

### Noteworthy Events

#### DAYLIGHT SAVING TIME



March 8, 2015

#### INTERNATIONAL FRANCHISE EXPO



June 18-20, 2015  
New York City, NY

#### WEST COAST FRANCHISE EXPO



November 12-14, 2015  
Anaheim, CA



### Why a Haircut Made This Entrepreneur Decide to Become a Franchisee

Entrepreneur's Q&A Interview Column

Close to half of all Sport Clips Haircuts franchisees make the decision the same way – after getting a haircut at the franchise, or talking to a current stylist or franchisee. **Nate Lehmann** is one of franchisees who did just this. After a quality haircut while trying to decide what type of business to open, Lehmann decided to open a Sport Clips location. Here's what he has learned since entering the haircutting business and how he's solved the challenges the industry has presented him.

**Franchise owned:** Three stores in Duluth, Minn.

**How long have you owned a franchise?** Two years

**Why franchising?** Franchises contain the vital fundamentals needed to operate a successful business. Brand recognition, marketing, infrastructure/business operating systems, coaching, training and support.

**What were you doing before you became a franchise owner?** I worked and still work full time as a sales manager with a technology company. My wife quit her job to stay home with the kids and help operate the franchise business.

**Why did you choose this particular franchise?** I like the model and the type of business. It's simply hair care with an "MVP" experience. Haircuts are something that will always be needed.

**How much would you estimate you spent before you were officially open for business?** Around \$300,000 per store. The franchise fee was \$25,000, computers and other tech was \$25,000, equipment and construction was \$200,000 and operating expenses were \$50,000.

**Where did you get most of your advice/do most of your research?** Advice from my parents who own and operate a successful hardware store and research from the web.

**What were the most unexpected challenges of opening your franchise?** One of the toughest 8

One example of this is that we have a sheet of "favorites" for each stylist: favorite movie, perfume, candy, restaurant, etc. Every time a stylist would go above and beyond or progress as an employee, we reward them with one of their favorites. Surprise lunches or gift cards for a team that did a great job when they were short staffed is always a great reward. But more than gifts, I think that having the team leaders just spend time in the store and give that positive feedback goes a long way.

**What advice do you have for individuals who want to own their own franchise?** If you're willing to take the risks of owning your own business, look at franchises first as they have already paved a solid pathway to success.

**What's next for you and your business?** Currently, to continue to grow the three I have and open at least two more in the near future.

Your Business Name Here  
Contact Name  
Contact Number

Your web address here

# FRANCHISE BUSINESSES PROJECTED TO AGAIN GROW FASTER THAN THE REST OF THE ECONOMY IN 2015

## *But Growth Could be Slowed Significantly by Federal Regulations*

WASHINGTON, Jan. 7, 2015 – Franchise businesses are expected to grow and create more jobs at a faster pace than the rest of the economy in 2015 for the fifth consecutive year, according to The Franchise Business Economic Outlook: 2015 released today by the International Franchise Association (IFA) Educational Foundation and IHS Economics.

"Franchising is an American success story. Independently-owned and operated local franchise businesses are growing faster, creating more jobs at a quicker pace and producing higher sales growth than other businesses. Franchising is a vital engine of economic expansion in the United States and 2015 looks to be another strong year for franchise businesses," said IFA President & CEO Steve Caldeira.

But Caldeira added a word of caution about the franchise outlook. Federal intervention, specifically by the National Labor Relations Board, could deflate the growth projections significantly.

"Last month, the National Labor Relations Board moved to upend decades of law and practice by issuing a complaint against McDonald's saying that it should be considered a 'joint employer' with its franchisees. The entire business model of franchising is endangered by this ill-conceived complaint," he said. "Hundreds of thousands of franchisees must now operate not knowing whether they should believe what their contracts clearly state, that they are in charge of their own work place practices, including setting wages and hours, or that the corporations from which they license their trademarks are also responsible for those things. The ruling could put the brakes on what looks like a banner year of accelerated growth and job creation in the franchise sector."

IFA members are very worried about the NLRB complaint. The IFA Franchise Business Leader Survey shows that 97 percent of respondents believe that the joint-employer ruling, were it to take effect, would have a negative impact on their business, with 82 percent saying the impact would be "significant."

The Franchise Business Leader Survey also reveals concern about the enactment of discriminatory increases in the minimum wage. More than 85 percent of franchisor and franchisee members believe that recent efforts by some cities and states to increase the minimum wage will negatively impact their business. In addition, more than two-thirds of franchisors and 85 percent of franchisees reported that their businesses have already been "negatively impacted" by the Affordable Care Act.

"The business model for franchising is under assault," said Matthew Patinkin, a franchise owner of Auntie Anne's Pretzel shops. "First, the complaint by the general counsel at the National Labor Relations Board leaves franchise business owners like me uncertain and very concerned about the future. The complaint targets McDonald's, but all other franchises are also at risk. I'm also concerned that Obamacare has changed the definition of full time to 30 hours per week. This is an irrational requirement of the Affordable Care Act, and will cause small business owners like me to reduce the hours of some of our workers. Rather than helping employees, this change will make life more difficult and more costly for lots of hardworking families."

Key findings from the business outlook released today include:

- Franchise businesses will add 247,000 new direct jobs this year, a 2.9 percent increase to 8.8 million direct jobs, over last year. That is on top of the 235,000 franchise jobs that were added in 2014.
- The number of franchise establishments will grow this year by 12,111, or 1.6 percent, to 781,794.
- Economic output from franchise businesses is estimated to increase by 5.4 percent over last year to \$889 billion.
- The gross domestic product of the franchise sector is projected to rise by 5.1 percent this year, which is faster than the 4.9 percent GDP increase forecasted for the economy as a whole. The franchise sector will contribute about 3 percent of the U.S. GDP in 2015.
- The IFA Franchise Business Index – which is a mixture of employment, sales and credit conditions – also rose smartly, especially at the end of last year. In November, the index was up 3.1 percent compared to November 2013, the biggest year-over-year gain since the start of the Great Recession in 2008.
- The outlook for growth among the different types of franchises will differ, with quick service restaurants ranking first and retail businesses ranking second in terms of increased employment.

"With continued job gains, consumer spending will accelerate creating the conditions for another strong year of growth for franchise businesses," said IHS Economics Senior Economist Jim Gillula.

# Women Dominating Predominantly Male Industries by David McKinnon



For women considering franchise business ownership in a predominantly male industry, there are several real and perceived roadblocks that one must overcome to succeed. Below are five ideas to help overcome these obstructions utilizing tips and stories from three of the top-performing owners in traditionally male franchise systems — who happen to be women.

## 1. Believe in Yourself

The best strategy to succeed in any business is to have confidence in yourself, the service you are selling and in the team you lead to fulfill customers' needs. This is even more important for women who may feel anxious speaking with authority on the topic they are selling, such as home repairs and improvements, disaster restoration and large-scale painting projects. Pam Estabrooke, owner of ProTect Painters of Central Gwinnett, Ga. agrees that being a female in a traditionally male industry can be a challenge. Her clients often assume she is the one doing the painting and are surprised when she shows up to provide an estimate and begins talking about their home projects. Try not to take it personally if a client requests a man. Becky Edgren, owner of PuroClean of Dayton, Ohio feels accomplished when customers sense her passion for the business and trust she knows what she's doing, but she also realizes that part of her job is to tend to customer requests and deliver exceptional service. While a customer may expect a man to complete the estimate or to check on the crew completing a project typically geared toward a male industry, professionalism and confidence will counteract any concerns and will immediately make an impression that other business owners — male or female — cannot compete with.

## 2. Understand the Model

If you understand the business model and what is required as a franchise owner, you don't necessarily have to know how to perform a specific service and rather can find an opportunity that fits your talents. Franchise opportunities that skew toward male interests, like Mr. Handyman, ProTect Painters and PuroClean, do not often require the franchise owner to know how to specifically execute the professional service. What is more important are the acquired skills from previous professional or military careers such as hiring, training and managing employees, networking with peers, providing great service, paying taxes, creating a financial plan and marketing. A good franchisor will have vendor partners and training to help support owners in the skill areas, as well. Then, it is up to the franchisee to follow the business plan, execute it and track progress to succeed. Although Jo McCabe is the owner of a Mr. Handyman franchise, she lacked a background in home repairs. Instead, she called upon her training from the U.S. Naval Academy, her master's degree in business administration from Southern New Hampshire University, and her service as an aircraft maintenance officer and in physical security for the U.S. Navy and Reserves to propel her business forward.

## 3. Take Calculated Risks

Business ownership is not for the faint of heart. The ideal business owner must be open to opportunities, even if there may be a price to pay. Sometimes that means leaving a secure and predictable lifestyle to go after something that seems much larger. Here's the secret: allow opportunity to come, don't go looking for it. Sometimes when that window of opportunity opens, it requires a full time, all-in effort and a firm decision to go after the future rather than live in the present. Estabrooke credits eight years of preparation to her ProTect Painters franchise success. After leaving a stable corporate career in administration and IT project management, she moved on to work as an employee in the ProTect Painters franchise she eventually purchased. With her hands-on experience and a full understanding of the brand, she was confident she would excel as a franchisee.

## 4. Know Your Strengths

Estabrooke, Edgren and McCabe are only three examples of women who have achieved phenomenal results in their respective traditionally male industries. One thing that each of them wholeheartedly stresses is that to improve your success rate, you must play to your strengths as a woman. Often, being a female business owner helps to remove the intimidation factor for the lady of the house to ask questions about her painting project or bathroom remodel. It can also be a best practice to pay attention to the details of a client's family life and household routine.

## 5. Find Friendly Financing

One of the biggest obstacles to business success is not having enough working capital available to spend on approved expenditures. It's helpful to look for opportunities such as ProTect Painters' \$5,000 discount off the initial franchise fee for businesses owned by a woman. There are also other options like the International Franchise Association's VetFran and MinorityFran programs' discounts to help qualified candidates save on their initial investment. When calculating risk and determining financing options, it is important to note that the fastest and most comfortable way to achieve professional potential and flourish in any new business is to have enough savings to invest in the franchise and survive for a year or two. No matter the setback or obstacle that female business owners encounter in traditionally male industries, they can become the best woman for the job with confidence, education and research and support from their franchisor.

## The First Day of Spring!

Friday, March 20, 2015



So long, snow. So long, ice scrapers and road salt. Spring will officially begin March 20, 2015.

Sure, snow is still not out of the picture, but let's put forth a sunny outlook as we celebrate the first day of spring with some fun facts!

1. The first day of spring is called the vernal equinox. What does that stand for your ask? "Vernal" is Latin for spring while "equinox" is Latin for "equal night".
2. The idea that the first day of spring is exactly 12 hours of daylight and 12 hours of darkness rarely works. There is always a time when it is exact, but experts say it usually occurs before the vernal equinox.
3. If you stand on the equator on the first day of spring, you would see the sun pass directly overhead. It only happens twice a year in spring time and autumn.
4. Can really stand a raw egg on its end on the first day of spring? Well, yes. But most experts say if you are patient enough, you can stand an egg on its end any day.
5. The first day of spring in the southern hemisphere is the date of the autumnal equinox in the northern hemisphere, usually in September
6. The reason there is more daylight during the spring is the earth's axis tilts toward the sun at this time of year.
7. Another reason for more daylight Daylight Saving Time. The United States begins saving daylight on the second Sunday in March.
8. Benjamin Franklin first proposed Daylight Saving Time in 1784.
9. The first spring flowers are typically daffodils, dandelions, lilies, tulips, iris and lilacs to name a few.
10. Spring fever is not just a saying. Experts say the body's makeup changes due to different diets, hormone production and temperature.

HAPPY SPRING EVERYONE!