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Can You Own The Next Franchise Giant?^{b1}
Learn What Franchisers Look For In A Franchise Owner

by Matt Berkley

Owning and operating a franchise is not for everyone. Robert Hudspeth, area franchise developer for Maui Wowi Hawaiian Coffee and Smoothies, explains, "If a person has a strong desire to control all elements of the business

operation, then he or she should go it alone.

If you want to reduce your risk of failure and can work within a proven system, then there are many opportunities in franchising that can help you realize your dream of business ownership."

If you've answered the question above and still want to pursue franchise ownership, there are a few things you should know.

According to Keith Kassel, franchise advisor and president
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of Opportunities in Franchising, LLC, what franchises look for in a potential owner is a person who demonstrates: an entrepreneurial passion, confidence in his or her own abilities, a collaborative working style, and skills that are transferable to successfully operate the business. "In addition, franchises require that their candidates have the proper capitalization. This includes a minimum required net worth, proper liquidity and/or the ability to borrow a portion of their total investment, and enough money for working capital and living expenses until their business becomes profitable. A strong credit score is also a must."

Kassel's main checklist for potential franchise owners includes:

- Proper capitalization.
- Willingness to follow a proven system.
- People skills.
- A positive, enthusiastic attitude.

Franchisers want to see owners who love to work, says Mary Jane Cody, area franchise developer for QuickDrop. According to Cody, "Being able to love the work you do brings great rewards. If people see you are happy with your work, they will want to follow."

As a franchise owner, conformity to the business model is part of the game. "Most franchisers are looking for individuals who won't deviate from the plan, but are willing to share and develop new ideas on how to grow the concept and brand," says Greg Caldwell, president and CEO of Caldwell Branded Food Group. His company is currently working on the national expansion of the Baja Bistro Fresh Mex Grille. "We like to find people who understand

how important it is to build brand recognition and chain look and feel, while staying within the core concept platform. However, always trying to come up with exciting ideas that can grow the business concept and improve sales, service and profits for our system is a good thing."

Warren Rabinowitz, managing partner of Franchise500, LLC, disagrees entirely with the notion that all franchises should adhere to cookie cutter standards. Doing so would simply be bad for business. "You need to fine tune the system to your area of the country and more specifically, your type of neighborhood. For example, what will work in Chesterfield will not work necessarily in St. Charles or St. Louis City. There are many variables."

What's another attribute that franchisers will be looking for? The ability to delegate and empower subordinates ranks high on the list for Harvey Blitz, franchise sales manager for 7-Eleven, Inc. Blitz says, "There are too many tasks and responsibilities for a franchisee to do by himself/herself. The ability to delegate responsibilities and empower subordinates is critical. That ability leads to employee pride, job satisfaction and a 'sense of ownership.'"

In terms of experience within the industry, how much you'll need, if any, is going to depend on the franchiser you choose. "Generally speaking, franchises do not insist you have specific industry experience," says Kassel. "In fact, more often than not, franchisees choose businesses that reflect their interests, not necessarily their professional backgrounds. The very nature of franchises, a proven system with excellent training and ongoing support, makes this possible."

Steve Hockett, president of FranChoice, stresses the fact that franchisers want people that realize the first year is just as hard to build a franchise business as it is to build a non-franchise one. Hockett adds, "They want people who will be willing to set personal preferences aside and follow

the established operating system. They want people who can be passionate about the business and who are dedicated to building a successful franchised business. They want people that will embrace the franchise model and work to excel at applying that model."