What Kind of Experience Do You Need to Be a Successful Franchise Owner?

By: Heather Rosen

“Knowing yourself is the beginning of all wisdom” — Aristotle

Some people spend a lot of time trying to find out who they are and what they want in life. This is a good thing - to constantly reinvent, contemplate, and revisit until you think you are on the right path - at least at this point in your life, because things will inevitably change and then it’s time to reinvent, contemplate and revisit all over again. If you are creative and motivated enough to figure out what path to follow, you should be able to find something that aligns with your strengths and interests. I haven’t always known what I have wanted in life, but I have always had a natural drive to identify complex problems and find solutions. So naturally, I spent the first part of my career as a lawyer. I was good at my job and enjoyed it. I used my listening and problem solving skills to help companies make acquisitions, win litigation and come out ahead in contract negotiations, and to help musicians get paid for their art. That part was great, but being an attorney also has an ugly side. On occasion, the work I was asked to do for a company ended up hurting their employees or customers. For example, I spent four months doing mortgage foreclosures for a bank and reading heartbreaking letters every day from people who were about to lose their homes.

The day finally came where I realized I no longer loved what I was doing, and I took a step back and reflected. I then spent several years working on the business side of the legal services industry, and eventually, after doing some career research, I connected with people at FranNet and found out that I could use my skills to help people who are thinking about opening a franchise. It worked! I was happy because I could really help people again, drawing on my legal experience in the business world and my business experience in the legal services industry to share valuable insights and knowledge with aspiring
entrepreneurs. Now I enjoy being able to help people solve issues such as “is this the right time to start a business?” and “what sort of business would make sense for me?” And best of all, this business is mine – I am a franchisee myself, so I have the constant support of a team of people, but I have no boss, no office hours, and an unlimited income earning potential. In fact, my business has grown year after year while my time working in the office has decreased year after year.

How did I get here? I don’t have a rare skill set, nor did I have an unusual turn of luck. I have just always been open to self-reflection and re-invention, and as a problem identifier and solution seeker, I’m always looking to see whether there are new, better opportunities available. I reflected on where I was and where I wanted to be, identified my own skills and passions, spoke with business advisors, and found a business that allowed me to use my talents in an exciting, professionally fulfilling way, while having the kind of lifestyle I wanted for myself and my family.

Do You Have What It Takes to Operate a Franchise?
You don’t have to be an attorney or even have a college degree to run a franchise. What you do need are business skills or at least the ability to learn them, plus patience, and determination.

The skills and knowledge required to succeed in franchising vary between different franchise types. For example, you need confidence and good communication skills if your franchise requires cold calling. If your franchise offers IT support, you need to understand technology and have good customer service skills. If you offer a service to the general population, you need even stronger customer service skills, and if you have employees, even if you have managers, you need to oversee their work, set goals, and understand what everyone is supposed to be doing. Management experience is helpful here. But no matter which business you choose, you absolutely must do these three things:

*Listen.* Listen carefully to your customers, employees, advisers, the franchisor, and other franchise owners. Dig into what they tell you and follow the franchisor’s rules along with the suggestions you get
from top franchise owners. Figure out how to adapt their expert tips to your own market. Being a good listener also helps you solve problems. As someone with a passion for resolving issues, my listening skills have been an important part of my overall success.

Research. While you can certainly benefit from seeking an adviser’s help when you start a franchise, your research should involve much more than that. Focus on four things. First, look at what franchise opportunities are available in your market and are within your budget. If several good options pop up, look for the one that gives you the highest return on your investment. Second, don’t spend more than necessary. Some $50,000 franchises earn just as much or even more than $700,000 franchises. Third, find the franchise that will give you the life you want. Place greater emphasis on looking for a franchise that supports your ideal lifestyle and is professionally rewarding rather than just picking a “fun” product or service. Talk to other franchise owners who have the lifestyle you want and learn from them. Finally, talk with enough franchisees to understand why some are successful and others are not. Every franchise has successes and failures. Look for the franchises where most people succeed, then figure out if you are more similar to the successful ones or those who struggle.

Analyze. Think about why you’re attracted to business ownership and franchising. Are you doing it to make a difference in your community? To leave a legacy? To significantly increase your net worth? To sustain or improve the lifestyle of yourself or your family? To help a charitable organization? Will your franchise allow you to achieve these things? Also, think of your franchising journey as a road trip. As you head off toward your destination, you must constantly check your speed, watch for roadblocks and potholes, pass slow-moving vehicles, and check your mirrors to see what’s around you. As a business owner, you must identify obstacles quickly and figure out how to surmount them just as quickly. Check regularly to make sure you’re on the right path and achieving your goals. Keep in mind that you may need to do extra research and spend some more time consulting with your fellow franchisees to resolve issues. In some instances, you may even need to take a class or talk to a business coach to get back on track.
What Can You Do to Succeed as a Franchise Owner?

Again, skill requirements vary from franchise to franchise. Still, some traits are essential for success in any field. For example, keep these three suggestions in mind as you move toward realizing your business ownership goal:

1. Follow the system. Franchising involves unique systems for operations. Each franchise company has its own operating model, one that has been built, tested, modified, and optimized to ensure you and the franchise succeed. If you don’t follow it, you risk failing and losing your investment.

2. Be optimistic. If you get discouraged easily and give up, say, after losing a client or getting a negative response to a marketing pitch, you will have difficulty as a franchise owner. To succeed, you have to be able to handle rejection, bad news, and setbacks. When these things happen, rather than dwell on them, analyze what went wrong and then move forward. If it worked for other franchisees, why didn’t it work for you? What can you do to avoid it in the future? How can you make what you’re offering more appealing? How can you improve your technique? And perhaps most importantly, is there any chance the client will be ready to say yes in, say, four to six months? In most cases, “no” doesn’t mean no - it means “not right now.”

3. Be persistent. Persistence goes hand in hand with being optimistic. It is especially important in marketing. You have to keep sending information and putting yourself out there. If you’re trying to network with people, you’re the one who has to establish communication and build relationships. Don’t rely on your franchisor to do that for you. Also, be persistent in following and meeting your business goals.

If you don’t trust your own abilities, if you have a tough time trusting your franchisor, or if you tend to give up quickly when things don’t go as planned, business ownership is going to be tough for you. When you lack both trust and optimism, you may not be happy with any franchise, even when other franchise owners are happy and successful.
The same will likely be true if you start a business on your own – you will probably find yourself mistrusting employees, customers and vendors and feeling doomed. Successful franchisees and other business owners trust people until they have a reason not to, and see obstacles as challenges that can be overcome.

**What Age Groups Are Best for Franchising?**
The great part about franchising is its ability to fit into many lifestyles, which makes it a viable option for people of all ages. Take the following age groups, for example. Each has its own attraction to and reasons for pursuing franchising.

20s and 30s: Increasingly, people in their 20s and 30s are interested in franchising for these and other reasons:

- They don’t want to be tied 24/7 to someone else’s company. They demand work-life balance and predictable, regular quality time with family and friends.
- They like the idea of using their skills and talents to do something meaningful and to make a difference.
- They want their work to reflect their personal values and to do good things in the world. Having their own company gives them a better shot at this.
- They embrace challenges and want more challenging work than what they are doing for their employers.
- They are more confident than previous generations. They feel ready to be the boss, as long as they have the support of a franchisor and a proven system.

40s and 50s: People in this age group also want more time for family. For example, franchising appeals to those who have aging parents or children who will leave the nest soon. It also appeals to those who want to spend more time with friends. And people who want to travel or play a sport while they are still in good physical shape, or pursue a hobby or another passion.
Retirement Age: Individuals nearing retirement may choose to run a franchise after they exit the workforce. Some will choose one while they are still employed - a semi-absentee franchise - and then transition comfortably to an income-producing business when they are ready to leave their day job. With people living longer now, franchising provides a good way to supplement savings and ensure some financial stability by lowering the risk of outliving savings or retirement income.

What Struggles Do Franchise Owners Face?

Sometimes, even people who know they will need a business to achieve their financial, personal and professional goals and who are a good fit for franchise ownership have a tough time getting started. Some people overcome these challenges, but for others, challenges like these will prevent them from ever achieving their goals and living their dreams:

*Uncertainty over Income.* When you start a franchise, you start with zero customers and build from there. This can be intimidating for someone who is accustomed to receiving a weekly paycheck. But when researching a franchise, you can figure out how much money you will make by asking other franchise owners how much money they pulled out in the first two years, after five years, etc... and you should see a pattern. You can make sure those numbers satisfy your personal needs and financial goals.

*Diverting your attention.* Once you start your business, starting another business or taking a job will cause you to divert your attention from your business and can even destroy it, especially in the formative years. Most businesses require you to be a full-time owner operator at the beginning. Grow one business at a time. Don’t shift your focus to another business or job until you have dependable employees who will allow you to run your franchise on a semi-absentee basis.

*Self-doubt.* No matter how many people succeed in your franchise, you will likely question your abilities or the strength of your own market. Even after doing months of the diligence, you will have to
take a leap of faith. After you jump in, you may find yourself questioning these things every time you hit a bump. To move past this, keep talking to the successful franchisees in your company and avoid commiserating excessively with people who are struggling.

*Conflicting Projections.* If you do a predictive revenue projection from one franchise location and a cost projection from another, your results will likely be skewed. When you try to project the likely return from your franchise investment, ask at least 10 franchise owners from different markets how much they spend and how much they earn. When you do projections, do not plug in the lowest revenue figures and the highest cost figures. Yes, you want to be conservative, but is lowest revenue/highest cost anyone’s reality? Perhaps the franchisees in markets with the highest costs also charge more for products or services and therefore, also see the highest revenue numbers.

**What Misconceptions Do People Have about Franchising?**
Franchise ownership is not for everyone. Still, you should not summarily dismiss franchising as a possibility because of common assumptions. These assumptions are often the barriers that keep people from living their dream rather than continuing to punch a time-card and be at a boss’s mercy every day until they retire. Here are some top misconceptions:

- I’m too old or too young to run a franchise
- It’s too expensive to start a franchise
- I don’t have enough professional experience or credentials to run a franchise
- Franchising is just burgers and fries or retail businesses with long hours

As an adult, you’re never too old or too young to become a franchise owner. I’ve seen people start franchises in their 20s and in their 60s. There are franchises you can start for around $50,000, and many banks are more willing to finance a franchise than an independent startup. Some franchise models do not require extensive skills or experience, and
you don’t normally need a college degree to run one. Many franchises do not involve food service or operate out of a retail space, and even with the latter, many retail franchises can be run on a semi-absentee basis. In all cases, though, you do have to be persistent and optimistic, be coachable, have some common sense, and possess a willingness to learn constantly.

In closing, I want to reemphasize the importance of talking with other franchise owners and always following the franchise model. Also, don’t be shy about reaching out to advisers for help. You could even hire a franchise attorney or a CPA. The US government also offers free business counseling services. Most people are not truly stuck in a rut – they just don’t know where to go for help. Take a step back. Re-assessing is encouraged, and reinvention is always OK.

For me, owning a franchise was one of the best moves I ever made. It gave me the joy of being with my daughter when she was little, being with my mother when she was in the hospital out of state, and the ability to experience life to the fullest. For example, I now spend most of the summer traveling overseas with family and friends. It also allowed me to test and practice the skills that I developed early in my career working for other people. I no longer have to ask for time off, beg for a salary increase, or worry about whether I’ll get that promotion or if I’ll lose my job one day. These are the things I wanted when I made the decision to go into business for myself, and I have never looked back since.

About Heather Rosen

Heather is the President of Fran-Net of Virginia, part of a leading franchise advisory and development services firm with over 50 offices worldwide. She is also an attorney who previously advised small and medium sized businesses including sole proprietors on contractual matters, mergers
and acquisitions, litigation strategy, corporate structure, bankruptcy matters, and real estate acquisitions and refinancing. In 2001, Heather became an in-house consultant to large, international law firms based in Washington, DC, advising partners and firm management on strategic planning, client targeting, marketing budget allocation, and proposal writing.

Heather left the legal services industry in 2009 to open FranNet of Virginia, extending FranNet’s reach and expanding her family’s 15-year-old franchise consulting business.

As a franchise consultant for FranNet, Heather works with clients in Northern, Central and Western Virginia and Washington, DC. She also conducts franchise educational seminars throughout the region. Seminars are conducted in partnership with career transition agencies, Small Business Development Centers, SCORE offices, the US military, and federal, state and county government agencies. Heather is a graduate of Washington University in St. Louis and the Temple University Beasley School of Law.