

SECRETS OF FRANCHISE SUCCESS

The Formula for Becoming
and Staying a Top Producing
Franchisee



Marc Camras, PhD & Melissa Hart Woods



INDIE BOOKS
INTERNATIONAL

Copyright © 2015 by Marc Camras, PhD and Melissa Hart Woods.

All rights reserved.

Printed in the United States of America.

No part of this publication may be reproduced or distributed in any forms or any means, without the prior permission of the publisher. Requests for permission should be directed to permissions@indiebooksintl.com, or mailed to Permissions, Indie Books International, 2424 Vista Way, Suite 316, Oceanside, CA 92054.

Neither the publisher nor the author is engaged in rendering legal or other professional services through this book. If expert assistance is required, the services of an appropriate professionals should be sought. The publisher and the author shall have neither liability nor responsibility to any person or entity with respect to any loss or damage caused directly or indirectly by the information in this publication.

ISBN: 1-941870-10-4

ISBN 13: 978-1-941870-10-5

Library of Congress Control Number: 2014958999

Designed by Joni McPherson, mcpersongraphics.com

INDIE BOOKS INTERNATIONAL, LLC

2424 VISTA WAY, SUITE 316

OCEANSIDE, CA 92054

www.indiebooksintl.com

CONTENTS



| | |
|---|----|
| ACKNOWLEDGEMENTS | v |
| PREFACE | ix |
| FIRST THINGS FIRST | 1 |
| CHAPTER 1 <i>The Formula for Growing Your Franchise.</i> | 3 |
| SECTION ONE: MARKETING | 11 |
| CHAPTER 2 <i>Master the Marketing.</i> | 13 |
| CHAPTER 3 <i>Understand the Customer</i> | 15 |
| CHAPTER 4 <i>Deliver Mind-Blowing Customer Service</i> | 19 |
| CHAPTER 5 <i>Commit to Community Involvement</i> | 23 |
| CHAPTER 6 <i>Network without “Networking”</i> | 25 |
| CHAPTER 7 <i>Let your Marketing Budget guide your Marketing Strategy.</i> | 29 |
| SECTION TWO: METRICS | 33 |
| CHAPTER 8 <i>Mind Those Metrics</i> | 35 |
| SECTION THREE: RESOURCES | 39 |
| CHAPTER 9 <i>Leverage Your Resources</i> | 41 |
| CHAPTER 10 <i>Surrender to the System</i> | 43 |
| CHAPTER 11 <i>Partner with Your Franchisor</i> | 47 |
| CHAPTER 12 <i>Partner with Other Franchisees</i> | 51 |

| | |
|--|-----|
| SECTION FOUR: LEADERSHIP | 57 |
| CHAPTER 13 <i>Managing and Leading</i> | 59 |
| CHAPTER 14 <i>Know Who to Hire</i> | 63 |
| CHAPTER 15 <i>Develop Your Employees</i> | 69 |
| CHAPTER 16 <i>Lead Through Transparency, Accountability, and Rewards</i> | 75 |
| SECTION FIVE: MINDSET | 83 |
| CHAPTER 17 <i>Mind Your Mindset</i> | 85 |
| CHAPTER 18 <i>Practice Your Purposefulness</i> | 87 |
| CHAPTER 19 <i>Free Yourself from Fear</i> | 93 |
| CHAPTER 20 <i>Deal With Failure and Mistakes</i> | 97 |
| CHAPTER 21 <i>Playing a Bigger Game</i> | 99 |
| AND IN CLOSING | 105 |
| CHAPTER 22 <i>Conclusion</i> | 107 |
| ABOUT THE AUTHORS | 111 |
| CONTACT US | 115 |

PREFACE



THE FRANCHISEE FORMULA

**Marketing x Metrics x Resources x Leadership x Mindset =
FRANCHISEE SUCCESS**



FIRST THINGS FIRST





CHAPTER 1



The Formula for Growing Your Franchise

“I wanted to control my own destiny. Disliked corporate America. I hated being treated like a number. Wanted to live in the area where I wanted to live. Tired of traveling and not home for dinner. I never had the full ability to make my own decisions. I always had to report to someone. I felt stifled. I would rather work hard for me and the benefit of the community, not for the benefit of the stockholders.”

JOHN BOTSKO, BRIGHTSTAR CARE FRANCHISEE

Here is the good news for franchisees. The dream of being a top 20 percent franchisee in any system is alive and doing well, if you take the time to learn how others have done it and then apply that knowledge. This book contains the secrets of franchisees who perform in the top 20 percent of their systems. Secrets are drawn from the proprietary research conducted with business owners from a variety of franchise systems.

The majority of people who purchase a franchise business (we will call them “frantrepreneurs”) do it hoping to replace the sense of

imprisonment that comes from a nine-to-five job where they make money for someone else and follow someone else's rules. They have a strong belief that owning their own business with a system and a proven track record will give them more control over their time, schedule, earning potential, and future. Unfortunately, many of these folks also believe that buying a franchise is like buying an extra pair of hands that will do most of the heavy lifting. Very often, these franchisees are disappointed. They work longer hours, and earn less than they did as an employee. Some dream of going back to that nine-to-five job and collecting a paycheck.

This book is focused 1) on those franchisees who have not achieved the success they wanted, 2) those who are thinking about becoming franchise business owners, and 3) anyone else who has ever wondered what it takes to be a top 20 percent business owner. Because we are your researchers and guides, allow us to introduce ourselves. As franchise experts and business coaches, we have been working successfully with new franchisees and business owners for close to two decades, so we are well-versed regarding their successes and frustrations. Marc Camras has a PhD in Human Information Processing, has coached executives and entrepreneurs for a decade, and prior to that was a partner in a highly recommended HR consulting business. For the past nine years, he has worked successfully with wannabe entrepreneurs and frantrepreneurs, connecting them with franchise companies that are a match for their interests, skills, and goals, and prepared them for business ownership. Melissa Woods started a brick-and-mortar kids gym, franchised it (internationally), and sold it. After the sale of her company she went to work as the Director of Coaching at OneCoach, an international business coaching company. Now she coaches and

consults with business owners across a range of industries interested in increasing their profits and gaining market exposure.

As friends and colleagues with our own separate consulting/coaching businesses, we began a ritual of weekly lunch meetings to share new practices and ideas for business owners. Marc's original idea was to connect the world of coaching to the franchise world through a book that would capture the obstacles and opportunities faced by franchisees. Based on her years of running her own franchise company and attending multiple International Franchise Association conventions, Melissa was astounded at how all franchise systems, whether big (over 200 franchisees) or small (under twenty-five franchisees) struggled with the same issues. In our conversations with several hundred franchisors over the past two decades, we found plenty of anecdotal evidence of an 80/20 rule that exists within all franchise systems. Twenty percent of franchisees are very successful, while eighty percent of franchisees are moderately successful, slightly successful, or struggling. While we did not find anything in the literature on franchise business success that pertained to the 80/20 rule, we heard over and over again that regardless of whether a franchise sold a product or a service, whether it was a new franchise or an old one, whether it had a few thousand units, or less than fifty units, the 80/20 rule still applied. Over a two-year period, we interviewed over fifty franchisees from twenty five different franchise companies in a broad mix of industries whose franchisors considered them to be in their top 20 percent. When we spoke with franchisors about having their franchisees participate in our research, we were clear that we did not want their number one or number two producers. We recognized that being number one or number two in anything can be extremely difficult, and believed our

readers would be more likely to connect with the plain vanilla top 20 percent producers.

We wanted to know more about how these top 20 percent franchisees maintained their positions in the top tier of their respective franchise systems over time. We were curious if there was a common thread that ran among these top 20 percent producers or if there was a unique set of circumstances that distinguished them from others in their systems. Rather than rely on our own experiences to tell a story, we wanted those with boots on the ground to share their stories. We were interested in 1) What these owners could tell us about taking a business model and a system and making it an extraordinary business, 2) Why these owners were able to find greater success than their peers, and 3) What our interview data would reveal about small-business owners in general. We spent the next year putting the interview data into categories. As we analyzed the data from all the franchisees we interviewed, we were able to identify common traits and practices shared by most of these franchisees. We call these common traits and practices “The Secret Formula,” and use the interview data to help the reader understand what is needed to achieve greater success.

Our mission is to share what we learned in our interviews and demonstrate these traits and practices through a series of action steps at the end of each section that could be applied by current and future business owners in their own journey from mediocrity to success. We also want to stress that while this book is about franchisees, most of the information revealed is applicable to any small-business owner. We are not only including *what* our franchisees bring to the table and what they do—we are also including *how* they do it.

During our interviews with the franchisees, we met many

frantrepreneurs who were fed up with corporate America and its vapid promises. We met business owners such as Mary Bigler, who worked for years in a family roofing business before becoming a stay-at-home mom and then a Maui Wowi franchisee; and Rocky Gill, who was an accountant and later spent over a decade working as a controller for a large health care company before becoming an Express Employment Professionals franchisee. All our interviewees were committed to being in charge of their own destinies. We found people who were fascinated with who they could become, committed to taking 100 percent responsibility for what they truly cared about, and passionate about the change they went through while facing obstacles along the way.

We recognize that *quality* franchisors provide their incoming franchisees with an operations manual and training so that new franchisees can spend their first year learning about the business and how to run it. After the first year, many of these franchisees get so comfortable in operations mode that they either don't know what else to do, or are afraid to step out and explore what it takes to be a top producer. This is the exact point when they need to start spending more time thinking about what it takes to be a top 20 percent business owner. We intend to give hope to an audience that wants to know how to take their financial future into their own hands despite the uncertainty that business ownership creates. To be the best requires a growth mindset, an orientation around making contributions to others, and the openness to change which many say they have, but do not possess.

The book is comprised of five sections. The first four sections are comprised of what we call "The Outside Game." This includes daily operations that take into account systems and processes, management, leadership, marketing, metrics, and finance. The last section is what

we call “The Inside Game.” This consists of how one thinks about business, and reflects the importance of our inner dialogue, attitudes, and mindset. By sharing information collected from some of the franchisee heroes and heroines who make up this great nation, we hope to reignite your entrepreneurial spirit and inspire you to greater success. You may be more committed to achieving greater success in your business, or have a renewed sense of purpose and direction in your second, third, or fourth business. You may have just needed a few nudges and some direction in how to better market your business or manage your employees, and this book will provide you with that. You may even be inspired to make the break you have been waiting for and become a business/franchise owner. Others will put the book down and finally be able to say, “Owning my own business is not a good idea.” We hope you find what you need in this book to start you on a path to improving your future.

It has been estimated that there are well over 300 industries that use franchising to distribute goods and services to consumers—and close to 3000 franchise companies that exist in any given year. It is estimated that a new franchise opens every eight minutes. Recent estimates from the International Franchise Association suggest that one in twelve businesses in the United States is a franchise. According to its research and Census Bureau data from 2010, there are expected to be about 770,000 franchise businesses by the end of 2014, which will employ somewhere around 8.5 million people (out of 59 million employees in the United States), and have estimated revenues of somewhere between \$839 billion to \$1.3 trillion. Business format franchises continue to have a profound effect on our economy as more and more people leave the workforce and re-emerge as business owners.

Our research can be summed up in The Franchisee Formula that contains five variables:

**Marketing x Metrics x Resources x Leadership x Mindset =
FRANCHISEE SUCCESS**

We believe that adding time and effort to one variable will have a multiplier effect on a business owner's success.