component in getting franchisees excited about a brand refresh is aligning the goals of the refresh with the mission and values of the company.

NEW PROTOTYPE

We recently introduced our newest prototype, and the response from both guests and franchisees has been positive. The menu influenced much of the upgraded design. The new modern decor and additions, such as communal seating, are a nod to the family-friendly atmosphere the brand is known for. The new design also includes artwork that emphasizes our "made to order" and "made to share" atmosphere, along with fresh ingredient cues with the brand's iconic red tomato, which greets guests right when they step through the doors. Every detail, down to the color scheme and rich wood tones, is a nod to the quality and innovation fans have come to expect from the brand.

The new design also supports our growing off-premise business, which includes third-party delivery and online ordering, and incorporates design elements such as our dedicated Pronto Pickup shelving. In this technology-driven, on-demand marketplace, the brand is embracing the changing consumer landscape.

"Our new restaurant design was built to showcase our premium menu and highlight the quality that comes from fresh ingredients made to order," says Howard. "We're dedicated to enhancing the guest experience by offering delicious new menu



options, unparalleled guest service and a modern, fresh new look. Our new prototype is the final piece of the puzzle."

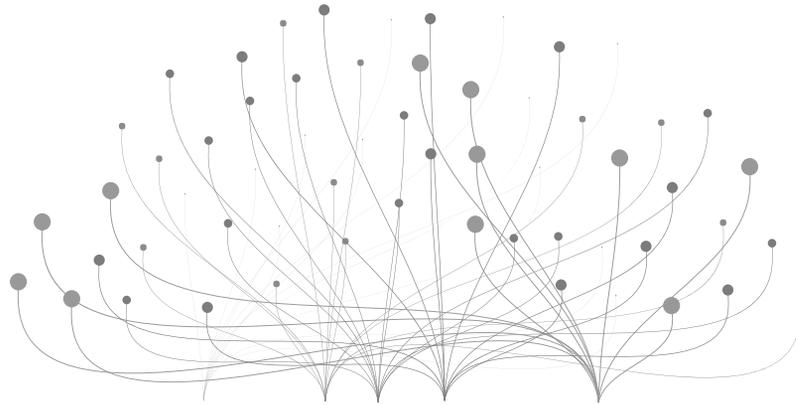
With this new round of upgrades complete, Fazoli's has a goal of completing a total system remodel by the end of 2021. And, after seeing close to a 12 percent sales and traffic lift in remodeled locations, existing franchisees are on board.

Our team has worked tirelessly to bring down the current remodel expenditure, which is now 75 percent less than where it started in 2016. This is significantly below what competitors are spending, and the results are unmatched.

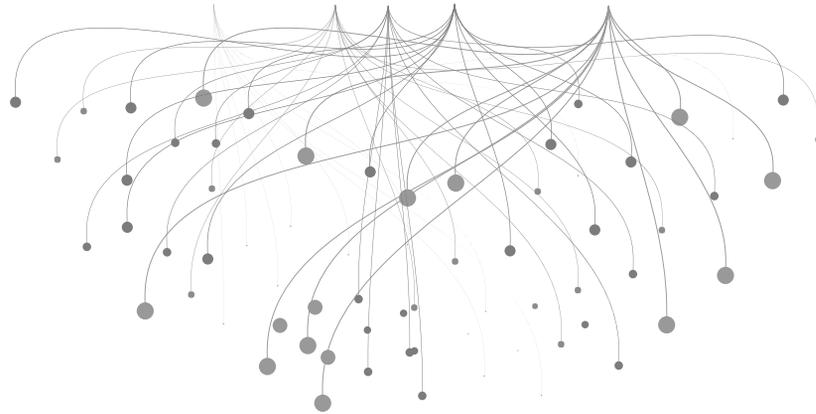
Along with top-line sales results significantly outpacing the industry, the brand is on a development roll with both new and existing franchise groups. With sales and traffic on the rise, legacy franchisees are updating their existing locations and opening new locations to expand the brand footprint.

"A big reason our brand stays relevant is our commitment to delivering the complete package—inside and out—to everyone who walks through our doors," says Howard. "With our new prototype, we've created the best experience possible for our guests without adding significant cost to our franchisees, and we still have amazing development opportunities in many desirable markets. Fazoli's is proving the update was entirely worth it." ■

Doug Bostick is senior vice president of operations and development at Fazoli's.



Turning KPIs into ROI*



**Tracking key marketing data is complicated*

Written By **HELEN BOND**

Franchise marketing in our ever-evolving, data-driven digital world overflows with opportunities—and loads of challenges.

With a wealth of channels available for customer engagement and unprecedented access to analytics, it's easy to get bogged down in data. In addition, measuring marketing in a vacuum risks wasting time and money chasing the wrong performance metrics. Make decisions based on old data or too few touchpoints, and you'll be out of touch.

“Marketing ROI is far from an exact science,” says Ashley Schuetz, vice president of marketing at Massage Heights. “It needs to be looked at holistically because it is so challenging to attribute one specific marketing vehicle to an overall conversion.”

Franchise brands must know their core customer and the value of that customer to decide on marketing and measurement tactics and strategies—and then be ready to adjust and measure again and again. The right data can help brands select key performance indicators (KPIs) that correlate with the company's strategic

goals. These can include increasing sales or conversions, raising brand awareness, or boosting website traffic, for example. Once that is decided, the next task is to craft strategies to target the right customer with the right message at the right time—and ways to measure and analyze the results.

CUSTOMER LIFETIME VALUE

The deluge of data available to make smarter decisions can lull franchisors into focusing on performance-driven metrics in isolation or only over the short term. Too often, brands can obsess over single transactions and overlook the lifetime value of their relationship with the customer, says Craig Ceccanti, co-founder and CEO of Pinot's Palette.

“Working in franchising, I find one of the biggest things missing, which is a travesty, is customer lifetime value,” he says. “You can't even start to judge whether a pay-per-click campaign or any digital marketing is successful or not unless you know the lifetime value of the customer.”



Ashley Schuetz



Craig Ceccanti



Heather McLeod



Shana Krisan



Jennifer Moore

Lead Attribution: Do You Know Where Your Customers Come From?

Among all marketing metrics, lead attribution—particularly for multi-location franchise brands—is the trickiest to measure. For marketers working with limited budgets and managing national advertising funds, it's crucial that money spent on lead generation packs a potent punch.

“Lead attribution is one of the most important pieces of measuring marketing effectiveness because if you are wrongly attributing, you're going to make a decision to invest—or not invest—marketing funds in the wrong channels,” says Heather McLeod, chief marketing officer for The Cleaning Authority.

“We ask people how they heard about us, and all our mailing campaigns use a match back on the address to identify if we mailed that person,” says McLeod. “There are all kinds of tools in the toolbox and, depending on the campaign, we'll use whichever tools we need to make sure we're doing as accurate of a job of tracking as we can.”

Digital provides marketers the most transparent picture of the consumer journey, or at least the most easily tracked. Lead generation rates (the total number of leads captured, divided by the total number of visitors through a specific channel) can be tracked through social media, organic, paid, referrals, impressions, click-through-rates, and conversions.

There are countless other ways a consumer may find a store, restaurant, or service to add to the measuring mix. “Our customer journey is *not* linear. Touchpoints are not mutually exclusive, and all channels and content are not created equal,” says Shana Krisan, vice president of marketing at Goldfish Swim School.

To meet those challenges, she says, Goldfish conducts an “exhaustive customer journey” mapping exercise that includes the role, frequency, and weighted importance of each channel, optimal content by channel, website and content efficacy, and online versus offline information from individual locations and word of mouth.

However, despite the relative ease of tracking a customer through digital touchpoints, it doesn't necessarily show how the customer arrived at your website or store, says Ashley Schuetz, vice president of marketing at Massage Heights.

“It's very easy for brands or franchisees to say it was the website that led to the final conversion, but that's the final touchpoint. It is how the lead finally came in, but that is not ultimately why they decided to do business with you. It was all the other pieces,” she says. “You have to continue to sell them on your brand or service before they ultimately commit and convert to be a customer of your brand.”

That is where a big picture approach to marketing and lead generation comes in. Tracking conversion—the ultimate goal of lead generation—isn't a one-and-done practice, she says.

“This is something we tell our franchisees all the time. You can't drop one direct mail piece, and then, if you don't have people walking in your door holding the direct mail, throw up your hands and say it doesn't work,” says Schuetz. “You have to have a layered approach with different marketing efforts, and then those marketing efforts and tactics are repeated for a minimum of three months.”

Customer lifetime value reveals how much money a customer is expected to spend over the course of their relationship with a brand. Customer lifetime value is also valuable for the insights it can provide on customer acquisition costs and on strategies for boosting loyalty, bringing back lost customers, and maximizing the return on that initial investment over time.

USE YOUR TECHNOLOGY

“With the information we receive through our POS,” says Schuetz, “we can track and drill down to the value of that member (or non-member) to see their habits and try to sell and upsell them in a way to give them what

they want or need, based on why they have been coming in previously.” Massage Heights' membership-based brand uses a proprietary centralized platform that integrates with the brand's POS system to extract and analyze customer data.

Finding a centralized platform that is easy to understand and that provides dynamic reporting for both individual franchise locations and the entire brand is vital. Online dashboards can provide details down to the ZIP Code on leads and content engagement that can help guide local marketing that delivers to the bottom line.

Brands that excel in localized social

KPI Tips List

KPIs must inform business decisions and be meaningful company-wide, says Shana Krisan, vice president of marketing at Goldfish Swim School. To be useful, she says, KPIs must do the following:

- Align with business goals and marketing objectives
- Be indicative of performance
- Be trackable over time
- Apply to all marketing initiatives
- Adhere to advertising measurement standards
- Be identified by channel and tactic

In addition, says Krisan, “KPIs should not be limited to marketing. They should be indicative of brand and location performance overall. You don’t want to look at marketing KPIs in a vacuum when there are so many other factors that play into overall success.”

marketing experience three times the revenue growth of their peers, according to the 2019 Localized Social Marketing Benchmark Report, a research project from the Local Search Association and SOCi, a platform for social and reputation management for multi-location brands.

START AT THE BEGINNING

KPIs are unique to every business. For some brands, a well-placed impression can be as valuable as a click. So if you’re struggling with what metrics to measure, start with the basics, advises Heather McLeod, chief marketing officer at The Cleaning Authority. The residential and commercial cleaning service provider, with 920 owners and roughly 1,600 territories in the U.S. and Canada, considers cost per lead, cost per appointment, and cost per sale the most critical KPIs for its business. But it goes deeper.

“We slice and dice some of those as they relate to the type of job, such as install jobs on our HVAC brand, or recurring cleans for our housecleaning brand. But at the end of the day, those are the critical ones,” she says. “When something is ‘off,’ when leads aren’t converting to new customers, then we start to dive in deeper using ancillary KPIs to help explain what might be going wrong.”

McLeod agrees that there’s so much data available today that it can be easy to get lost in the weeds and distracted by too many KPIs. “But at the end of the day,” she says, “if you’re driving down acquisition costs, you’re freeing up more funds to be used on marketing. Odds are those are the metrics the rest of your senior staff and board members care about.”

CLEAN UP YOUR DATA SET

Dirty data (duplicate or incorrect information) can hamper efforts to make informed decisions, says Jennifer Moore, chief marketing officer at Silvercrest, a technology-driven marketing company. On the most basic level, having clean data calls for keeping up-to-date on names, contact information, frequency, and, when possible, capturing preferences.

“Practicing good customer data hygiene is critically important to setting KPIs, creating targeted campaigns, and interpreting the results,” says Moore. “Fundamentally, driving new customers is everyone’s goal, but ensuring that you are reaching new customers is essential. In today’s world, data can feel overwhelming, but harnessing it to drive insightful decisions and programs is crucial to effective and efficient communication, for both retention and growth.”

Keeping up with changing contact information through a reservation system or loyalty program, for instance, is key to understanding customer behavior, she says. A restaurant that wants to boost customer return frequency with moderate offers and bring in new customers with more aggressive offers can’t differentiate without understanding who is new and who is returning, for example.

Also, when rolling out KPIs, it is important not to “set it and forget it.” Pinot’s Palette uses weekly and monthly scorecards that continually evolve, particularly with the ongoing changes in social media marketing. Segmentation, based on location types and demographics, must also be considered to account for a campaign or strategy’s blended results.

Pinot’s Palette, for example, has both one-room locations and sites that include an additional private party room. “It is important to be able to segment those results to say, ‘This is good for both situations,’ or we may find it is not good for our locations with just one room,” Ceccanti says.

CONTINUOUS IMPROVEMENT

Brands also must be wary of relying only on historical data to set benchmarks. Goldfish Swim School recently underwent a deep dive research project using a sample of markets to better understand the brand’s positioning and provide insights into the brand’s target audience.

“We verified audience hypotheses and characteristics through qualitative and quantitative customer and prospect research, and helped refine regional reach to hypertarget ZIP Codes,” says Shana Krisan, the brand’s vice president of marketing. “This research has helped us to create an informed content strategy to put forth messaging most important and relevant to members and prospects.”

When evaluating marketing results, The Cleaning Authority’s McLeod looks at which channels drive the lowest acquisition cost, by franchise location and across all seven brands.



Top Marketing KPIs by Type of Campaign

KPIs vary by industry, business model, and a franchise's goals, which can change over time. Multi-channel reporting platform ReportGarden shares recommendations for the top marketing KPIs for the three main types of marketing campaigns: 1) brand awareness, 2) engagement, and 3) acquisition and conversion.

1) Brand awareness

Organic search rankings and search click-through rates
Ad impressions
Media and social media mentions

2) Engagement

Social media engagement
Website engagement
Non-revenue conversions

3) Acquisition and conversion

Conversions and conversion rate
Lead generation
Cost per acquisition

“Based on that, we build plans around our best-performing channels and track to that acquisition number as the year goes on,” she says. “If a channel stops performing, we move those dollars into a channel that is generating new customers at a cost that makes sense for each individual business.”

Repeat testing is also crucial to continually improve results. To try to drive revenue differently, Pinot's Palette frequently makes changes to its calendar listing of upcoming painting classes. Split (A/B) testing tells Ceccanti how much more (or less) revenue the new version made. “It is really valuable to us, plus it allows us to be confident in our decisions,” he says.

VENDORS CAN HELP

Vendors can be useful partners in generating valuable information to help guide marketing strategies and tactics. Krisan is a huge proponent of open and cross-collaborative relationships with vendor partners.

“Once a year, we take the research we have gathered and get all of the brilliant minds that guide us in our day-to-day efforts together in the same room to come up with a cohesive plan for holistic strategies,” she says. “This gathering not only leads to all-encompassing campaigns, it also fosters relationships between our vendor partners that allow for increased collaboration, benefiting the franchise team support initiatives, as well as our franchisees on a local level. We replicate this model at our annual franchise conference as well.”

Ceccanti also finds value in networking outside the company. For franchisors still struggling with KPIs and analytics, or simply wanting to improve them, he recommends seeking out other franchisors. He also embraces the idea of finding helpful advice from vendors.

“Don't look at vendors as people who are just helping other franchisors,” he says. “Use them as consultants. They love to help other companies. If they have solutions that might help you even more, you might want to take a look at it. But instead of letting them attack you with their sales pitch, attack them with your questions.”

TESTING 1, 2, 3...

Expect to find what works through testing, experimentation, and some trial and error. When dealing with the barrage of available data and potential KPIs, it can be easy to go with what is easy to measure instead of what works. To avoid “analysis paralysis,” says Ceccanti, begin with an educated guess.

“Get a number and put it down. It is going to be contested, and that is good,” he says. “You might have to spend money or time to find a more sophisticated way to calculate your repeat customer rate, and then the whole system improves. What I see a lot of times is that it is just not done. Get a measuring stick, even if it's a rudimentary one, and improve it over time.”

No matter what is being measured, Ceccanti says, it is important to dig deeper, and to always remember there are human faces behind the numbers.

“You can get caught behind a computer all day staring at Google Analytics with all the fancy drafts,” he says. “But at the end of the day, there are real people behind it all. It helps a lot to make sense of the data by talking to people through focus groups, or just sitting in someone's living room to get some color to the data you are seeing.”

FINALLY, MEASURE AND RECALIBRATE

Effective and accurate measurement is another critical factor in proving the value of marketing to both company leadership and franchisees. To achieve this, brands must count on buy-in from franchise owners.

At Pinot's Palette, the brand uses a variety of tools, including infographics, newsletters, and podcasts to deliver the same information in multiple ways to its franchisees, particularly important when calculating more complex issues such as the lifetime value of the customer or determining which KPIs the company is focusing on.

“Communicating and building a good learning system is a lot about repetition,” Ceccanti says. “You have to have trust in place and be credible in what you are saying. Data and results definitely help with credibility, which builds that trust.”

Most of The Cleaning Authority's programs optimize daily, using data and actual conversion to drive the distribution of dollars across channels more effectively. The brand uses a variety of tools to get the job done, including call tracking, vanity URLs, and Google Analytics 360. Consistency is crucial. If you change how you approach attribution in the middle of a campaign, you can't compare your data across periods, says McLeod.

Measuring impressions and reach, click-through rates and conversion, and calculating the cost per lead—including cost per click and cost per customer acquisition—is essential to determine the ROI from your marketing activities. ■

Chief Learning Officer

Amy Przywara is passionate about helping children learn



Written By **KERRY PIPES**

Two things motivate Sylvan Learning CMO Amy Przywara as she steps through the company's office doors each day: being successful at marketing and helping children learn. And she's deeply passionate about both.

As a marketer, Przywara says she is always evaluating the Sylvan brand as it relates to the needs and desires of today's consumers—and she should know. “I am our target audience,” she says. “I have twins in 4th grade and a daughter in 5th, so I have lots of focus group opportunities in real life with friends, moms of other kids at the school, teachers, and staff.”

Przywara has been with Sylvan, the 40-year old brand that has offered personal learning for K-12 students, since 2006. Over that time she has served as vice president of marketing, senior director of brand and customer acquisition, director of national advertising, and director of co-op advertising. No matter what position she has held, Przywara has made it a habit to listen to customers and franchisees.

“Everything we do in marketing is about the success of both,” she says. “With the consumer, we are gathering reviews and consumer research so we know what they are really looking for and how well we delivered,” she says. She also keeps her finger on the pulse of the franchisees to help them become successful.

As a part of Sylvan's leadership team, Przywara, along with her 13-person marketing team, has been instrumental in delivering integrated marketing campaigns for its franchisees. This effort includes national components working in conjunction with locally focused strategies to drive business to the brand's more than 750 centers.

“Local marketing is truly a key part of success for a franchisee, so we want to make sure they understand this,” she says. That's why Sylvan has a local marketing team that works with franchisees, along with an online portal to guide them through everything they need for their own local marketing plan.

Przywara says she loves being a part of Sylvan because the company helps children and families by offering a variety of

programs to fit their educational needs and learning styles—from after-school tutoring and teaching children to read, to STEM classes and college prep assistance.

What could be better for a marketer and mom who loves to see kids learn?

Describe your role as CMO. I oversee marketing for the franchisor, Sylvan Learning. Our team executes marketing on behalf of a distributed system of learning centers throughout North America. We also provide local marketing materials and local marketing plans for our franchisees and directors.

What’s the most challenging part of being a CMO today? Keeping up with the fast-paced, ever-changing world. Finding ways to invest and optimize without abandoning tactics that are working. Finding solutions that work locally and at an enterprise level.

What are the 3 most important keys to being an effective CMO leader today? Trusting your team, especially the younger team members who have lots of great ideas. Listening to consumers—*really* listening—and then delivering. Testing and testing and testing. Try new things, but don’t back off of what works for you.

How do you prepare a marketing plan and execute the strategies? We start with the consumer first. We take reviews and consumer research verbatim and synthesize it so we know what our consumer is really looking for, and then we look at our reviews afterward and see how we delivered. We then test and look at our ROI, but also take into account the “surround sound” effect of multi-channel marketing, which often can’t be seen in our numbers on a short-term basis.

How do you measure marketing results and effectiveness? We look at the short-term metrics of lead volume every single day, and we also look at the longer-term conversions, the nurturing strategies, and the relationship-building. Ours is both a business of fixing immediate pain for a family and a long-term investment for a child’s future. We measure our success in marketing similarly to how a family would measure if Sylvan were working for

them: both short-term fixes and long-term success.

Discuss your core consumer marketing strategies and objectives. We use a combination of national digital, local digital, local marketing, social/influencer, and email/texting to reach our customer. It all works together and we recognize that. Through all of our communication channels, we are trying to get more people to come into our centers and talk with us. That can also be a phone conversation, but we know that once someone walks into our center, especially with their child with them, they will feel the support and how we can help. We focus on overcoming the barriers of getting a prospective customer to that point. We do try to break it down through a simple web form or a phone call. All of these things play a part in getting to each next step.

How do you go about creating a customer-centric marketing and brand philosophy? We truly listen to the consumer. We have created ways to hear directly from those who chose us and from those who didn’t. Our product is based in doing well for a child—and we do, over and over again. We know that if a family gives us a chance, we work. So we constantly look at why a mom or dad chooses another solution, try to find the similarities in those who go somewhere else, and then try to address them.

How do you identify talent for a marketing team? We have an excellent internal recruiter who understands our culture and our marketing needs. She does an excellent job of sourcing candidates for open roles. We also believe in bringing in younger team members. It’s great to watch people grow and expand over the years. We also look for team members who have worked in a distributed model. That really helps the learning curve of our business.

Describe your marketing team and the role each plays. We have a 13-person team and we divide up into three key areas: local marketing and franchisee support, digital-centric, and brand/consumer. But there is so much crossover these days. The team works together to make sure the content we create is digital-centric, that local marketing needs are digital as well as offline. There has to be a collaborative, no silos approach.

Why is it so important for the marketing department to have a “personal touch” when it comes to helping the brand connect with prospects? We recognize that buying a franchise—any franchise—is a life decision for someone. This is a big next step and can be scary. It is often the first time owning a business for prospects. We want them to truly understand what we do for them, and what they need to do for themselves to be successful. Those are personal conversations so prospects can truly understand what Day 1 (and Day 90 and Day 1,072) will be like.

How does this help your franchise sales and development effort? Being an education brand, we have lots of prospects who want to help others. We feel the same way. We want to help our franchisees and future franchisees be successful and help more kids. Everything we do in marketing is about the success of both.

What ways/tools do you rely on to do this? Our marketing plan is set up so that prospects understand what we do for them and what they need to do themselves. Local marketing is truly a key part of success for a franchisee, so we want to make sure they understand this. We have a local marketing team that works with franchisees as well as an online portal called MARC that guides them through everything they need for a local marketing plan. We help get our prospective franchisees excited for this business opportunity.

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

“Trusting your team, especially the younger team members who have lots of great ideas. Listening to consumers—*really* listening—and then delivering. Testing and testing and testing. Try new things, but don’t back off of what works for you.”

Do today's prospects expect more from the franchise marketing department? What, and how do you provide it? With so much being digital, I think there is more of an expectation that more things can be done centrally than locally. We try to find the balance of what should truly be done locally and have that local touch, and what can be done centrally that also has a local touch, but maybe not quite as much as truly being local.

How is today's consumer and marketing data helping you fine-tune your marketing initiatives? We are able to look at engagement much more easily. There is more to getting a lead than the lead alone. We are able to see how people have engaged with us and how long it takes them to then give us their information. There is still more to do here, but it helps in making some longer-term decisions on where to invest. We have a brand engagement platform called Sylvan Nation and have had great success with it over the 18 months since launch. We can see in the data what more we need to engage prospective customers further down the funnel.

Describe the evolving role of social media in your brand's marketing efforts. I think that, as with all brands, social media causes us to be more transparent. This can be tough. If someone has a bad experience they have a channel to let a lot more people know about it easily. We make sure we are giving educational tips, success stories, and addressing consumer feedback in our social efforts. We want to partner with families for long-term educational success, and our social efforts reflect that.

How do you work with other internal departments, and does technology help? We have an integrated approach with other departments and are in constant communication. We continue to refine how we all work together, balancing in-person, email, messaging, online tools, etc. We regularly try new things and new ways of working. And we always try to assess if a meeting is really necessary.

How do you manage costs and budgets for the marketing department? We budget on an annual basis and refine quarterly. We are big on under-promising and over-delivering with our budget process.



“We’ve been around for 40 years and we know the Sylvan name carries excellence with it. We always evaluate our brand image and make sure it’s resonating with today’s consumer. Luckily for me, I am our target audience: I have twins in 4th grade and another daughter in 5th grade, so I have lots of focus group opportunities in real life with friends, moms of other kids at the school, teachers, and staff.”

Do you see vendors as business partners? Why/why not? We definitely have vendors who are our partners. You have to. We rely on other companies to provide services that make our business tick. I think some are stronger business partners than others. I think a mutual and truly open conversation about how do we both win makes for stronger partnerships versus a vendor/client relationship only.

How have marketing strategies and tools changed over the past decade? How have you adapted? Again, digital obviously plays a greater and greater role, where everything is digital these days. We evaluate new tools that come out and make sure to test and test and test before we roll out and undertake something for the entire system. I think where we’ve had to adapt is to understand that nothing is a big campaign any more. Instead, everything is a series of smaller messages that build up to the greater plan.

How is your marketing/branding strategy developed, and how does it flow through the system? We are quite proud of our brand. We’ve been around for 40 years and we know the Sylvan name carries excellence with it. We always evaluate our brand image and make sure it’s resonating with today’s consumer. Luckily for me, I am our target audience: I have twins in 4th grade and another daughter in 5th grade, so I have lots of focus group opportunities in real life with friends, moms of other kids at the school, teachers, and staff. And, as I mentioned, you can try some things in the digital world that don’t live on forever and see if they work for you. There is a lot more appetite for testing. That said, I do think everything we do remains in the brand foundation we have, and that the brand work we do resonates with today’s consumer.

What advice would you offer to aspiring CMO executives? Listen to the ideas coming from your team. They are closer to what is really going on and will take you to the next level. ■

Q What Marketing KPIs Are Most Important to Your Brand—and Why?



AARTI MEHTA

Director of Marketing
Melt Shop

Since launching our franchise program in 2017, we have relied heavily on key performance indicators (KPIs). These include online ordering through our native channels and mobile app, as well as in-store sales and foot traffic to help guide us in our decision-making process—not only for our company-owned stores, but also for our franchise partners. These performance metrics have given us a snapshot of what has resonated with our guests, not only from a menu offering standpoint, but also with our new mobile app and loyalty program, and even how we are performing operationally in our stores.

As a result of measuring these performance KPIs, we have been able to make smarter decisions across the board—from our training programs and operational protocols to what we are offering our guests. One area we took a closer look at in 2019 was our menu, including our core and limited-time offerings, to see where we could innovate and provide more options to appeal to a broader range of consumers.

Zeroing in on these KPIs translated into big wins for us. For example, over the summer we debuted a lineup of three new melts called our “Summer Favorites.” Once the promotional period ended, we reviewed our overall sales and saw that our Chicken Bacon Ranch melt performed exceptionally well, selling 39,000 sandwiches across 15 units during the three-month limited promotion. We decided to make it a permanent offering on our core menu in October. Since then,

this menu favorite has accounted for a considerable portion of our Q4 sales.

Brand awareness also remains an important KPI, which we work to develop through a variety of tactics. These include targeted marketing and public relations campaigns, as well as social media and influencer engagement. When the first Melt Shop opened in New York City 9 years ago, all of our initial growth took place in the city until we opened our first restaurant out of the city in 2015. This concentrated growth allowed us to build a solid level of brand awareness in our hometown before branching into new markets.

Since the launch of our franchise program 2 years ago, we have grown at a rapid rate, with our system nearly doubling in size in 2018 alone. Because of this, we have collaborated with third-party vendors to help us generate brand awareness in newer markets like South Florida.

Melt Shop occupies a unique niche in the fast casual space, existing in the sweet spot between want versus need. In analyzing consumer insights, we learned that our guests make the conscious decision to visit our restaurants because our food is emotional to them. One of our primary focuses in 2020 will be to see how we can play more into that emotional connection and desire, as well as creating a digital ecosystem where we leverage all tools—from social media to paid ads to loyalty—to drive more sales and traffic for our restaurants systemwide. ■

“From a marketing perspective, digital activation in the restaurant space has become the most important area for us to look at, with many brands offering fans interactive mobile apps and robust loyalty/reward programs. We’ve learned that consumers desire to access brands in a very different way than they have previously and are demanding more offerings.

Like most restaurants and other consumer-focused brands, business performance KPIs like sales, comp sales, traffic, and profit are among some of the most important for McAlister’s Deli. This is because these metrics help us to quantify our growth and success. Historically, we have been very successful in these areas, having top-tier AUVs in the industry and rapid system growth over the past several years.

However, when it comes to marketing specifically, we have core measurements for McAlister’s brand health that, in addition to business performance metrics, also look at things such as market share, EBITDA, and general brand awareness. With the unveiling of our brand evolution and restaurant redesign in 2018, we began looking at ways to refine our marketing KPIs—and how we defined success going beyond performance.

Some of these KPIs are brand love, which aims to measure consumers’ sentiment for McAlister’s; consideration, which goes beyond brand awareness to where a consumer knows your brand and has a desire to engage with it; and overall guest satisfaction, a key indicator for how we are performing operationally in

our restaurants. By looking at this information, we can see where we are thriving and connecting with our guests, and at the areas we should give more attention to and improve.

In addition, we benefit from being part of our parent company, Focus Brands, which has seven food-related franchises under its umbrella, including two other restaurant brands, Moe’s Southwest Grill and Schlotzsky’s. Being part of the same family, we’ve been able to compare our KPIs and share consumer insight metrics, which has provided us with the opportunity to drive synergies across all the concepts and excel within the greater portfolio.

From a marketing perspective, digital activation in the restaurant space has become the most important area for us to look at, with many brands offering fans interactive mobile apps and robust loyalty/reward programs. We’ve learned that consumers desire to access brands in a very different way than they have previously and are demanding more offerings. At this time, we are very aggressively in the midst of a full digital transformation for McAlister’s Deli and are looking at all areas, including our loyalty program, mobile app, online ordering, and more. ■



NATALIA FRANCO

Chief Marketing Officer
McAlister’s Deli

Conversation Nevers & Always

How to build better relationships

Written By
JOHN DIJULIUS



Customer experience and employee experience start with your ability to communicate with both parties. How can you perfect the art of listening? Ask fascinating, probing questions, follow-up questions, and then even more questions. Then be silent and let the person speak their piece. You learn valuable insights not from asking one question, but through an unstructured back-and-forth dialogue.

As Tom Peters notes in his book *The Excellence Dividend*, “If you ask a question and don’t ask two or three follow-up questions, odds are you weren’t listening to the answer. A good listener becomes *invisible*; makes the respondent the centerpiece.”

It is not about listening to decide when to chime in with your own opinion; it is about listening to actually understand. Asking these two questions can dramatically help anyone’s ability to listen to understand: “Tell me more” and “Help me understand.”

In her book *Fierce Conversations*, Susan Scott makes this point extremely well: “Our most valuable currency is relationships.... In every conversation, meeting, or email we are accumulating or losing emotional capital, building relationships we enjoy or endure with colleagues, bosses, customers, and vendors.”

Scott also notes that to be a great communicator you must have a totally open mind in every conversation you have. “People don’t cling to their positions as the undeniable truth. Instead, they consider their views as hypotheses to be explored and tested against others,” she says.

The following is a great guide of conversation “Nevers & Always” that will help you become fantastic at conversations.

CONVERSATION NEVERS

- Never multitask.
- Never ask a question because you are dying to answer it yourself.
- Never ask a question and hijack someone’s answer.
- Never finish the other person’s sentences. (I struggle with this one because sometimes people take a long time to get to the point. To help speed things up, I will finish their sentence, which is extremely impolite.)
- Never steal someone’s thunder. Suspend your own ego and let them enjoy their own story. This is a tough one for many because when someone brings up something you have in common, you can get excited to share your experience. For instance, you might ask someone where they went for spring break. Perhaps they respond excitedly, “We went to Disney World for the first time!” The listener might then respond innocently, “I love Disney World. We’ve been there several times.” But this can steal the other person’s moment or make them feel like they are being one-upped.
- Never volunteer information about yourself that appears to be bragging.

CONVERSATION ALWAYS

- Always remove any distractions (digital devices, for example), demonstrating your full attention to the other person.
- Always listen with your eyes. Make eye contact the entire time.
- Always be an active listener. Ask interesting and probing questions, follow-up questions, and then more questions.

Then be silent and let the person finish speaking.

- Always show empathy and support in a nonjudgmental way.
- Always be patient. Let the other person speak their piece, finish their thought, feel heard.
- Always wait 2 seconds to process what you heard before responding.
- Always be in learning mode; everyone has something to teach.
- Always make the person speaking the focus of your attention.
- Always collect FORD (family, occupation, recreation, and dreams) and document the intelligence for future use.
- Always commit to a follow-up (when it is called for) or action plan by a specific time.

THE CONVERSATION IS THE RELATIONSHIP

When you are able to show genuine interest in someone, with the goal of building a relationship, instead of trying to get something out of them, the friendship ends up being the greatest reward.

Social capital cannot be measured in likes and shares. While technology is constantly changing and improving to help us stay in touch with others, it will always be live, physical, real-time human interaction that builds trust and strong relationships and is the most mutually rewarding. ■

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.

Remaining Relevant

Older brands seek new tricks

Written By

RITWIK DONDE & DARRELL JOHNSON

It is becoming increasingly clear that the current economic slowdown is broad-based. Global growth is set to slow further this year, weighed down by the U.S.-China trade standoff and continued political uncertainty. Domestic economic forecasts for GDP growth remain stubbornly around 2 percent, not a strong signal for unit expansion. This is further complicated by the growing shift of generational transitions in spending patterns, retail real estate pressures, and a very low unemployment rate.

With all this happening, what is a mature franchise brand to do? We are hearing that question increasingly from legacy brands. What strategic changes are these brands finding that lead to the most success? Answering that for a particular brand requires us to 1) develop a good understanding of industry dynamics, 2) assess where the brand is in its lifecycle from a competitive perspective, and 3) determine the franchisor's and system's specific strengths and weaknesses. Here are some observations that may help to inform your range of possibilities.

Product/service changes are always a consideration—although many legacy brands hesitate because they believe the

franchise business model makes it harder for them to implement changes because they must gain franchisee buy-in. While that may frustrate many franchisors, it is a strength of the model because it encourages a franchisor to more fully vet such changes before forcing widespread implementation. Chain operators often convince themselves that a change is a good idea—before it is clear how good it actually is. In today's slow-growth environment, we are seeing more pressure for change, which often takes the form of new products and services, especially from legacy brands operating in increasingly competitive spaces. Observing and testing before making changes almost always leads to better outcomes.

Significant product/service expansion is most frequently associated with the largely mature and highly competitive food industry. However, it is also happening in mature non-food sectors. One example is in the mature automotive sector, where Jiffy Lube looked at services its technicians could perform competently and within unit footprints, while not eroding brand perception. Its expanded services now include brakes, tires, and engine diagnostics.

We are familiar with the **QSR food delivery service** trend. That type of service is starting to manifest itself in non-food ways. For instance, Tide Dry Cleaners has diversified into wash, dry, and fold services, after adding a hub-and-spoke model in previous years. It now offers these services on college campuses and at more than 700 drop-off lockers at other retail stores.

Also occurring are **fewer product and service offerings**. In addition to shifting demographics, this movement is significantly driven by real estate and labor economics. The result often takes

the form of a spinoff brand with a smaller footprint and fewer employees, a trend that has been ongoing for a few years, especially in the food and hotel industries.

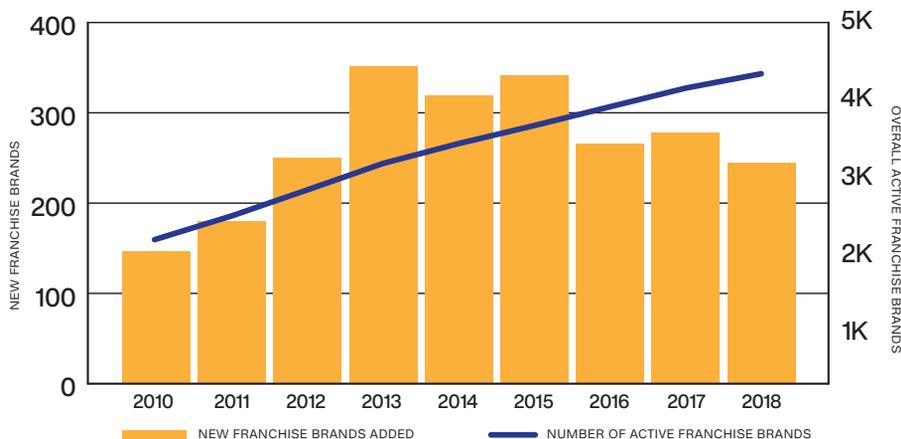
For example, revenue growth in limited-service food establishments is expected to outpace that of full-service growth in 2020. There are many examples of recognized sit-down restaurant brands diversifying into the fast-casual space through spinoffs when menu changes are not enough to grow. Dine Brands announced plans to roll out a new fast casual concept, Flip'd by IHOP; and is testing a new fast-casual format for its Applebee's brand called Applebee's Express. Over the past year, other casual sit-down dining concepts announced similar spinoffs.

While there usually is a higher probability of success as spinoffs benefit from the previous franchise and operational experience of their parent, this doesn't guarantee success. Cracker Barrel announced in October that it will close its Holler & Dash Biscuit House division, the fast-casual spinoff it launched in 2016 after acquiring Maple Street Biscuit Company. Proper research and testing do matter.

Finally, we have the creation of **unrelated new brands**. As the graph shows, we have identified as many as 351 new brands in one year. Some are startup franchisors, some are clear spinoffs, and some are unaffiliated brands started by experienced franchisors. Examples include FlyFoe (operated by the parent company of Men In Kilts and MaidPro); PlumbingPro (offered by SystemForward America, franchisor of Pop-A-Lock and TemperaturePro); and Recruiting in Motion (owned by Clear Summit Group, a franchise accelerator that also owns Tutor Doctor, WSI, and Qualicare).

In all cases where legacy brands have made significant brand strategy changes, there are lessons to be learned, even if they occurred in another sector or industry. Why did they do it? How did they do it? And how well did it work out? As you face the challenges of 2020 and beyond, understanding this will increase your likelihood of success. ■

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Q Prospects today are more informed than ever. How has this affected your recruiting?



CARRIE EVANS

*Director of Franchise Development
Chicken Salad Chick*

There's no doubt that research and due diligence are among the most important aspects of the franchise selection process. And with so much information readily at a prospect's fingertips, it can either be a blessing or a curse. For me, well-informed prospects have actually worked to my advantage.

Chicken Salad Chick is an emotional brand with an inspiring founder story that resonates with many different people. So when prospective franchisees research us and learn more about Stacy Brown, our founder, and our brand's story, an instant connection is formed. They also uncover highlights from our president and CEO, Scott Deviney, and learn more about the success we've had during the last several years with private equity backing and a strong leadership team in place.

In my 3 years with Chicken Salad Chick, I've found that by the time a prospect reaches out to me, they're fascinated by our growth and the cult-like following we've built in the communities we're in and are eager to learn more. People have a natural desire to be part of a bigger purpose, and that's what we are all about: spreading joy, enriching lives, and serving others.

I take into account the path that led them to us, the information they have

already sorted through, and I expand from there. I let them listen to Stacy's episode of NPR's "How I Built This" podcast with Guy Raz so they can hear her tell her story in her own words, and how Chicken Salad Chick is positioned for growth. This ends up being a powerful moment for the prospect(s), and I know early on if there is a culture fit between us.

We have been very fortunate to see sustainable growth through organic sources such as growth within our existing owner base, word-of-mouth recruitment from our existing owner/operators, and from the general public who have simply had a great experience as a guest in one of our restaurants. By the end of 2019, we opened 40 new restaurants bringing us to a total of 144 locations across 15 states.

All this being said, while much of our recruitment success has come organically, we have relied on third-party partnerships to help us tell our brand story to a broader audience across a variety of platforms. Because people are receiving news at such a rapid rate today from traditional and digital news sources, social media, etc., ensuring that our brand message is being conveyed correctly in a meaningful, impactful way has been vital to our overall recruitment success. ■

“People are receiving news at such a rapid rate today from traditional and digital news sources, social media, etc., ensuring that our brand message is being conveyed correctly in a meaningful, impactful way has been vital to our overall recruitment success.

Information is empowering. We find that the more information possessed by the prospective franchise owner, the greater benefit to them and to us as a franchisor. At Primrose Schools, we place a priority on people and building a culture of trust, and that level of integrity begins with the recruiting and discovery process. We are extremely proud of the results franchise owners achieve with us and the third-party endorsements we receive, so we happily encourage prospects to learn as much about our brand as possible.

In addition to information easily available from third-party experts—such as nationally recognized awards and rankings about the investment range, the capital required, and most notably the return on investment with our brand—we’ve found one of the most beneficial ways of recruiting is to highlight the first-hand experiences of existing franchise owners who can speak to their success.

Our recruitment efforts are designed to showcase how our business model has proven to be a fundamentally sound business for franchise owners seeking a meaningful, rewarding career that can allow quality time with family and

provide entrepreneurs the opportunity to achieve a strong work/life balance. The best way to do this is to highlight the stories of franchise owners, which have been integrated in our digital advertisements, public relations messaging, and beyond, and continue to be a leading driver for prospects looking to learn more about Primrose Schools.

As we lead further transformation of early education and care, a sector of franchising that frequently attracts entrepreneurs looking to positively affect the lives of families and children, we pride ourselves on providing candidates with the opportunity to interface with members of our brand, including our support center team and franchise owners, to share their personal experiences. We strive to equip prospects with the resources needed to determine how our values and their personal goals align. In the end, we believe an informed prospective franchise owner will recognize that we offer an opportunity that is both financially and emotionally satisfying. ■



**JO
KIRCHNER**

Chief Executive Officer
Primrose Schools



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Omnichannel Strategy

Brick-and-mortar adapts to e-commerce

Written By
CARL JENKINS

I'd like you to cast your mind back to the early 2000s, when e-commerce was just on the rise and many experts and industry veterans were seeing doomsday signs. There was an expectation that online commerce and online retail competitors would simply suffocate the retail industry, with a similarly dire ripple effect on the restaurant and retail franchise industries.

Today, the omnichannel consumer is beyond a trend; it's the profile of the modern shopper. Franchises have adapted, and having an "omnichannel strategy" is considered a non-negotiable for modern-day restaurant or retail concepts.

So what does a franchise's "omnichannel strategy" mean for real estate?

UNPACKING A BUZZWORD

First, what is "omnichannel," and how does it affect restaurant and retail real estate portfolios? Basically, omnichannel describes the ways retailers and consumers combine multiple channels to market, sell, buy, and deliver goods. Less basically, how this plays out in the real estate of different industries can vary by consumer and retailer.

An omnichannel strategy is an investment, but it can reap big benefits, like driving more customers and higher

spend. In fact, single-channel consumers tend to spend less and behave with a less brand-loyal mindset than omnichannel consumers. We've already seen the ways an omnichannel strategy continues to shape retail. And for brick-and-mortar franchise concepts, there remains sizable opportunity to continue to tailor real estate to drive efficiencies and achieve a competitive edge.

CENTER THE IN-STORE EXPERIENCE

A brick-and-mortar location is no longer a requirement to run a franchise, from retail to service to restaurant concepts. Instead, it's a choice, and more retailers are justifying that decision by creating a unique, enjoyable in-store customer experience that cannot be replicated online or through e-commerce. This can include finding space that allows a retailer to offer additional in-store services, such as a tasting room or bar, yoga classes, or live entertainment—anything that helps drive in-store traffic. It can also mean focusing on unique architecture and design; on creating a space that moves a consumer's focus from quick-and-easy, in-and-out convenience to more of a café experience, where they are encouraged to sit back, relax, spend time (and more dollars) in a comfortable environment that cannot be delivered or experienced through online retail alone.

PIVOTING STORES TO DISTRIBUTION

People spend so much time decrying the state of the brick-and-mortar store that they often overlook a key advantage: these stores are often closer to where their customers actually live than distribution warehouses used by e-commerce juggernauts. Using a store location to fulfill online orders can allow a retailer to serve consumers faster and for less cost. This isn't just for smaller retailers; major

chains are increasingly leveraging store locations for pickup and returns. While brands with bigger store footprints are naturally suited to effectively reach their customer base, smaller franchises can partner with third-party delivery services to supplement the ability of their own store networks for quick product or order fulfillment.

OMNICHANNEL FOR EVERYONE

While retailers long ago reckoned with the impact of an increasingly omnichannel consumer, the restaurant space was considered safe from the impact of e-commerce. Even as more digital channels were introduced into retail, services, and other areas of commerce (moving more transactions online and out of brick-and-mortar locations), many still assumed consumers would remain consistent in their behaviors with restaurant concepts. Third-party delivery changed the game, and restaurants have had to respond, finding ways to cater to off-premise dining and adapt the restaurant space itself to cater to pick-up, delivery, and online ordering.

INVEST IN DIVERSE STORE FORMATS

It's a fact of real estate that a brand's brick-and-mortar locations look different in different locales. Now, in conjunction with more traditional factors such as suburban or urban location, geographic region and population density, e-commerce is an additional determining factor on the look and feel of a store. Retailers can adapt by diversifying store formats, as well as the features and size of each location to better suit an omnichannel strategy to reach the consumer. Many retailers are also experimenting with temporary pop-ups, a unique use of real estate to test products, services, approaches, and markets without a robust financial investment.

Although there's a perception that retailers are downsizing real estate portfolios in response to e-commerce, I'd argue instead that we're seeing an evolution: to put forth an omnichannel strategy, retailers are seeking to tailor the size and redesign the function of their real estate portfolio to best serve the new omnichannel consumer. ■

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.



Food “a la Cart”

Mobile food trucks and carts on the rise

Written By
JAMES MEEKS

It's no big secret that the restaurant industry is rapidly changing. The industry as a whole is adapting to a new era of technology, innovation, and consumer expectations—including increasing demands about the quality and convenience of their food.

From vendors selling hot dogs on the streets of New York City to food trucks circling the nation, mobile food has been in hot demand for decades. The billion-dollar industry that is food trucks was made popular after the Great Recession, as it was a less expensive alternative for independent entrepreneurs looking to bring their product to the masses.

However, Americans have been selling food from wheels for more than a century. The appeal is obvious. Mobile food platforms:

- generally have lower overhead
- require fewer employees, and
- have the flexibility to move from one location to another.

TESTING 1, 2, 3...

Historically, food truck operators have used their trucks to test their concept before committing to a traditional brick-and-mortar restaurant with all that involves, from the expense of a lease to hiring a reliable crew of front-line employees and managers, as well as the accompanying legal and regulatory hurdles and challenges.

The flexibility that mobile food trucks provide can be used in many different ways to meet the changing needs and tastes of consumers, from changing tastes to time-starved lunch breaks. Brands can use mobile trucks or carts as a low-cost platform to test new products, gather real-time feedback, and generate social media engagement before official launches of products in markets. And, if testing proves successful, a food cart or truck can

provide an additional, ongoing revenue stream for a brick-and-mortar franchisee or operator.

Interestingly, 70 percent of consumers have said that they would patronize a food cart operated by their favorite restaurant. But only 15 percent of the top 200 restaurant chains operate food trucks, according to reports from the National Restaurant Association.

The demand is here, and the demand is real. We're seeing a shift as major restaurant brands are now playing catch-up and looking to establish a mobile fleet. With mobile food platforms, brands can serve their customers beyond their brick-and-mortar locations during new construction, remodels, and marketing events.

With retail rents and competition for traditional brick-and-mortar stores continuing to soar in major cities across the United States, many franchisors simply do not have the resources to establish a sustainable mobile presence. Most important for success, brands must create an entire strategy around a smart extension of their brick-and-mortar concept into mobile food.

Enter Move Systems, and companies like us, that have grown up to meet the needs of franchisors and customers alike. We've simplified and modernized the mobile business model with our turnkey mobile cart, which has helped franchisors like Dunkin' and Nathan's Famous (as well as independent operators) have a cost-efficient, mobile presence to reach customers in places beyond their traditional retail locations, from sporting events to grand openings to holiday festivals and more.

Our particular mobile platform is a high-tech, portable cart that uses a combination of solar energy and rechargeable battery power, which allows the cart to

roam free or plug in to a city's power grid. With a dedicated focus on promoting sustainability, our carts are estimated to produce 60 percent less greenhouse gas and 95 percent less smog-causing pollution than traditional food carts or trucks. The flexibility of a smaller food cart (as opposed to a food truck) allows a brand to set up operations in far more locations, including sidewalks, plazas, park pathways, and even in front of their own stores.

In our experience, for franchisors to succeed in the mobile food segment, they first must understand the logistics of a hub-and-spoke strategy and be cognizant of how to bring their menu into a quick-serve format so their mobile food cart can become an extension of their brick-and-mortar locations.

Additionally, franchisors also must holistically examine locations for their mobile kitchen and navigate the permitting process on a county-by-county and city-by-city basis, as regulations, if they exist, continue to evolve along with the changes in mobile strategies, tactics, and technologies. Franchisors also must choose the right combination of menu items that will increase throughput and meet customer demand. And finally, they must have the right marketing, including the use of their mobile cart or truck as a branding tool to attract customers.

Ultimately, brands committed to innovation and to providing a top-quality customer experience are going to thrive by creating—and increasing—customer loyalty and powering their long-term success. ■

James (Jim) Meeks is CEO of Move Systems, a veteran-run company that creates a turnkey, high-tech, sustainable mobile food cart platform for chain and independent restaurant concepts.



Millennials, Anyone?

Won't you be our franchisee?

Written By
ANDREA BRANDON

Franchise development has its fair share of challenges, not the least of which is recruiting potential owners who quickly become assets and have the chops to grow their franchise long-term. While Millennials may not be top of mind as your ideal development targets, omitting them based on overgeneralizations or anecdotes can be shortsighted and costly.

Still thinking of Millennials as lazy, distracted job-hoppers? Look more closely. You'll find these 24- to 39-year-olds are outperforming the stereotype and may be among your next best franchisees. No longer college kids, most Millennials are deep into adulthood and rising in their careers.

According to the Capital One Small Business Growth Index, surveyed Millennials carry attitudes and traits worthy of consideration for franchise ownership. Compared with other generations, Millennials, based on their responses, are:

- More optimistic about current market conditions, but not unrealistic. They're also more cautious about business, citing concerns about—and preparation for—a future recession.
- More focused on innovation, with more than half of respondents reporting that the innovation they see in their businesses is part of what leads to their optimism.

While you've likely heard that this generation changes jobs constantly, what you may not be hearing about is their willingness to put time and effort into endeavors they care about and causes they feel are important. For some, this means starting a business. Millennials are selective though, and will seek and experiment until they find the right opportunity to devote their energy.

They may also be more financially prepared to invest in franchise systems than you'd expect. According to Fundera, Millennials have significantly higher business credit scores than any other age group. While Gen X and Boomers are more focused on obtaining working capital and managing current business debt, Millennials are looking for money to invest in buying or expanding a business.

To generate Millennials' interest in your brand, meet them where they are. Often characterized as digital addicts because of their immersion in online media, they expect immediate, ongoing, two-way communication.

- Consider paid and owned social media campaigns to capture their attention and increase engagement.
- Produce and publish videos demonstrating how franchise ownership helps fulfill their entrepreneurial interests.
- Leverage your website to share important details about the opportunity you offer. The 2020 Annual Franchise Development Report from Franchise Update cites the need to ensure that your website is inviting and encourages visitors to take the next step in the process. The report also highlights the importance of referrals as the second most-effective means to produce new franchisees. To capitalize on this, use online testimonials of would-be peer franchisees thriving in your network.

Prospective franchisees conduct most of their due diligence online before reaching out to speak with a franchisor. To attract ideal candidates like tech-savvy Millennials, it's critical not only to develop an enhanced online presence, but to also create opportunities for meaningful engagement. You may just find that a generation you've previously overlooked makes the perfect franchisee for your brand. ■

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.



Re-re-re-re-spect!

Better listening leads to a better system

Written By
EVAN HACKEL

You can find a tremendous number of articles on how to improve franchise relationships. They usually focus on the importance of communication, conventions, franchise advisory councils, franchise consultants, etc. But none gets to the real core, the one thing that makes all the difference—and that is Respect.

Everyone will tell you that strong relationships within a franchise organization are the key to success. And they are right. When positive relationships exist, the entire system benefits in the following ways:

- A steady flow of quality ideas comes up through the ranks.
- Franchisees are more in compliance with the franchisor's expectations and procedures, which builds a much stronger brand.
- A stronger, quality brand that attracts more business and increases sales.
- More franchises are sold because franchisees provide better validation.
- Franchisees are happier and more successful because their franchisor understands and supports them.

These are only a handful of the many benefits that result from positive relationships. And those results are real, not theoretical. There is statistical proof that better relationships increase franchise profits. With the help of Franchise Business Review, my company surveyed more than 20,000 franchisees for 5 consecutive years. We measured "Engagement," which is a high level of active involvement, and found that companies in the top quartile were 3.8 times more likely to report strong financial results than were companies in the bottom quartile.

I've had the benefit of starting franchises, taking over bankrupt franchise

systems, running large, multi-country franchise systems, and being a franchisee in a multi-unit franchise. I have also consulted close to 100 brands. So I have gained quite a bit of perspective from both sides. Frankly, what I see in many franchises is disturbing.

In some systems, the disdain for franchisees is incredible. In other systems the disdain is minimal, but still exists. People in headquarters say, "If they just listened, everything would be great."

On the other side of the coin, franchisees in many systems feel they could run the system better than the franchisor. They knowingly violate the rules because they feel they know better. They become upset and unproductive.

There are of course exceptions, where the franchisor, franchisees, and their staffs respect one another and work together productively. It all comes down to the one thing.

THE ONE THING

Respect changes everything. Respect leads to trust, improves communication and listening on both sides. It gets people to take on greater responsibility. And it builds positive franchisor/franchisee relationships. So how to create it? No matter which side of the equation you are on, it begins with you. Because when you truly respect other people they will notice and respond in kind.

LISTEN FOR WHAT'S RIGHT

What kind of listener are you? If you are like many, you listen for what is wrong, so you can prove yourself right.

There is no blame in this, as it is a defense mechanism that seems to be part of human nature. Yet we can change it simply by listening for what the other person is saying that may be *right*. What is their kernel of truth? When we attentively listen for that, it changes everything. It is a simple, practical way to build mutual respect.

For example, when a franchisee comes to you with a complaint about how the system operates, hear them out. Try to understand the kernel of truth in what they are saying. Similarly, if you're a franchisee and the franchisor has created operational procedures you don't agree with, discuss the issue and look for that kernel of truth in what you hear.

Respect is also something we can express in the many small things we do every day. One powerful way is to

promptly return phone calls and respond to emails. When we don't do these things, people can become distant and unresponsive. Relationships become toxic.

RESPECT IN ACTION

In the late 1990s, the system I was working for decided to buy nine locations near our headquarters. Our goal was to better understand the real-world challenges our franchisees faced. What an eye-opener it was!

We discovered there was literally no way our franchisees could effectively operate their locations if they were doing everything we required. From that point on, I gave much greater respect to the operators. It was a life-changing experience. I stopped discounting what I was hearing as excuses, and started listening for that kernel of truth our other franchisees were bringing me.

With that framework of respect in place, we started changing how we worked. We started listening more. We asked for help. Communication greatly improved. We stopped looking at our advisory council as a necessary evil and started looking at it as an important part of our process. In fact, we created six new advisory councils that addressed different aspects of the business. After that, the only initiatives and changes we rolled out were based on extensive input from the system.

With the shift to respect, the system prospered, our locations did more business more profitably, our sales of new units went up, and the frustration that was part of our daily lives diminished.

By the way, I am not talking just about respecting the franchisees. I'm also talking about respecting their employees and the franchisor's employees. Remember that every stakeholder in the system has knowledge and information that is valuable and should be respected.

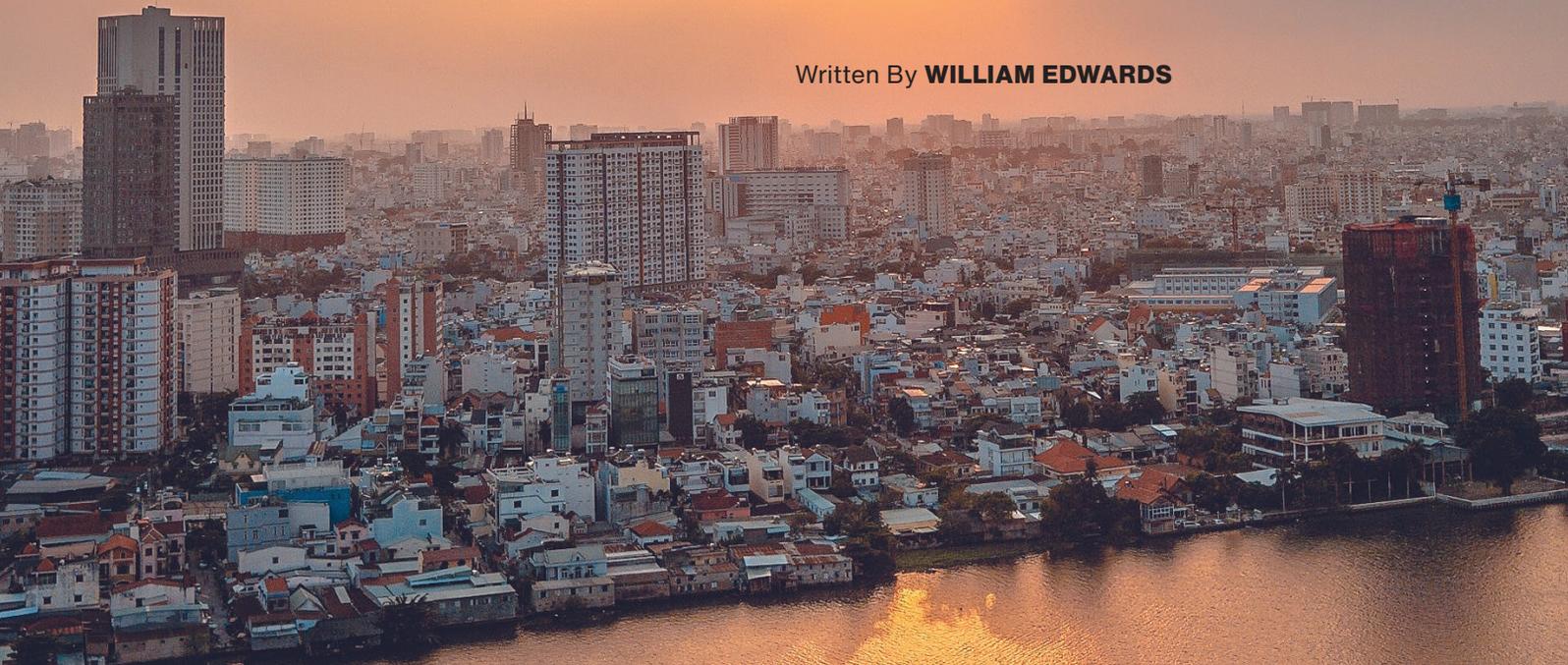
Many factors contribute to a franchise's success. But the greatest of them all is mutual respect. When that spreads throughout a franchise system, it changes everything. ■

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

GOOD FRANCHISING, VIETNAM!

A deep dive into
one of Asia's
hottest growth
markets

Written By **WILLIAM EDWARDS**



My first visit to Vietnam was in November 2008 when international franchises were just starting to appear in the country. The GDP per capita on a purchase power parity basis (PPP) was US\$4,200. Having lived in China, Hong Kong, and Indonesia, I wondered what type of economy Vietnam would have. Would investors know what franchising is? Were there companies that could qualify for U.S. franchise licenses?

Before answering these questions, let's take an in-depth look at the current Vietnamese economy and population to see what the real potential of the market is. Today the GDP (PPP) per capita is US\$6,900 and international franchises are becoming well established.

The World Bank says Vietnam has transformed itself from being one of the poorest nations in the world 30 years ago to a country that is one of the hottest growth markets in Asia—and, according to some, resembles the growth trajectory of its bigger brother in years past, China.

Of the country's 96 million people, 12 million (1 in 8) were classified as “urban middle-class consumers” in 2017, a number expected to nearly triple to 33 million this year. This part of the population has a very high desire for Western brands.

In my own trips to Vietnam over the years, everyone I met was an entrepreneur and wanted to be part of the middle- or upper-class consumer base. The country's young consumers are seeking Western brands where they know they will get value, quality, convenience, and good customer service.

According to a recent Standard Chartered survey, Vietnam's economy is one of only a handful expected to have a net GDP growth rate of 7 percent or higher from 2018 to 2030. Vietnam's rapidly expanding middle class is anticipated to be the fastest-growing middle class in Southeast Asia. According to PwC's “The World in 2050” report, Vietnam is forecasted to be among the Top 20 economies in the world by 2050.

Vietnam has also continued a longstanding shift away from agriculture and toward industrial output. Agriculture's share of economic output shrank from 25 percent in 2000 to roughly 15 percent in 2018. While the global recession was a significant drag on the Vietnamese economy (GDP growth dropped to 5.25 percent in 2012), the country is now in a steady growth phase again. GDP grew at a rate and 6.5 percent in 2018.

FRANCHISING IN VIETNAM

Franchising is no longer a new business concept in Vietnam. Major U.S. brands are now appearing in considerable numbers, and Vietnam has developed a few of its own franchise brands. Vietnam is in the process of easing its franchise laws and regulations to encourage more franchise business growth. More franchises means more trained and well-paying jobs, a focus of Vietnam's government.

Most franchised businesses in Vietnam are in the food and beverage sector with the major international burger, chicken, and pizza brands present. Vietnam also is another Asian growth market for the coffee sector. The Coffee Bean & Tea Leaf is well established, and PJ's Coffee of New Orleans has opened in Ho Chi Minh City (Saigon). Education franchises are highly valued, in both the management training and children's education sectors.

Franchise brands such as KFC, Pizza Hut, Lotteria, Jollibee, McDonald's, Burger King, Domino's, Starbucks, Dairy Queen,

Vietnam Country Data (1 = best, 4 = worst)

Population: 96 million
Median age: 30.9 years
GDP per capita: US\$6,900 (2017)
2018 GDP growth (projected): 1
Exchange rate: 23,136 Dong per US\$1
Market size: 2
Franchise friendly: 2
Investment risk: 2
Ease of doing business: 3
Corruption index: 3

The Pizza Company, Baskin-Robbins, 7-Eleven, Circle K, GS25, and many more brands from Japan, Taiwan, Korea, Singapore, Malaysia, and other countries can be found in Vietnam's two main metropolises, Ho Chi Minh City (commercial capital) and Hanoi (country capital). The biggest franchises continue to be dominated by QSR brands such as KFC, Lotteria, Jollibee, Domino's, McDonald's, and many local and foreign brands in this sector.

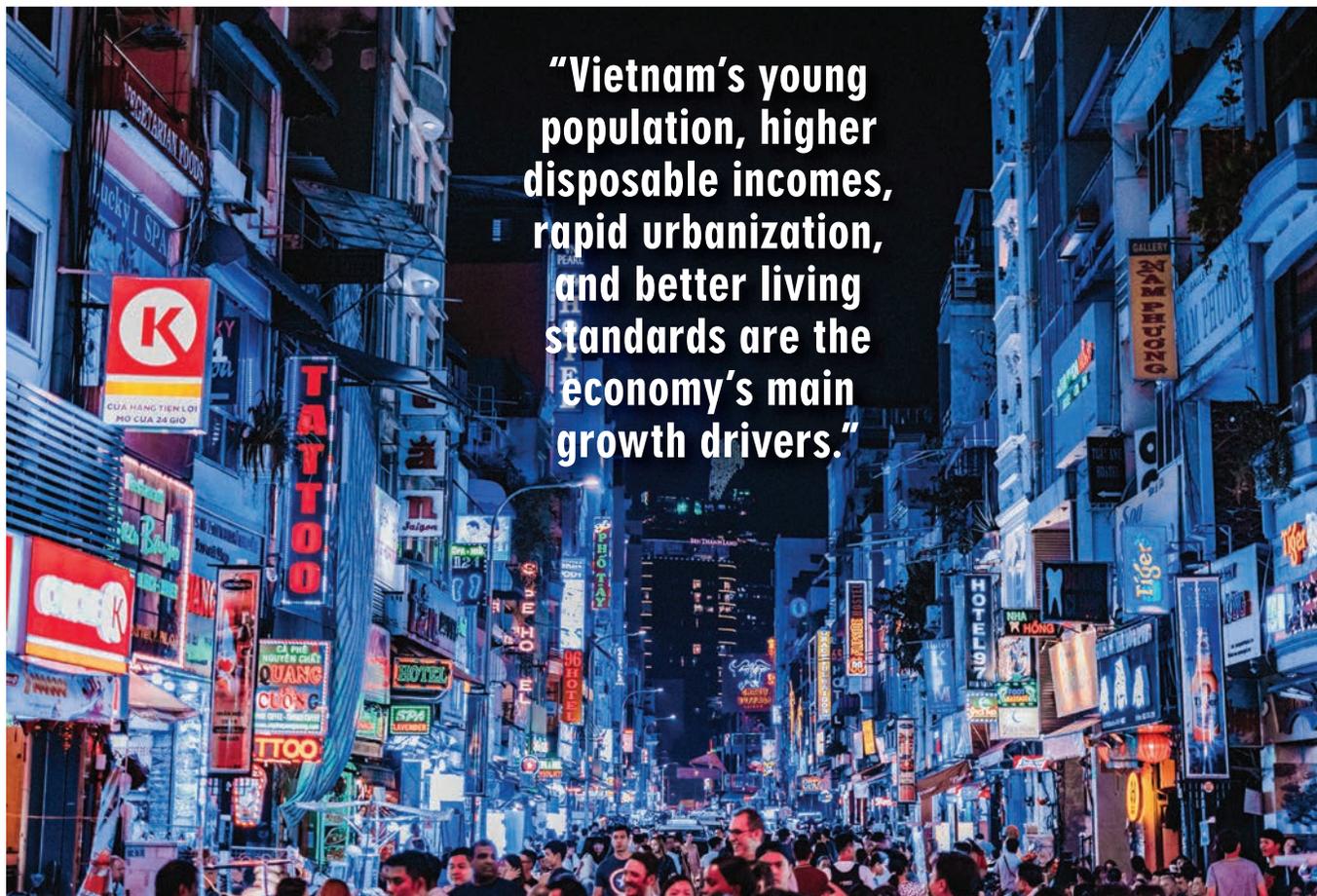
Foreign casual dining brands have started taking hold in Vietnam, including the popular Haidilao Hot Pot franchise from China. Other casual dining franchises from the U.S., including Outback Steakhouse, will soon be making their debut in Vietnam. Chili's has just opened its first casual dining restaurant in Vietnam. Undoubtedly there will be more foreign casual dining concepts entering Vietnam in the years ahead.

LEGAL ASPECTS OF FRANCHISING IN VIETNAM

Decree No. 8/2018/ND-CP issued on January 15, 2018, provides the legal basis for franchising operations, outlining key definitions and requirements of franchise agreements, as well as regulations for the administration of franchises. (U.S. Commercial Service, Vietnam Country Commercial Guide, 2018)

Before a business system may be franchised in Vietnam: 1) the system must have been operating for at least 1 year (and a Vietnamese master franchisee must have operated the business for at least 1 year before subfranchising); 2) the goods and/or services to be offered must not be on a government-issued list of prohibited goods and services, absent a special business license; and 3) the franchisor must register the franchise with the Ministry of Industry and Trade and file, among other things, a copy of its disclosure document. Vietnam also has a pre-sale disclosure requirement.

At least 15 working days before the execution of the franchise agreement, the franchisor must provide the prospective master/franchisee its disclosure document and the form of franchise agreement. Both the franchise agreement and the disclosure document must be in Vietnamese. Once the franchise is registered,



“Vietnam’s young population, higher disposable incomes, rapid urbanization, and better living standards are the economy’s main growth drivers.”

the franchisor must report certain changes to the franchisor’s operations to the Ministry within 30 days after the change; file an annual report with the Ministry by January 15; and update franchisees with respect to changes that may have an impact on their franchised business activities. (Tao Xu and Philip Zeidman, DLA Piper)

OPPORTUNITIES AND CHALLENGES

Market research company Nielsen says Vietnam’s young population, higher disposable incomes, rapid urbanization, and better living standards are the economy’s main growth drivers. It noted that approximately 60 percent of Vietnamese are under 35. This group is not only familiar with foreign brands, they now have more income to satisfy their aspirational needs and wants, and are just as likely to purchase high-value products such as Samsung and Apple smartphones as they are to enjoy outside meals together with friends and family at foreign food franchise brands.

Challenges to doing business in Vietnam remain. Finding licensee candidates with established infrastructure, experience running a business, and capital is a problem. Good high-quality food supply chain resources are limited. Tariffs can be a challenge for inbound products needed for international brands. Retail space has become extremely expensive in Ho Chi Minh City and Hanoi. There is sometimes a challenge getting new licensees to follow the established brand processes and systems needed to produce an acceptable unit bottom line. ■

William Edwards is CEO of Edwards Global Services (EGS). From initial global market research and country prioritization to developing new international markets and providing operational support around the world, EGS offers a complete international operations and development solution for franchisors based on experience, knowledge, a team on the ground in more than 40 countries, and trademarked processes based on decades of problem-solving. Contact him at bedwards@edwardsglobal.com or +1-949-224-3896. He was assisted in this article by **Sean T. Ngo**, CEO and co-founder of VF Franchise Consulting in Ho Chi Minh City.



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