

McCombs Career Webinar



Thursday, June 21



Is Franchising Right for Me?



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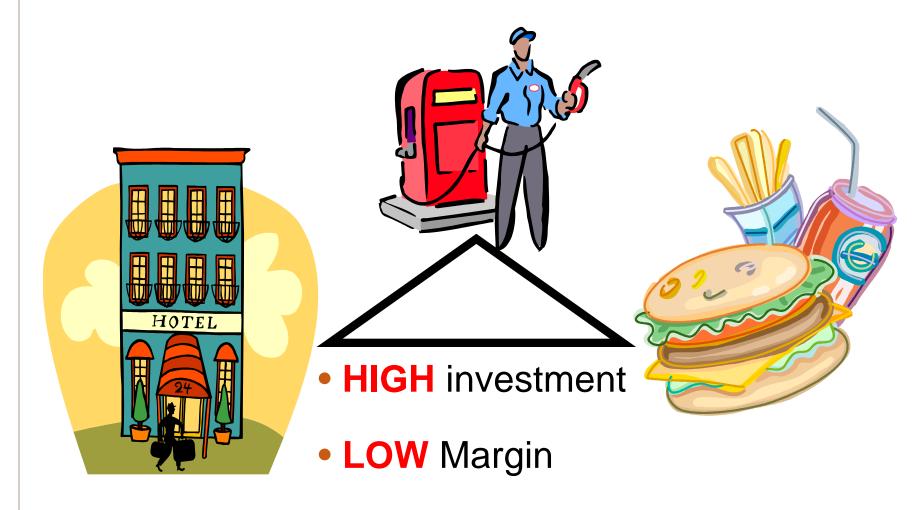
Agenda

- The Big 3
- Franchising overview
- Employment choices/6 paths to find a franchise
- Keys to choosing the <u>right</u> franchise
- Quadrants of franchising + Industry examples
- 6 industries and 6 concepts
- FranChoice process
- Financing





The Big 3



SLOW breakeven



How did The Big 3 get so big?

- High demand
- All languages welcome
- Easy to involve family members
- Logical to gravitate to these 3
- But guess what……!



There is GREAT NEWS!

- Market trend shift!
- Let's have some <u>fun</u> today and talk about industries/concepts that you may never have considered before (in addition to some other cool stuff)!



Industry/Concept Common Links

- LOW investment!
- HIGH margins!
- FAST breakeven!

Differentiated position!



What is Franchising?

- Method of distributing product or service
- Franchisor owns right to name/trademark
- Franchisee purchases the right to use the trademark and system

A Model for Doing Business



What are Advantages of Franchising?

- Unlimited income potential
- Proven system = fewer mistakes
- Business partnership
- Tax ramifications
- Wealth generation
- Operating system/training and support



How Important is Franchising?

- Franchised businesses generate \$1.5 trillion in economic activity*
- Franchised businesses account for over 11 % of US payrolls (\$507 billion)*
- Franchised businesses provide 14 % of private sector employment (18 million jobs)*

^{* 2001} Study of Economic Impact of Franchised Businesses – PricewaterhouseCoopers 2004



Why is Franchising Growing?

- Uncertainty of corporate America
- Uncertainty of stock market
- Quick start, accelerated learning
- Creation of an asset
- Exit strategy



What is a Franchise Disclosure Document?

- 1978 FTC issues guidelines requiring every franchisor publish and share with prospects
- Education tool
 - 14 day review prior to executing a Franchise Agreement
- Content Items 1 through 23



Employment Choices

Work for someone – Go it alone – Entrepreneurship

Partner with success -

Franchising



How do I find the right franchise?

- Passion
- Scarcity
- Security
- Track Record
- Lemming
- The Right Way...



PASSION

- I love the taste of a Subway sandwich!
- SO....
- I should open a Subway!



SCARCITY

- My area lacks a good sandwich shop!
- SO....
- I should open a Subway!



SECURITY

- I want a known brand name!
- SO....
- I should open a Subway!



TRACK RECORD

- My friend opened a sandwich shop and he says he is doing great!
- SO....
- I should open a Subway!



LEMMING

- Everyone is doing it!
- SO....
- I should open a Subway!



EDUCATION!

- I want a business that fits my skills, lifestyle & financial goals!
- SO....
- I should <u>explore</u> investing in a Subway!



Keys to Choosing the Right Franchise

- Motivations
- Characteristics
- Business Model
- Business Size



4 Quadrants of Franchising

Simple Retail

Sophisticated Retail

Service (B to C) (Business to Consumer)

Service (B to B) (Business to Business)



Retail & Service Industries

Retail

- Food
- Fitness
- Automotive
- Health and Wellness
- Hair care
- Medical

Service

- Education
- Home Improvement
- Non-Medical Care
- Cleaning
- Drug Testing
- Home inspection



- Recession proof + Residual income
- \$55 billion industry (service)
- Who does not want to ensure that Mom and Dad are taken care of as they age?!
- SENIOR CARE!
- "We have advantages for faster ramp up and growth than any senior company in the country!"



- Multiple target audiences + FUN!
- \$20 billion industry (retail)
- Who in the world does not like to eat?!
- FOOD!
- "Our mission statement is <u>WE MAKE YOU</u>
 <u>SMILE</u> and since we are the world's largest self serve frozen yogurt concept, we must be doing something right"!



- High retention + Residual income
- \$25 billion industry (retail)
- We all want our kids to be respectful and to be able to protect themselves!
- CHILDREN'S FITNESS/EDUCATION!

"If I could show you a business that you could spend 5 hours a week on that would result in an income matching or exceeding what you are already accomplishing, where you could make a huge difference in children's' lives, would you have an interest"?



- Recurring revenue + recession proof!
- \$100 billion industry (service)
- We all have to have our office cleaned!
- COMMERCIAL CLEANING!
- "We are the best in the business and our 2,500 franchisees will validate it"!



- Flourishing in the recession!
- \$275 billion industry (retail)
- Everybody has to have their car running!
- AUTOMOTIVE REPAIR & MAINT.!
- "We are the dominant player in our industry as recognized by our 95% national brand recognition"!



- Recession proof + used 6 times/year
- \$65 billion industry (retail)
- What grows on your head?!
- HAIR CARE (NOPE REAL ESTATE)!
- "I challenge you to find a higher ROI in franchising"



The FranChoice Process

- Identify the right candidate
- Confidential Questionnaire
- Consultation/Model
- Company Intros/Validating with Franchisees

FREE SERVICE!



FranChoice Franchisors

- Low capital investment
- Stunning unit economics
- New (pioneer) and established (mature) industries

ASSISTANCE with FINANCING



What Can I Do For You?

I can help you find your perfect franchise...

FOR FREE!



Contact Information

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Thank You!

The recording of today's presentation, along with the PowerPoint slides, will be available on our Career Resources web page by early next week:

http://www.mccombs.utexas.edu/Alumni/Career.aspx