

Franchising

Presentation to SFU-BUS 663
Managing New Ventures

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Disclaimer - Do not mistake age for wisdom

"Success usually comes to those who are too busy to be looking for it."

- Henry David Thoreau (1817-1862)

"There is no reason anyone would want a computer in their home."

- Ken Olson, president, chairman and founder of Digital Equipment Corp., in 1977

"The concept is interesting and well-formed, but in order to earn better than a 'C', the idea must be feasible."

- A Yale University management professor in response to student Fred Smith's paper proposing a reliable overnight courier delivery service ... Smith went on to found Federal Express Corp. in 1971.

The Achievers Franchising Story

- 1986 –1991 business services franchise
- Sales training, proprietary product
- Area franchise
- Zero to 34 franchisees in 18 months
- Business magazine
- \$2 M financing (incl. IPO)

"You got to be careful if you don't know where you're going, because you might not get there."

- Yogi Berra (1925 -) US "Hall of Fame" Baseball Player

Business Model

- Franchising ↔ Growth financing?
- Revenue cycles & cash flow
 - a. Franchise sales ... \$22.5k
 - b. Operations ... course sales + 7% royalty + 3% ad allowance
- Invest in people ... owners training, franchise relations manager, annual owners conference

"I find that the harder I work, the more luck I seem to have."

- Thomas Jefferson (1743-1826)

Systems = Success

(Franchisee's are buying your know-How)

- Franchise Agreement
(and the Uniform Franchise Offering Circular)
- Operations Binders
- Accounting System
- Marketing System
- Quarterly sales forecasts ... inventory planning + franchisee goal setting
- Franchise Relations Manager (Sales Manager)
- Product: 2-1/2 day video driven, work-book paced sales training seminar

Achievers Culture (Brand++)

- Corporate head-offices – A-list office space
- Ads – Globe & Mail, Wall Street Journal
- Suit & tie, FUN, work environment
- Magazine – entrepreneur profiles + personal development articles in each issue
- Sales Training Course – proprietary, “consultative” approach, broadcast quality video, high quality binders, graphics designer, professional artist, professional printers ...
- Owners Training Course ... materials, lunch & dinners, C-level staff
- Annual Conference – 2-1/2 days

Some will ... some won't

- Franchisee success

“Follow your heart (do what you love) and the money will come.”

- contemporary, unknown

Thank You & Good Luck!

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