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Why We're All Better Together

Let's stop thinking about "older generation" and "younger generation." That holds both sides back.

WANT TO KNOW why we put a 13-year-old entrepreneur on the cover of this magazine? There's the simple reason, of course: We want to celebrate youthful achievement and inspire others.

But there's a deeper reason, aimed at anybody old enough to rent a car. If that's you, go take another look at Zollipops founder Alina Morse on our cover. She looks like she's having fun, right? So carefree! Her whole life ahead of her! But make no mistake; she and her peers are coming to replace you. They are smart—trust us, we've interviewed them, and they are frighteningly smart. They see problems with fresh eyes, unencumbered by the calcified logic that blinds those with more experience. They've watched you, and seen you fail and succeed, and absorbed the lessons. They're savvy. They're ready.

Many people don't see this. They say young people are lazy or entitled. They say "millennial" or "Gen Z" as if it's an insult. And when they do, they partake in one of the world's oldest traditions. "Self-admiring, emaciated fribbles" is how the young generation was described in 1771. "So full of self-conceit and admiration of their own dear self" is how a writer in 1853 put it. "A whole 10 years of experience?!?! They must be geniuses by now" is what some dope tweeted at me in 2018, when I described millennials as leaders.

If any of this were true—if at any time across history, the next generation were truly worse than the prior one—then society would have ground to a halt. Innovation would have ceased. But it did not. We dismiss today's youth the same way you and I were once dismissed by those older than us. It was never true, what they said. Not once. And it's not true now.

If you condescend to the youth, you only blind yourself to danger. You won't get destroyed by the competitor you watch closely; you'll get destroyed by someone you never saw coming. That girl on our magazine cover? That's who's coming.

But this shouldn't be a competition. Entrepreneurship isn't a zero-sum game. It's a community built on shared wisdom and mutual respect. So really, I write the above as a way to say this: We all benefit when we let these young entrepreneurs in. Respect them as they respect you. Learn from them as they learn from you. Then you'll take part in another, grander tradition—of paying it forward.

Consider the story of Jeff Lopez. In 2007, when he was 16, he wanted to start a marketing company but was too young to legally sign the paperwork. So Sadie Clayton, the coordinator at his after-school program, stepped in—filing the articles of incorporation and other documents, and helping him build his company into something real. Then she continued to help him as he wrote for the local paper, which set off a crazy series of events: A fan of rapper Chris Brown read one of Lopez's stories, then asked if he'd help develop a fan page. The page became so big that Chris Brown *himself* hired Lopez. (This was before Brown's legal troubles.)

"If it wasn't for my mentor being by my side," Jeff tells me, "no one would have taken me seriously." But today, major Hollywood studios take him plenty seriously. His company GLOOB works with them regularly; recent projects include *Wonder Woman* and *Mad Max*. Sadie and Jeff are still in touch. "I have learned more about myself through mentoring Jeff than I could have ever imagined," says Sadie, now admissions director at Camden Center for Youth Development. "I learned patience, understanding, and that everyone has their own path."

That's it right there! When we recognize talent in whatever form it takes—any age, any background—everyone benefits. All we must do is shift perspective. Because, yeah, you could look at our cover and say, "There's a 13-year-old girl on the cover of *Entrepreneur*." Or you could just say, "There's an entrepreneur on the cover of *Entrepreneur*." Both are true. But the second one is more useful for us all.

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GROOMER, CASEY GEREN

Photograph / NIGEL PARRY

PHOTOGRAPH BY PANOPLY MEDIA

Gladwell, Undefined

Author and podcaster **Malcolm Gladwell** has liberating advice for entrepreneurs: *Don't be one thing.* And it's a message he takes to heart. by JASON FEIFER

Malcolm Gladwell may have one of the strongest brands in media, but he never applies the word to himself. "I contradict myself a lot," says the best-selling author and *New Yorker* staff writer, whose books include *The Tipping Point* and *Blink*. "How can I represent something as well-defined as a brand if I'm constantly changing my mind?" Instead, he counsels creatives to think of themselves as ever-adaptable—open to opportunities wherever they come. That's why, for example, he got into podcasting. It was on a lark, but now, three seasons later, his show *Revisionist History* is a consistent chart-topper. (Each episode is about "the overlooked and misunderstood," and is produced by the podcast company Panoply.) Here, he talks about his approach to productivity, his own evolution, and why entrepreneurs need to balance ideas with execution.

You've said that you started your podcast while procrastinating writing your next book. Entrepreneurs may be heartened to know someone as prolific as you still procrastinates.
As I've gotten older, I've come to appreciate the value of time more and more. If you try to rush something creative, it will always fall short of expectations. And the longer you can create spaces for reflection, you can make your life so much better, and what you create so much better. So to me, procrastination is really just a chance to let whatever I'm working on breathe a little bit.

It's funny, because that feels like the opposite of the traditional productivity secret.
Well, remember, I'm talking about a very specific kind of effort here, which is creative effort. If I was learning how to streamline and execute something successfully, I might have a very different approach. I'm reminded of my father, who was a mathematician. There were problems he worked on for 20 years—not exclusively, but he started it, put it aside, and then one day the answer would pop into his head. If you try to rush your work in that situation, you're going to close yourself off to certain kinds of breakthroughs.

That's a valuable reminder, because people often fear that if something they do doesn't bear fruit immediately, it never will.
Yeah. It's about approaching your work with humility. The problem is almost always larger than you, and so it can't be mastered in one fell swoop. You have to learn to give the problems you're working on the respect they deserve. And part of the respect is understanding that, you know, *What*

PHOTOGRAPH BY GETTY IMAGES/BRYAN BEDDER/STRINGER

I'm doing here can't be done in six months. It just can't. So why don't I find a way to give it a year or two years.

A lot of your writing focuses on solutions to overlooked problems—like your *New Yorker* article "The Talent Myth," about how companies harm themselves by promoting the wrong type of workers. Entrepreneurs are always looking to identify problems like this, but they're not easy to find. How do you do it?
It helps that I'm a permanent outsider. To make the link with entrepreneurs, it's no surprise that the people who tend to come up with the most innovative breakthroughs in a given field are people who approach the fields from the outside. You bring a whole new, fresh perspective. And the other thing that gets undertheorized in innovation is just how much of it is generational. It's very often that change happens when the original generation is no longer in a position of authority, and a new generation comes along with new ideas. There is a wonderful case study with the telephone, which was completely mismarketed because the people who invented the telephone were from the telegraph industry. They understood the technology but not its place in society. And so for 30 years, the telephone kind of languishes—until all those guys are gone, and a new set comes in who just have no memory of telegraph and so are unencumbered by that set of assumptions.

When talking to entrepreneurs, I often think of a piece you wrote about "simultaneous discovery"—that across time, multiple, totally disconnected people tend to have the same innovative ideas. Two people developed calculus at the same time, say. Two others developed color photography. But given that entrepreneurs think of themselves as ideas people, I wonder what you think they should do with that insight.
You do two things with it. One, it ought to be a gentle reminder about the importance of humility—that you shouldn't pretend you are the sole person in the universe to have happened upon an idea, and you should also understand that ideas come as much from the world outside of you as your own thinking. And the second thing it does is, it ought to remind you about the importance of execution. Maybe ideas are cheap, but the ability to execute well is at a premium. Just because lots and lots and lots of people conceive simultaneously of search doesn't mean the guys at Google aren't geniuses.

Right, because the people we know as history's greatest innovators were really also great executors.
Yes. As a writer, I'm constantly aware of that fact. So many of the things I write about have been written about a million times before, but the value I bring is in how I re-present those ideas and the context I put them in. I don't feel like that's a lesser accomplishment. I feel like that's actually a pretty honorable and important thing.

And you've developed a very distinct way of presenting ideas. I wonder how consciously you developed that. Like, do you think of yourself as having a personal brand?
I don't really. I think it gets really dangerous—if you're someone who's doing something creative—to start to define what you do. Even if it's a correct definition, it's limiting to have that thing in your head. It starts to constrain you. So I rebel against that, and I'd like to pretend that the things I do can be different as anything under the sun. Now, it's obviously not true. But it's just really useful—more useful to think that way than to have a sense in my head of what I stand for.

> "I'M OPEN TO SUGGESTION. THE MOST IMPORTANT THING IS NEVER TO MAKE A DECISION ABOUT YOURSELF THAT LIMITS YOUR OPTIONS. SELF-CONCEPTIONS ARE POWERFULLY LIMITING."

So you've never thought to do something and then said, "Hmm, that's not what my audience expects"?
I don't think it's a good idea to work backward from your audience. People who listen to you listen because they like you, not because you resemble them, or because they want their own particular tastes represented on the page or in the podcast. They're curious. This is my problem with a lot of market research. People in market research don't properly weight this distinction between, you know, when you want to give someone exactly what that person wants, or when what that person wants is something they can't articulate and you're in the position of presenting them with a gift or a surprise. And I'm in the gift-or-surprise business.

How do you define what you do, then? Do you have a filter, or some way to look at opportunities and say, "This is right for me"?
It's funny—starting the podcast changed a lot of my thinking about what I do, because I ventured into a world I never thought I would venture into. Now I'm doing something that's much more collaborative than I normally do, where there's production and editors and sound engineers, and the mode in which I'm reaching people is very different, where I'm relying on my voice and not my pen. I only did this because my best friend runs a podcast company, and on a lark he said, "Why don't you try one?" And I thought, *Why not?* I thought it would take me, like, a month, and I would never go back to it. Once you realize just how much serendipity there is in a field like mine, you have to abandon any kind of rules like that. I tried to write a screenplay; it didn't work but was really fun. I don't regret doing it. I did that MasterClass thing—I mean, I never thought I'd do that. I'm open to suggestion. The most important thing is never to make a decision about yourself that limits your options. Self-conceptions are powerfully limiting. In the act of defining yourself, you start to close off opportunities for change, and that strikes me as being a very foolish thing to do if you're not 85 years old.


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I'm the Leader. Judge Me!

What happens when a CEO gets a performance evaluation from cofounders, employees, and family? I'm the CEO of sweetgreen, and I just found out. (It wasn't easy.) by JONATHAN NEMAN

One day in March, I arrived at my Los Angeles office and prepared for an emotional bruising. My executive coach had interviewed 17 people close to me—my wife, my mom, my cofounders, my direct reports, and some other employees—and it was time to learn what they said. What do they think are my strengths and weaknesses? What are my blind spots? Where do I need improvement?

I wasn't sure I was ready to hear the answers.

Recently, I reached what felt like a pivotal time in my career. Over the past 11 years, sweetgreen, the company I started with two friends, has grown to 86 locations and millions of customers around the country, with more than 3,500 team members. I'm CEO, which means everyone comes to me with the hard questions. As we've grown, I've become ever more aware that every decision I make significantly impacts our customers and our team members. That's why I got a coach. I thought of it as an investment in myself as a leader. After six months of work, she asked me to submit to this giant personal review. And that's how I ended up in this nerve-racking position, my hands sweaty as she loaded up the PowerPoint presentation to show me her findings.

The presentation took four hours—and at first, yes, it was uncomfortable. But as my anxiety lessened, and I was able to focus on the points being made, I realized how insightful it was. When you're CEO, unvarnished feedback is hard to find. People rarely critique the boss to his or her face. But now I was learning. For example, I don't think of myself as a micromanager. I want to trust my colleagues and let them find their own way. But the report revealed I wasn't actually doing that. I was still too involved in others' work; I needed to step back more. That was good to know.

Another lesson: Everyone notices when I'm well-rested, and they prefer me that way. This felt counterintuitive. I'd been working 70-hour weeks—in part because there's a lot to do, but also to project what's called servant leadership. I want people to know I'm here and I'm working for them. But sometimes I start the day the way I prefer to, by surfing or doing yoga. When I do, people said, I arrive at work noticeably more energized and impactful. I was setting the wrong example, it turns out. Instead of being the tired CEO, I need to be the one who takes care of himself as much as his company.

After reviewing the report, I made changes. I stepped back on many tasks, trying to find

that balance between leading and executing. (For example, do I *really* need to be interviewing every corporate office job candidate? No.) And I kept my early-morning schedule mostly meeting-free.

But the hardest part was yet to come. I sat down with everyone my coach interviewed and took them through the findings. I'd never felt more vulnerable, talking with people about my weaknesses laid out bare. And yet it prompted the greatest realization of the project. I'd always wanted sweetgreen to be a company that takes risks—because risks are what'll keep us fast-moving and innovative. And yet I didn't exactly understand how to create that culture. This process changed that. It made me recognize that to take risks, my team needs to feel autonomy, and to feel comfortable doing things that might fail. That means they need to see me fail first. I set the tone—and so this report, full of vulnerabilities I must own and discuss, is actually a tremendous first step in that process. Now I think about leadership differently. It isn't just about working long, hard hours. It's also about modeling the kind of culture that will help my company thrive. That, I've learned, is what happens when you get honest feedback from those closest to you: It may be a shock at first, but it strengthens everyone.

Illustration / ZOHAR LAZAR

Making It Work Remotely

Maintaining an all-remote workforce is no longer a fringe notion. But you have to do it thoughtfully. Meet the entrepreneurs who have gone completely remote and seen growth and productivity soar. by ELIZABETH DUNN

Robert Glazer didn't set out to build a 100 percent remote workforce. But in 2007, while forming his company, Acceleration Partners, he realized two things: One, fierce competition in hubs like New York and San Francisco had driven the salaries of even less-desirable candidates through the roof; and two, there was untapped talent in Acceleration's niche field of affiliate marketing across the country.

So Glazer began figuring out how to run a company flexible enough to hire workers who could work remotely. Back then, this was a rarity. Telecommuting was a concession you might make to individual workers, not a corporate strategy. There were few established protocols for making it work as well as, if not better than, a centralized workplace. So Glazer had to figure them out as he went along.

Ten years in, Acceleration has grown an average of 30 percent a year, while piling up accolades for its workplace culture from the likes of Glassdoor, *AdAge, Forbes,* and *The Boston Globe*. Glazer sees his company's flexible work policy not as a handicap that it has overcome but a key driver of its success.

These days remote work has entered the business mainstream, with about 43 percent of the U.S. workforce occasionally doing their jobs from outside the confines of a corporate office. While some large employers like IBM, Bank of America, Aetna, and Yahoo made headlines in recent years for ending or scaling back their telecommuting programs, the number of remote-first startups has surged. Acceleration

 Illustration / VIKTOR KOEN

Partners is one of more than 170 fully remote companies with 20 or more employees in the U.S. today, up from 26 in 2014, according to FlexJobs, an online platform specializing in remote and flexible employment. So, what can entrepreneurs learn from the companies that have made remote work work?

In Glazer's case, it starts with hiring. "I think there's a misperception that anyone can work remotely," he says, "but we've figured out how to screen from the 200 to the one who can." Acceleration looks for specific attributes in a new hire: Has the person worked remotely before? Is she a voracious learner? Is she an independent decision-maker?

Typically, Acceleration likes to see candidates who gravitate to telecommuting to enable their life's other passions, like travel, triathlons, or parenting—rather than those looking for a more relaxed pace of life. This makes for a more fulfilling life for his employee, and a more energized member of his company.

Still, structure is a necessity. While geography and business hours at Acceleration are flexible, the company ensures results by keeping performance goals rigid. Managers track output and customer satisfaction rather than hours. An "accountability chart" lists each employee's top five responsibilities, and each quarter, every employee sets personal performance goals based on the company's quarterly targets. Progress is reviewed when the three months are up. The company's financials are also open-book, so anyone can see how anyone else measures up in terms of the bottom line.

The strategy has also allowed Acceleration to close the gender gap by tapping into a pool of talented, driven women looking to balance careers with family. Women make up 80 percent of Acceleration's workforce, with about an equal proportion holding management roles.

Acceleration Partners isn't the only startup to have achieved enviable productivity and growth through a distributed workforce. Toptal, which runs a network of elite freelance software developers and designers, has grown to more than 500 global full-time employees since it was founded in 2010. It chose the structure to reach the best talent available.

"In the San Francisco Bay Area at the time, between trying to get top-quality engineers and renting office space, you'd burn through your seed money in a couple of months," says Rajeev Jeyakumar, Toptal's VP of business talent. Rather than relax its standards, Toptal decided to mine less-competitive markets.

Jeyakumar says that getting the right digital tools in place to enable remote collaboration has been critical to Toptal's success. It's nothing exotic: The company uses Slack for informal communications, Google Drive for collaborative projects, Zoom for videoconference calls, and an online platform called Wrike for project management. Onboarding new employees always involves making sure they have their tools set up properly and know how to use them.

There are also behavioral and cultural norms around remote work that everyone has to adhere to, Jeyakumar says. For instance, Toptal has a naming convention for Slack groups to keep things organized, and there's a rule that video must be turned on during conference calls so that team members can see each others' faces. "I've worked remotely in previous jobs and felt like a second-class employee," Jeyakumar says. "There's a lot of stuff you miss out on, because not everyone is thinking about remote colleagues." He says that the organization recognizes that some in-person contact is critical for relationship building, which is why the money Toptal saves on office space is funneled into team retreats—including a recent one to Mexico.

With the right systems in place, remote companies have proven themselves capable of maturing successfully into large, complex organizations.

Automattic, the parent company of the website platform WordPress.com, is a kind of senior citizen in the remote workspace, having operated a distributed workforce since 2005. The company has grown to more than 700 employees in 62 countries. As at Toptal, Automattic leans on digital collaboration tools—teams use a series of internal blogs to communicate, as well as Slack, Trello, and Mural—and the whole company gathers annually for a weeklong meetup. Automattic has also learned that it can be hard to predict who will work well in a remote culture. So every new hire starts on a trial system, during which candidates work on contract for a few weeks.

All that being said, does a company need to have remote work in its DNA to be truly successful with telecommuting? Bradford Bell, associate professor of HR studies and director of industrial and labor relations executive education at Cornell University, doesn't think so. While recent research shows that having a higher percentage of employees in a team working remotely does lead to better overall outcomes with telecommuting, there are two things that any company can do to improve the chances of getting the most out of distributed workers.

"Companies that are really successful with remote work are very thoughtful about who should be remote working—how good a fit are they personally, what jobs are a good fit, and lots of analysis," Bell says. That means putting a formal process in place to evaluate requests to work out of the office, and setting up parameters when it comes to things like where the work will happen and how collaboration takes place.

Another huge determinant of success or failure: leadership buy-in. Bell says that having leaders and managers who believe it's possible to be productive outside an office—and who do some of their work outside themselves—can make a big difference in the organization's ability to incorporate remote work. Many, Bell says, agree to the setup to try to retain a valuable employee but believe deep down that "working at home" means not working at all. That's not a recipe for success. "A belief that the employee can't contribute in the same way will be a self-fulfilling prophecy," says Bell.

> I THINK THERE'S A MISPERCEPTION THAT ANYONE CAN WORK REMOTELY," SAYS ACCELERATION PARTNERS CEO ROBERT GLAZER. "BUT WE'VE FIGURED OUT HOW TO SCREEN FROM THE 200 TO THE ONE WHO CAN."

How This Car Drives a CEO

The Splurge is our monthly column about an entrepreneur's first gift to themselves—because hard work deserves its rewards. This month: the little car that could. by JOE KEOHANE

Most entrepreneurs are concerned first and foremost about making payroll. If they accomplish that, they start to think about making some money themselves. And if they accomplish *that,* maybe they think about splurging on something they've wanted for a long time—an extravagant watch, a second home, a fancy car.

For Steven Sashen, CEO and cofounder of Colorado-based Xero Shoes, it was…a Subaru. "I'd see a car on the road about once a week," he says. "Every time, I'd think, *Wow, that is supercool. What is it?*" And every time, it was a Subaru BRZ—known as a snug, affordable little speedster.

For a long time, Sashen was in no position to buy a new car. He and his wife, Lena, had founded Xero Shoes in 2009, an evolving line of lightweight, minimalist shoes and sandals that feel like going barefoot. The company grew methodically, year by year.

Then they had, in Sashen's words, "a hell of a year." In 2017 they moved their distribution to a logistic company's warehouse, which then went out of business. They moved to another one, which couldn't handle their volume, so they decided to open their own warehouse. Then they had to deal with production problems and the loss of two hard-to-replace employees. But by the end of the year, things were looking up. The warehouse was "humming along," they had their best quarter ever, and they did a $1 million-plus equity crowdfunding raise. "I think we can relax a bit," Lena told her husband. She suggested giving out bonuses, or bumping up their own salaries.

By 2017, they'd been driving the same car for 12 years. Sashen's mind went instantly to that little Subaru, and he went hunting for one. It turns out most dealerships don't carry the BRZ he wanted, but he found one eight hours away, in Wyoming, that had been sitting on the lot for six months. He had it sent to a dealer two hours away, drove there, and traded in his old car for the BRZ.

Now he makes the most of it. "There's a traffic circle between our house and our office," he says. "Every day, twice a day, I approach the circle, downshift into second, floor it, and fly around that circle, pinned to my seat and laughing or shouting, or both, as the car catapults out of the roundabout. Anyone who says money can't buy happiness has clearly never driven my car."

Almost a year later, his ardor has not waned. "I'm happy every time I look at it, parked right outside my office window, and giddy every time I drive it," Sashen says. "And at least once during each drive, I'm grateful for our business, for the people who helped us build it, for my smart CFO-wife, for the amount of luck we've had, and for what's taking us into the future."

PHOTOGRAPH COURTESY OF SUBARU

SYDNEY SCHAUB/ General counsel
"Working as a general counsel at a startup is a completely different experience than working at a big company or law firm. It's super collaborative and fast-paced, and no day is like the day before. I like being in an open environment here. I can't be sequestered from the rest of the group—in order to do a good job, I have to have my finger on the pulse of the company."

Inside Rent the Runway

Interviews by HAYDEN FIELD

RENT THE RUNWAY PROMISES to make every woman's fashion dreams come true, and the company—which rents designer pieces to shoppers at a fraction of the retail cost—has built an $800 million brand delivering on it. That goes for its staff, too. RTR's newly renovated Manhattan headquarters is made for work but built like a fashionista fairy tale: Garment racks overflow with today's latest trends, and meticulously arranged books celebrate the work of fashion greats. That's in addition to a private employee fitting room, a meditation room, a lactation room, and a photo studio. And of course, the brand's core values are painted on the walls to remind employees that "everyone deserves a Cinderella experience."

ANUSHKA SALINAS/ Chief revenue officer
"Rent the Runway's new maternity subscription, which launched in May, has literally changed my pregnancy. I've bought three pairs of pants and some T-shirts, and I've been renting everything else—including the dress I'm wearing right now. It's made getting dressed during my pregnancy awesome."

Photograph / ADAM FRIEDBERG

MONTE WILLIAMS/ Senior director of customer experience and retail
"Happy employees make happy customers, so my goal is to make sure we have the happiest employees on the front lines. We treat people like people: Make sure you're saying hi in the morning and bye in the evening, offer support, be considerate. When employees feel better, they treat customers better."

ANGELA NUNES/ Flagship store leader
"I work in Rent the Runway's retail store; as subscribers we have unlimited access to the clothing. I love that I get to actualize the dream closet."

NINA GEORGE/ General manager of growth
"I recently had a baby and just came back—I got 12 weeks at 100 percent pay—and it's like I never left. You're able to pick things up exactly where you left off."

ROSE OSHAIA/ Director of IT
"If someone works here, we interface with them. In most IT organizations, roles are specialized. But here, because we're small, we get to touch everything. It allows people to develop their skills in the tech field faster than they would at a traditional company."

WILL FLAHERTY/ Head of growth marketing
"My team goes on regular outings to bond and eat great food. We recently went to Flushing, a neighborhood in Queens, and did a food tour, eating dumplings, duck buns, and all sorts of amazing Chinese delicacies. Soon we're going to do a food tour in Jackson Heights—another international-food neighborhood."

The Bill That Nearly Broke Her

Are you prepared for a big, unexpected cost? **Saima Khan** wasn't—and it forced her to rethink her entire business. **by JASON FEIFER**

Saima Khan had an epic string of luck. She was a banker in New York, and one day she ended up chatting with Warren Buffett at an airport. "We had a very personal conversation about love, loss, risk, home, and food," she says. By the end, she'd offered to cook him a meal at her home. Buffett accepted, brought Bill Gates along, and ate well. Then the industry titans asked her to cook for their upcoming charity event, which she did—making large, shareable plates, harking back to how her Pakistani immigrant family fed guests.

The event was a hit. More invitations followed. Soon, Khan saw opportunity. "People who were quite well-traveled were always looking for new dining experiences," she says. So in 2012, she moved back to her hometown of London and began a private dining business. Celebrities, royalty, and other big spenders could hire her team to serve sumptuous meals in their homes—at a cost of up to $5,000 per person. She named it The Hampstead Kitchen, and it thrived for five years...until a $200,000 tax bill almost ruined everything.

For all her success and financial savvy, Khan had a common vulnerability: Her business couldn't absorb an unexpected financial hit. This one came in the form of a new United Kingdom law that retroactively taxed a lot of Khan's old income. There was no way she could pay it off and still make payroll. "I was at a position where suddenly I'm going to be wiped out," she says, "and I'm thinking, *Will I be able to even live in the house I'm in?*"

What does an entrepreneur do in this situation? Ideally, experts say, she should have already had an answer. "You should always stress-test your business," says business consultant Adam Bornstein, founder of Pen Name Consulting. "When things are going well, run through your nightmare scenarios—you're out of inventory, your customers have fled, and so on. Think through how to preemptively lessen that damage or avoid the situation entirely."

Khan's emergency fund could cover slow months and equipment failures but not this bill. However, she did have one form of preparation: a database of every request customers had made. It would turn out to be the key to her solution. She needed new lines of revenue—to make more money, make it faster, and diversify her offerings—and her database told her exactly what people wanted.

Two opportunities stood out. The first was consulting. Many people asked her for business advice, and she helped when she could. But now she formalized it—creating a new service where, for a fee, she'd help entrepreneurs flesh out their brand for a day or six months.

The second was a new kind of cooking experience: drop-off. Until now, Khan's company prepared food in only one way—cooking, serving, and creating an in-home experience. But clients had also asked for a dialed-down version, for casual evenings that didn't require waitstaff. She saw potential there. By delivering food at a lower cost (along with the dishware and table settings, all of which would be picked up later), she'd give her full-service London clients more opportunities to buy. It would boost repeat business.

Now she had a plan. To pay down the tax bill, she borrowed money from friends. Then she launched the consulting service and staffed up her drop-off business, creating a seasonal menu and a process for her team to follow. The impact was almost immediate. Today, only one year after her crisis, her two new lines of business form 45 percent of all Hampstead Kitchen revenue.

"In a way," she says now, "this was a blessing in disguise." Not only is it bringing in more money, but it's given her more freedom to travel to and set up high-end events—thereby earning even more. "It means that I'm working smarter."

Hear Khan on our podcast Problem Solvers, *available on iTunes or wherever you find podcasts.*

PHOTOGRAPH COURTESY OF THE HAMPSTEAD KITCHEN


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Fifth Third Bank connects you with a network of industry experts to provide tailored advice and power your business forward.
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Solve the People Problem

For entrepreneurs, business is always personal—which can make tricky staffing changes especially hard to implement. We asked six founders: What's the toughest personnel decision you've made?

1/ Firing your first.
"I had to fire my first employee after four years of working together, three of which were just the two of us. She had certain skill sets that were great [when we started], but as we grew, they actually conflicted with where I saw the business growing. It was tough—there was a sense of loyalty that was hard to get over. But consulting with my advisers and being honest about what I wanted for the future of the company helped me stick to my decision."
—DENISE LEE, founder and CEO, Alala

2/ Rewarding talent.
"We preach and practice homegrown development at &pizza. I've more than once had to decide between two deserving internal candidates for an open leadership position, and each time, I've tried to create a position for both of them—ones that suit their individual strengths. Instead of sacrificing a deserving talent, we want to create a space for that talent to thrive."
—MICHAEL LASTORIA, cofounder and CEO, &pizza

3/ Breaking up.
"My cofounder and I decided to part ways. Sometimes that can be the end of a company, but we worked hard to make this a transition that would not negatively impact our brand and employees. Rather than shying away from the hard conversations, I dove in to find a resolution within 24 hours. It started with one-on-ones with our entire team. We walked around a nearby park until each person had all their questions and concerns answered. I think I walked 10 miles that day."
—SHANNA TELLERMAN, founder and CEO, Modsy

4/ Anticipating challenges.
"As we grew from just us two owners to a team of employees, we had to set true boundaries and expectations. What happens when an employee is late or doesn't meet expectations? We didn't have an HR department, so we created well-crafted handbooks and contracts. If we didn't fix things while we were small, it would be harder to adjust."
—SARAH BAUCOM, cofounder, Girl Tribe

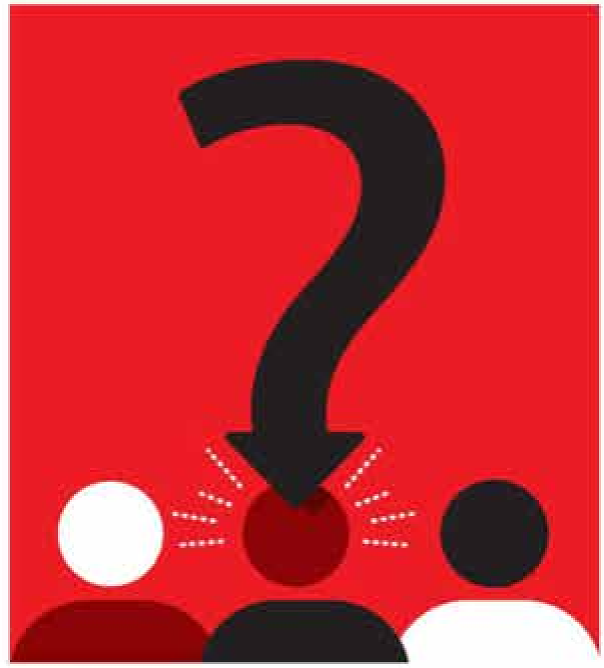
5/ Walking away.
"Leaving my firstborn—Rent the Runway, which I cofounded—to start my new company, Jetblack, was very hard. I've always been a serial entrepreneur at heart, but I knew I would carry this decision with me for years. The most important thing was ensuring that the relationships with my team and cofounder would remain intact. Staying involved as a board member, and avid customer, of Rent the Runway has eased the transition."
—JENNY FLEISS, cofounder and CEO, Jetblack

6/ Outgrowing partners.
"The manufacturing partners we work with are essentially team members. [As we grew], an early partner couldn't keep up, and we had to break the news to these guys, who'd been with us since day one, that we were leaving them. It was painful—there were dozens of people at that facility who touched our products. But now, we've scaled well beyond that phase, and we've recently gone back to them for prototyping work."
—KYLE HOFF, cofounder and CEO, Floyd

Illustration / TOMMY PARKER

Don't Know What Your Customers Want? Ask Them!

Three entrepreneurs share their smart (and sometimes painfully simple) approaches to finding out how to better serve their customers. **by STEPHANIE SCHOMER**



Fred Stevens-Smith

COFOUNDER AND CEO/ Rainforest QA
METHOD/ Ask for problems

WHEN FRED STEVENS-SMITH and his cofounder, Russell Smith, were accepted into Y Combinator, they thought they had a brilliant idea: Help businesses track (and curb) money spent on Amazon Web Services. But when they got their program in front of beta testers, users shrugged. "It just wasn't a big enough problem," Stevens-Smith says. The duo built multiple prototypes to solve other problems for software development businesses, but each time, they heard the same feedback. "Most people were like, 'I'd pay $10 a month for this.'" The founders needed a larger pain point. At a loss, they emailed their network: "What problem do you have in your development process that you would pay $1,000 a month to solve?" Multiple responses asked for the same thing—a way to test for quality throughout development. The founders dove in, and today their company has raised more than $41 million in funding and has more than 200 customers. Says Stevens-Smith, "We surfaced a need in the dumbest way possible."

Joanna Griffiths

FOUNDER AND CEO/ Knix
METHOD/ "Online creeping"

AFTER HER MOM TOLD her about the incontinence issues many women face as they age or have children, Joanna Griffiths could think of nothing else. "I was 26, so none of that had been on my radar," she says. While working toward her MBA, she set out to build leakproof undergarments. Griffiths wasn't sure where to start, so she googled. "I saw the topic coming up a lot in mommy forums and CrossFit forums," she says. She quietly inserted herself into the conversation, something she calls digital anthropology, or, simply, "online creeping." "I spent about two months letting people get comfortable with me," Griffiths says. "I was very up front that I was looking to create this product and wanted to understand the needs." As people opened up, Griffiths would suggest moving to a one-on-one chat to dive deeper. "Going where the conversation was happening was instrumental in the development of Knix," she says. The company has seen 400 percent annual growth since launching in 2013. "People wanted to talk, and I was there to listen."

Keith Krach

COFOUNDER/ Ariba
METHOD/ Put customers to work

IN 1996, Keith Krach was cofounding a startup called Ariba that wanted to digitize the procurement process. (Back then, it was all done on paper.) Krach's team was eager to start working, but his VP of engineering refused to build a prototype until they had input from at least 60 potential customers. So Krach rounded up some people—mostly friends of the founders—and asked them what features would be most helpful. The feedback was valuable, so Krach invited the group to be part of an "advisory board" that would meet quarterly and present ideas to the company. Many became Ariba's first customers; as the company grew, more were added to the board. "People support what they help create," Krach says. He replicated the idea as CEO of DocuSign from 2011 to 2017. "If you ask someone for help and they say no, you've still flattered them. And maybe they'll come later. Don't be afraid to ask."

PHOTOGRAPHS COURTESY OF RAINFOREST QA, KNIX, AND ARIBA

Illustration / OLIVER MUNDAY

ADVERTISEMENT

3 WAYS TO JUMPSTART A CUSTOMER-FIRST CULTURE

At this startup, culture and values empower each employee to do what's best for customers.

Founded in 2010, social media management platform Buffer has no physical headquarters, but has people working remotely from far-flung places including Madrid, Singapore and Sydney. This fully remote, global team has to find ways to stay connected, creative, and energized.

That means ping-pong tables and happy hour parties won't cut it. "Culture and how it relates to our values is constantly on our minds, being discussed and evolving," says Buffer's Director of People, Courtney Seiter.

One thing Buffer's founders and managers realized: The workplace culture that binds them together can also directly influence the quality of support and overall experience they provide to customers. Buffer employs around 80 people, 20 of whom work specifically in customer service.

Here are three ways Buffer's culture and values help drive exceptional customer experiences, which you can leverage at your own company:

1 FOCUS ON CONTINUOUS IMPROVEMENT.

Personal development time is scheduled in a four-hour block once every week, encouraging Buffer's employees to disconnect so that "they can reach the deeper state of focus often needed for growth," Seiter says.

Employees have used this time to take courses, read books, and work on special projects. Most of this time is spent learning new skills that directly impact the customer experience, Seiter explains.

For instance, one customer support team member sought to learn more about engineering so they could have a better understanding about how errors are fixed. Another person learned about social media strategy to help guide customers to greater success, Seiter says.

2 VALUE THE VOICE OF THE CUSTOMER.

Understanding the importance of customer communications, Buffer conducts quarterly tone audits to make sure everyone is providing exceptional customer experiences. These audits review everything from greetings and closings, problem solving, word choice, empathy, and more.

The idea is to "meet the customers where they are," Seiter says. "If someone is in a rush, or angry, and if our response back to them is full of smiley face emojis ... even if we solve the problem, are we really listening?

"Our team thrives on activities to make ourselves even one percent better," Seiter adds, "creating a culture where that's not scary, but is fun to do."

3 PROVIDE CREATIVE PERKS.

Everyone at Buffer gets a free Amazon Kindle and can receive as many books as they want. Sounds great, but there is a method behind the generosity—and one that benefits customers.

"If teammates choose to read fiction, they can gain empathy through the act of diving deeply into someone else's story and attempting to understand their reality," Seiter explains. Many teammates also choose non-fiction books that are more applicable to business and customer support.

One example is *How to Win Friends and Influence People,* by Dale Carnegie. "It's like a manual for making people feel great about the interactions they have with you," Seiter says. "If a teammate is able to enhance their empathy, productivity, or marketing knowledge, that's going to be a win for all the customers they come into contact with."

These tips are brought to you by The Hartford, a leading provider of small business insurance for more than 200 years. For more insights and advice, go to **thehartford.com/smallbizahead**.

THE HARTFORD

Would You Work with Family and Friends?

Most people say they have, and that they're happy with the result. In this exclusive survey of more than 1,000 people, we learn how they made it work. by **JASON FEIFER**

PHOTOGRAPH BY ISTOCKPHOTO.COM/FILADENDRON

When I say that my wife and I wrote a novel together, people's first reaction is almost universal: "You're still married?" The idea seems terrifying—but we loved it. The project took us three years, and though we had disagreements along the way, we kept each other motivated and focused. (And it's coming out this October! It's called *Mr. Nice Guy*.) If it worked for us, I suspect it could work for many entrepreneurs. Ambition can be a lonely road. Isn't it nice to have support?

This got me wondering: How many people work with friends and family—and how's it going for them? To find out, *Entrepreneur* partnered with SurveyMonkey Audience to survey 1,007 people across America. Of those who said they had a business relationship with someone close to them, most (67 percent) worked with a friend. That was followed by a spouse or romantic partner (43 percent), and then immediate family: a parent or child (32 percent), or a sibling (23 percent). Here's what everyone said.

Of all survey respondents.../

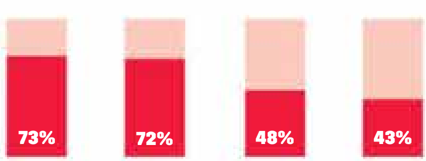
78% say they've worked with a close friend, family member, or significant other

87% say it was a positive experience

41% say it strengthened their relationship (only 14% say it pushed them apart)

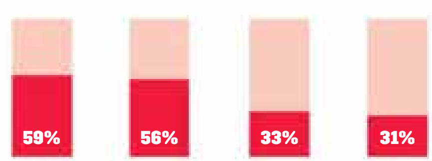
14% say it led to permanently damaging a close relationship

Advantages/



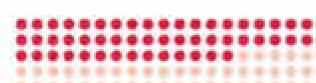
- 73% You're comfortable together
- 72% You trust each other
- 48% Dedicated to mutual success
- 43% Spend more time together

Disadvantages/



- 59% No separation of work and personal life
- 56% Potential damage to relationship
- 33% Too comfortable, lose motivation
- 31% Harder to make tough decisions

Best to do together/

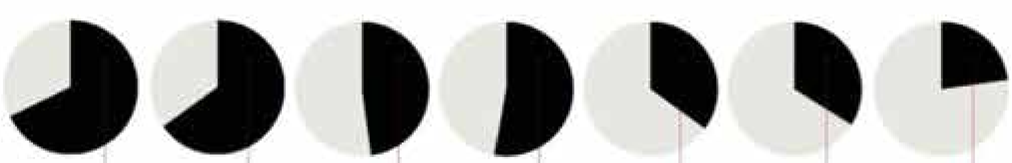


54%

CREATIVE PROJECTS

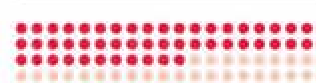
Second best: organizing events

Strategies for making it work/



- **68%** Establishing clearly defined roles and responsibilities
- **65%** Allowing for constructive criticism
- **48%** Setting aside nonwork time to spend together
- **53%** Respecting confidentiality
- **35%** Not making any exceptions to rules
- **34%** Respecting financial arrangements
- **24%** Establishing a process for an exit

Worst to do together/



51%

EMPLOYEE/MANAGER RELATIONSHIP

Second worst: making financial decisions


CHIEF
EMPOWERMENT
OFFICER
NYC

How Do I Make Employees Stay?

Finding good talent is hard. Making them stick around when the competition comes calling can be even tougher.

by POLLY and DOUG WHITE

Q My entry-level employees keep getting poached. We're on a tight budget—is the only way to retain talent by paying higher salaries? **—JESSICA M., PHILADELPHIA**

JESSICA, we feel your pain. We had a similar situation at one of our previous companies, where we kept losing employees after only five or six months. The time and money involved in recruitment and training—not to mention the effect the constant turnover had on our business and clients—made us take a hard look at our practices to understand what we could do better to build a long-lasting team.

We started with research. Money isn't everything, but it's probably the first factor candidates and employees consider when comparing opportunities. Make sure that your compensation is at least market rate—don't let a dollar or two an hour be the thing that sabotages your hiring. There are several websites that supply compensation data, and sites like Glassdoor allow current and past employees to self-report pay and can be an eye-opening resource.

From there, be strategic about benefits. If you're hiring entry-level employees, you're probably hiring younger people who might value, say, workplace flexibility over a really robust healthcare package—especially if they're under 26 and still eligible to ride on their parents' insurance. Our younger team has responded enthusiastically to additional paid time off, extra company holidays, and a solid 401(k) plan that helps them lay the groundwork for a successful future.

And speaking of a successful future: Set expectations early. At the beginning of our hiring process, we talk about the job as a two-year opportunity—a role that a candidate should expect and want to be in for two years. We explain throughout the screening, interview, and onboarding process that at the end of two years, we will either promote them or help them secure their next role outside the company, providing résumé assistance, time off to job hunt, a solid reference, and access to our connections within the community. Letting employees know that you're invested in their future—at your company or elsewhere—will create loyalty and an eagerness to be a part of your professional network.

Once we make a hire, we design a personal development plan for that employee, the ultimate goal of which is to prepare them for their next role. Employees meet with their manager and human resources on a quarterly basis to review the plan and make sure the employee feels supported by the company culture. Mentoring, special assignments, even outside education can be folded in as the employee evolves or the end goal shifts. But regular communication is key—the minute an employee starts second-guessing where they stand within an organization is the moment they start thinking about what outside opportunities might look like.

One last reminder: It's OK to walk away from a candidate who seems too good to be true. It's tempting to hire the overqualified individual, but we have been burned enough to know this rarely works out. The overqualified candidate always has great reasons why they want to take a step backward, but these reasons never seem to sustain them for long. We are sure there is an exception to the rule—we just haven't found it yet.

As you attempt to attract and retain great employees, remember that open, honest communication is the first step to any successful relationship. Personal development, competitive compensation, and thoughtful benefits will go a long way in finding talent that wants to build a career with your company, putting an end to your turnover troubles.

Polly and Doug White are the owners of Whitestone Partners, a small-business consultancy, and coauthors of Let Go to GROW.

Illustration / FEDERICO GASTALDI

SAY HELLO TO GREEN ENTREPRENEUR

WE ARE IN THE MIDST OF A MARIJUANA REVOLUTION. *ENTREPRENEUR* MAGAZINE IS HERE TO COVER IT.

That's why we've created Green Entrepreneur, a new resource from the editors of Entrepreneur.com dedicated exclusively to covering the exploding cannabis industry. Our goal is to provide the latest news, advice, information, and recommendations about the budding marijuana business to help small-business owners on their paths to green-ness.

We'll feature educational stories such as how to transfer your skills and expertise into the cannabis industry to motivational stories of entrepreneurs blazing new trails. We'll focus on the business, technology, and lifestyle aspects of this hot industry.

At Green Entrepreneur, we aim to provide stories that inspire, give insight into current trends, and offer actionable takeaway tips for entrepreneurs looking to either plant their stake in the ground or expand their holdings.

Read on to learn more about what it takes to become a green entrepreneur.

TOP 100 CANNABIS LEADERS

Be sure to check out the October issue of *Entrepreneur* for an unveiling of our inaugural list of the entrepreneurs who are leading the way in the burgeoning cannabis industry. The issue will be on sale September 18.

VISIT US NOW AT GREENENTREPRENEUR.COM

How One Cannabis Company Aims to

DISRUPT BIG PHARMA'S BLOCKBUSTER PIPELINE

In four short years, Kushy Punch has taken over the California edibles market. Now it has its sights set on the pharmaceutical industry, one bite at a time.

RUBEN CROSS *IS A MAN ON A MISSION.*

The buoyant 37-year-old founder of LA-based Kushy Punch isn't your typical cannabis company CEO. He started his first company while in high school, then launched several social network platforms for the dating industry. His sites became wildly popular. Then he sold them. And then he started all over again.

"Kushy Punch was born out of my passion for cannabis. I have asthma and I cannot smoke weed...even though I do from time to time," Cross jokes. "I am very conscious of what I am willing to eat or put into my body, like a lot of people are. All of the products in the edible space were high in calories and sugars—giant brownies or cookies. I wanted to create something that would taste great and deliver all of the goodness and medicinal value of the whole cannabis plant in a single bite size."

The answer came to Cross and his team after 18 months of trial and error: cannabis-infused gummies. Originally made by hand, Cross scaled operations by developing a proprietary manufacturing process resulting in gummies that are never cured or sugar coated but remain moist in the packaging for greater potency and taste. He also differentiated his gummies by a commitment to only natural flavorings and the use of kosher-certified gelatin.

Today, Kushy Punch is arguably the leading edibles company in California, itself the world's largest legal cannabis market. It expects to be in other states later this year, and eventually to grow alongside regulatory change to become a global brand.

"Ultimately we are selling wellness," Cross says. "People are tired of taking pills; they need a new alternative. Who said medicating should be boring?"

Cross explains that the company receives unsolicited testimonials from customers weekly, many of whom describe reducing or eliminating their prescription medications for Kushy Punch products, which now include a line of CBD (non-psychoactive) gel caps and gummies.

"We are fortunate as an organization to develop products that help our customers through chronic pain management, without the deleterious addictive affects found in many prescription drug solutions," he says.

Cross built Kushy Punch, and his team, with a few principles which any entrepreneur can utilize:

HIRE THE RIGHT PERSON.

"I've built my team with like-minded people that are inspired to take action to make the world a better place. We find people who have a passion for cannabis, for business, and for wellness."

FIND CAUSES THAT YOUR PEOPLE AND ORGANIZATION SUPPORT.

"We decided to give free or at cost CBD medication to low-income families that have children with disabilities. The stories we get back are rewarding. We share these testimonials with our team and we feel we are doing a greater good for society through our work. We are a company that is a catalyst for good, not just greed."

BE RELENTLESS, KEEP YOUR FOCUS ON WHAT MATTERS, AND ROLL WITH THE PUNCHES.

"We try to improve every single day, and we grow with purpose. In this regulatory environment where change is constant, we have to be nimble."

For more info, check out KushyPunch.com

Kushy Punch

ARE YOU READY FOR THE CANNABIS BUSINESS?

As more states legalize recreational and medical use, the marijuana industry is growing at a breakneck pace. Is it time you got involved?

By Javier Hasse

There is no question that the cannabis industry is booming. To date, nine U.S. states have legalized the use of recreational marijuana and 29 states and the District of Columbia have now legalized cannabis for medical and/or recreational purposes.

Last year, total marijuana sales in the U.S. were estimated to be between $5.8 billion and $6.6 billion. Forecasters are predicting 22 by '22—that's $22 billion in 2022. And that's just the U.S. market.

While there is plenty of opportunity and momentum for entrepreneurs who want to stake a claim in the green game, the real question remains: Are you ready? Here are some questions to consider:

ARE YOU COMFORTABLE WITH RISK?

Support for cannabis legalization in the U.S stands at a record high. In April 2016, CBS News released a poll showing that 61 percent of Americans believe marijuana should be legal. This number rose to 64 percent by October 2017, according to a Gallup survey.

These figures demonstrate that, as the positive results of legalization become more evident in multiple states, public perception of marijuana is shifting, and the stigma around weed is being steadily overcome—largely driven by the medical marijuana movement.

There are legal implications, though: Anyone who wants to get involved in this industry has to take on the reputational and legal risks, because even though numerous states have legalized it, cannabis is still a Schedule I, federally illegal drug under the Controlled Substances Act.

ARE YOU COMFORTABLE WITH UNCERTAINTY AND FREQUENT CHANGE?

If not, then this nascent industry is not for you. "None of this has ever been done before," says Diane Stratford Czarkowski, cofounder of Canna Advisors. "Sometimes change happens so frequently that you don't have time to implement the last change before you have to make a change again."

Of course, in this way, cannabis entrepreneurs aren't really different from entrepreneurs in any industry. To succeed, everyone will need to put their faith in their problem-solving capabilities, and risk financial safety in the pursuit of a larger reward. Are you up for it?

"You need to be able to get to the edge of the cliff and decide that you are going to jump. Since you don't always know where the landing spot is, your challenge is to build a hang glider and eventually turn that hang glider into a plane and, ultimately, a jet," says Derek Riedle, founder and CEO of the cannabis and lifestyle media company Civilized.

Image credit: @samgodly

Cannabis is the New Gold Rush

Matthew Morgan left a thriving real estate business to jump head first into the cannabis industry.

He hasn't looked back since.

Like most successful entrepreneurs, Matthew Morgan knows how to pivot. When the Montana native realized college wasn't the right fit, he got an apprenticeship with an electrical union. Then the excitement of real estate beckoned, so he heeded the call and shifted gears once again. Despite finding quick success at his new profession, he made one more forward-thinking move.

"Let's be honest," Morgan says, "cannabis is the new gold rush."

He ended up co-founding several different cannabis-related companies, one of which—Reef Dispensaries—operates six retail locations, two manufacturing plants and two laboratories, with more than 400 employees.

His latest venture is Green Axis, an investment firm he hopes will soon be synonymous with cannabis entrepreneurship. Here's how he plans on making that happen.

Why did you move from real estate to cannabis?

Morgan: Just before the 2008 subprime mortgage meltdown, I noticed my real estate success was beginning to crumble due to market conditions and bad regulations. Rather than cling to a sinking ship, I chose to swim and catch a rising tide that was seeing its regulations improve.

How is working in this industry unique?

Morgan: It's still widely uncharted territory. You're trailblazing more than anything, and you don't have a playbook of the right moves to make at the right time—but that's what entrepreneurs thrive on.

I enjoy the challenges just as much as I enjoy knowing exactly what I'm doing. And with ever-changing regulations, banking issues, and emerging tax laws, the cannabis industry is one that forces you to be truly innovative.

How is Green Axis helping you innovate?

Morgan: Green Axis is an incubator—not simply a passive investment firm. Green Axis helps fund, grow, and distribute cannabis through controlling interests in our partnerships. We look for opportunities, we look for differentiators, and we provide the financial backing, knowledge and a deep rolodex in the industry to make something happen.

You recently partnered with Instagram star Dan Bilzerian, who says he wants to create the 'first global cannabis brand.' Is that your goal?

Morgan: Isn't that everybody's goal? I don't believe any entrepreneur plans to build a business that doesn't expand. Without serious dreams, you'll never create serious change.

What are the benefits cannabis provides to you personally?

Morgan: For the last seven years, I've been using cannabis and CBD to help with my chronic insomnia. However, sleep is not something that you get much of as an entrepreneur; I enjoy being awake—realizing my dreams—much more than I do lying in bed while they pass by in my head.

What advice do you have for entrepreneurs looking to break into the industry?

Morgan: Be humble. Times may seem great right now, but these were forged by many before us who took tremendous risks. This is an industry where one has to first earn their stripes.

What's your vision for the future of cannabis?

Morgan: In 10 years, I believe the industry will be almost completely recreational. Not just in North America, but across the world. I see the biggest growth coming from the oil, vape, and edible markets, leaving the actual bud/flower as the smaller piece of the proverbial pie.

Ultimately, I see cannabis becoming as accessible and acceptable as the use of alcohol. And I plan to be on the forefront of making that happen.

To follow Matt and keep up to date with his endeavors, follow him on Instagram at @themattthewmorgan

GREEN AXIS

ARE YOU IN GOOD LEGAL STANDING?

Another thing to consider is: Are you even allowed to participate in the cannabis industry? And if so, how?

Regulations vary from one jurisdiction to another, but a lot of them will only allow people with no criminal record to partake in the industry—or touch the plant—while others will only allow state residents to start plant-touching businesses. Some add even more prerequisites; the most common are being up-to-date on your taxes and not having any DUIs.

Find out what your state and municipal requirements are, and then make certain you meet them before taking any other steps.

ARE YOU WILLING TO START OVER AGAIN?

One way to learn the business from the ground up is to learn on someone else's dime while collecting a paycheck. Hadley Ford is the CEO and cofounder of iAnthus Capital Management, one of the largest investment firms in the cannabis space. Based on his experience in the industry, he proposes an alternative route to starting a marijuana business: "If you currently have a regular job outside the cannabis industry and you've had some track record of success and excellence, the best thing you can do to get into cannabis is to go work for a cannabis company," he says.

"Because there is a dearth of capital and there is a dearth of good people, you can prepare a good résumé and get hired in the middle management of some big operation…work nine-to-five for six to 12 months, and learn the business from the inside and see what it takes to launch your own business in the space," Ford says.

In addition to learning the nuances of your specific subsector, getting a job in an existing cannabis company can help you understand the challenges all cannabis businesses face. It can ultimately become a differentiator when raising capital for your own business because, unlike many other prospective cannabis business owners, you'll have experience in the sector.

Talking about how EVIO Labs hires, cofounder and COO Lori Glauser says, "From entry-level couriers and cannabis samplers, analytical chemists, and biologists all the way up to senior executives with experience growing a business and running multiple labs and technical personnel…most of our employees came to EVIO with little or no prior cannabis testing experience, since cannabis testing is a relatively new business. Some have never consumed, or very rarely consume, cannabis. We don't necessarily look within the cannabis industry for our candidates, as cannabis science can be learned. We bring professional scientists and customer-service-oriented people from a variety of industries."

"Even if you decide to raise money from your uncle John, by getting a job, you'll have a good answer when he asks what you know about cannabis," Ford says.

If you already have a job in this industry, congratulations! You're way ahead of the curve! If not, and if you have the ability to move away from an existing job in another industry, make the move and get learning.

Excerpted from Start Your Own Cannabis Business *(Entrepreneur Press 2018).*

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STAYING POWER:
Keys to Building the Best Consumer Brand in Cannabis

MOXIE HAS QUICKLY RISEN TO THE TOP OF THE HYPER-COMPETITIVE CANNABIS EXTRACT MARKET, AND IT INTENDS TO REMAIN THERE. CEO JORDAN LAMS TELLS US HOW.

It's rough out there for any startup, let alone one in a red-hot industry that's defined by regulations that seemingly change from one day to the next. To avoid flaming out requires more than a little agility.

Just ask the CEO of Moxie, a leading producer of premium quality cannabis concentrate products. "Businesses that can't react quickly or scale to meet new challenges will fail," Jordan Lams warns, "and many already have."

Founded in 2015, Moxie specializes in extracts, the concentrated and purified active ingredients that provide the characteristic flavor and effect of the cannabis plant. Their product is often used medicinally by patients who require an alternative means of consumption to smoking, so how the company is perceived is of utmost importance to Lams: "The less it seems like a drug and the more it seems like a medicine, the more people can ultimately get access to something they deserve to improve their life."

Here's how Lams is ensuring Moxie has the staying power to fulfill its mission.

MAKING STRATEGIC ALLIANCES.

Everything is a moving target in the cannabis industry. From regulations to financing, you have to be fluid and nimble.

"Lots of incumbent businesses that helped build the industry are simply resigned to the black market because of their inability to adapt," Lams says. "Continuing to align with strategic partners is key to survival.

Among these partners are investors who have real experience within and a connection to the community. "There's lots of interest in this space right now, but the majority of investors don't truly add value to their investments—and many don't realize this," Lams says. "Alignment with investors, advisors, and board members is critical."

KEEPING UP WITH REGULATIONS.

Lams says that the "building of a brand is rooted in robust compliance." Never more so than in the cannabis industry.

"Most brands in this space have flamed out because, while their product connected with audiences, they lacked the infrastructure to deliver it in a highly-regulated environment," he says. "It's a great barrier to entry for our competitors."

If you want to be successful in the extract market, Lams says it has to be with integrity and conviction. "When it's not, the consumers pick up on that," he says. "Additionally, we are trying to focus on the user experience. The world of dispensaries has traditionally been a little disconnected. We are working on several projects to bridge the gap between the brand and our consumers."

BEING CONSISTENT.

Moxie has a brand promise that they aim to never compromise on: No matter what market they produce products in, they will provide the same great experience. "This requires quality of raw materials, consistently excellent operations, and regulatory adherence and advocacy," according to Lams.

"From our dealings in the business to our delivery of products, the Moxie name stands for quality," he says. "This industry stands on the shoulders of the sick and downtrodden; we owe it to them to never compromise on values."

FOR MORE INFORMATION ABOUT MOXIE, VISIT **MOXIE710.COM.**

LOCATION IS CRITICAL TO CANNABIS STARTUP SUCCESS

Where are you willing to go to launch your business?

By **Javier Hasse**

You can either pick a location first and then determine which marijuana-related business is most likely to succeed there or think of a business and then find the right location for it. Don't forget, though, that many states only allow residents to start plant-touching businesses, so be sure to find out whether your state has an open or closed market.

> ***"EVERYONE BELIEVES THAT BY JUST GETTING INTO CANNABIS, YOU WILL BECOME RICH, AND THAT IS FAR FROM THE TRUTH."*** —KYLE SPEIDELL

"A cannabis business has two specific types of markets: an open market like you see in Colorado or Oregon, and a closed market like you see in Florida or New York," says Kyle Speidell, cofounder and CEO of The Green Solution, a Colorado-based cannabis company.

An open market allows for anyone who fulfills the legal requirements to start a cannabis business to do so, no matter what state he or she was born or resides in. Conversely, a closed market only allows its own residents to start cannabis businesses. You would need to domicile there and spend a few years actually living in that state and paying taxes before you could start a business in the cannabis space. That's why it's critical to do an early market-location analysis.

"Everyone believes that by just getting into cannabis, you will become rich, and that is far from the truth; your profitability will be determined right from the start with your market analysis," Speidell says. "If you are in an open market, your brand will matter significantly more than a closed market, and if you do not have the strong background knowledge on how to build a brand, you will not appeal to customers that have a plethora of choices. If you are in a closed market, you will have more opportunity to succeed, even when you make mistakes, but you should use that time wisely to build something others cannot easily catch up to, because your brand will matter as the market moves to an open model."

Take into account the existing infrastructure as well. To better illustrate this point, respected cannabis activist and successful entrepreneur Steve DeAngelo holds up his company as an example. Harborside was the first cannabis company to start growing weed in Monterey County, Calif. He chose this location primarily for the preexisting infrastructure: There were unused greenhouses that could be purchased and refurbished for a reasonable price, a large unemployed workforce with experience growing and cutting flowers, and a climate that was ideal for cultivating marijuana.

By finding the right location in terms of climate, infrastructure, and workforce, Harborside was able to start producing cannabis that was the same or better quality as other producers' for at least half the cost.

Excerpted from Start Your Own Cannabis Business *(Entrepreneur Press 2018).*

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3 TIPS FOR HARNESSING INNOVATION

Futurola evolved from a coffee shop in Amsterdam into an international cannabis lifestyle company. Here's how constant innovation made it happen.

There's no entrepreneurship without innovation. New ideas, solutions and products are key for any upstart business to prosper, particularly in the fast-growing and constantly changing cannabis industry.

As Futurola Partner Toby Skard puts it, "Every entrepreneur knows that if you make something that everybody needs, you achieve the greatest success."

An international producer of rolling papers and smoking accessories based in Amsterdam and Los Angeles, Futurola's modest beginnings in 1996 feel like a lifetime ago. Their most revolutionary product—a joint-filling system called the Futurola Knockbox—was a game changer, and is now utilized by dispensaries everywhere.

"It's the top-selling machine for this use in the world right now," Skard says.

It's clear that innovation is at the center of the brand's incredible growth, so we asked Skard to explain how entrepreneurs can cultivate their own creative inspiration.

1. See what's missing and fill the need.

Futurola's founders had several coffee shops in Amsterdam—places where buying and smoking marijuana is legal. Over the years, they learned what was missing in the marketplace and started making their own products.

"There was a massive response from customers, who were sick and tired of low-quality goods," Skard says. "It started with rolling papers, shredders and grinders and grew from there. The coffee shop culture in Amsterdam goes back many years; Europe was actually at the forefront of all this. Now the U.S. has taken over."

2. Utilize the latest technology.

Once Futurola launched in the U.S., people started asking what improvements they could make, especially in regard to the pre-rolling process. The existing machines were too slow for the American market, so they developed the Futurola Knockbox, which rolls 100 joints in two minutes using sound technology.

"That's what changed everything," Skard says. "Speakers tuned to a certain frequency enable the paper cones to be filled in an efficient and consistent way that simply wasn't doable before. It made it very easy for the dispensaries and producers to make thousands of pre-rolls ... and the joints smoke much better."

3. Keep on creating.

Futurola came up with a new packaging machine. Once the producers fill their pre-rolled joints, they need child-resistant packaging, and their device provides the seal.

"All our products tie together in a big circle: It starts with the rolling paper, then the machines that shred the flower and fill the cones, and then the devices for packaging," Skard explains.

Futurola is constantly focused on coming up with new products that will make their clients' lives easier. "I've learned that while you do need to listen to your customers, ultimately you have to show them what they need," Skard says. "If you do something, and you show people the way, they respect you for that.

"We don't jump on trends to make a quick buck," he adds. "Rather, we try to do what we're good at, and build around that. And, I've found, that's what's best for business."

To learn more about Futurola, visit **FuturolaUSA.com**

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→ YOUNG AND HUNGRY
Alina Morse of Zollipops.

Entrepreneur

MEET THE NEW BOSSES

PHOTOGRAPHS BY
DAVID YELLEN

ENTREPRENEUR.COM
SEPTEMBER 2018

Where will the next wave of innovation come from? Trick question: It's already here. Meet nine entrepreneurs aged 20 and under who are making gains in giant industries.

"I FELT LIKE I HAD NOTHING TO LOSE"

ALINA MORSE, 13

Founder and CEO, Zollipops

Just 30 miles northwest of Detroit is the headquarters of a multimillion-dollar candy company called Zollipops. It's housed in a plain-looking warehouse, containing little more than boxes and boxes of sugar-free lollipops, hard candy, and taffy that's sold online and in more than 7,500 stores, and is overseen by a team of six full-time employees and several independent contractors. But down a hall, fluorescent lights make way for the real magic of the place: a corner office decorated with sparkling pink dance trophies, paintings of smiling suns, and construction-paper family trees—the handiwork of the company's founder and CEO, 13-year-old Alina Morse.

During the school year, Alina splits her time among dance, homework, and running Zollipops, but in the summer, she's able to come into the office more often. So less than a week after her last day of seventh grade, on a Tuesday morning in June, Alina and her father, Tom, are here approving printouts of their upcoming advertisements in Kroger's September catalog. "I think we can change the coloration here to be more flattering to her complexion," she says, pointing to the face of her younger sister, Lola. "Also, let's position the Zollipops in a lunch bag along with a few other healthy items like carrots, snap peas, maybe strawberries, so people understand that they're good for you." Her father suggests that it might be wise to incorporate Kroger's own brand of products into the ad. He pauses, trying to remember the brand's name. "Simple Truth!" Alina chimes in immediately. "And I agree; it's good for our relationship with Kroger to use their products."

Whether she's conscious of it or not, this is Alina's charm, and clearly her sales genius. It's why she's invited onto the likes of CNN, NPR, and Fox Business and can win over the buyers of national retailers like Walmart and Jewel Osco—not just because of her products (which are tasty!), but because she uses her age to her advantage. She's a perfectly calibrated contrast, the "kid entrepreneur" who occupies both roles and speaks both languages. "Sometimes my friends will tell me they saw me on television, but other than that, I'm just like everyone else," she says. "That's how I want to be."

It's a powerful trick. And after six years in the candy business, it comes naturally.

The idea for the lollipops, her company's first product, came to Alina back in 2012, when she was just seven years old. As the nationally publicized story goes, on her way out of the bank with her father, she was offered a lollipop. Tom warned her that the lollipop would rot her teeth, and so Alina began wondering how to make a tooth-friendly version. Two years of online research, at least a hundred attempts at concocting lollipops in their home oven, stove, microwave, and numerous plant trials later—where they tested their oven-melted concoctions on commercial production equipment—and Alina and her father secured their first meeting, and ultimately their first retail placement, with Whole Foods. "They loved our product. They loved the idea, and they loved our mission," Alina says. (The sugar-free confections use a combination of natural sweeteners like xylitol and erythritol, which studies, including some in the *International Journal of Dentistry,* have found to reduce plaque and oral bacteria.)

Soon after landing in Whole Foods, Zollipops began shipping on Amazon, which makes up around a quarter of the company's annual sales. (This summer, it was the best-selling sugar-free hard candy on Amazon and the number-two lollipop in general, topping brands like Dum-Dums and Blow Pops.) By 2015, at age nine, Alina was on *The Steve Harvey Show,* telling the host, "I hope every kid in America has a clean mouth, a healthy smile, and a Zollipop in their hands." The next year, she landed Kroger. "We were on the bottom shelf, but it was still really exciting because Kroger is the biggest grocer. And recently, we were brought up to the second-to-last shelf," she says with a laugh.

As the company has grown, with retail sales projected at between $5 million and $6 million this year, Alina's parents have joined Zollipops—in a sense, becoming her employees. Her mom, Sue, who used to work in sales, now serves as the official "stylist and schedule organizer." And Tom, who spent several years as a consultant with Deloitte and still does consulting, is Alina's manager. As they've watched her develop as an entrepreneur, they've come to see her youth as an unexpected advantage. Yes, sure, it gets her on television. But even more important, it makes her fearless.

"Uninhibited. That's how I would describe her," says Sue. "Alina hasn't had five or 10 jobs where you had to follow this rule or that rule or do things in a certain way." Tom agrees. Having worked for major brands, he sees the way his daughter benefits from inexperience. "Kids ask really good questions," he says. "They don't have the same kind of baggage adults do, so they don't see limitations."

Alina admits that not *everything* came naturally. "When I started going on television, my answers were really scripted because I was so young, but as I've gotten older and learned more about the business, I've become more spontaneous." (And it took a few years for her to appreciate just how powerful a marketing tool her TV appearances were.) But in building a business, she always felt liberated. "I really didn't see the risk, because I felt like I had nothing to lose," she says.

Nowadays, Alina and Tom do most of their pitching at sales conferences and trade shows. They attend four to six a year, and depending on her schedule, Alina may present the product herself or have a broker present on her behalf. And back at the office on that June day, that's what daughter and dad turned manager are prepping for. On the schedule is a Skype session with a team of brokers helping to place Zollipops in retailers across Canada, and then Alina and Tom are off to the airport for a quick trip to New York, where they'll be pitching Zollipops to Wakefern and ShopRite stores.

Following that, Alina reminds her dad, there's one last item: She needs to be back in time for a friend's birthday party on Saturday. After all, she has a work-life balance to keep. **—Lakshmi Varanasi**

GROOMING, ELAYNA BACHMAN; JEWELRY, DAVID YURMAN; DRESS, NANETTE LEPORE; EARRINGS, SUGARFIX BY BAUBLEBAR.

"I WANT TO SHOWCASE ALL THE SKILLS I'VE LEARNED"

MOZIAH BRIDGES, 16

Founder and creative director, Mo's Bows

MOZIAH BRIDGES HAS ALWAYS appreciated good style. As a nine-year-old in Memphis, he'd ride his bike around the neighborhood in a suit and tie. He loved the unique and unusual, especially bow ties, but could never find them in the patterns and designs he desired. He asked his grandmother to teach him to sew, and Mo's Bows was born. "Originally, I didn't sell the bow ties. I was trading them for, like, bags of chips," says Bridges. But orders kept coming in, and he finally started charging in cash rather than snacks. Since 2011, Bridges has notched nearly $700,000 in sales, appeared on ABC's *Shark Tank*, and signed a one-year licensing deal with the NBA to create signature bow ties for each team. As the company continues to grow, Bridges wants to expand his skill set, too. He hopes to attend New York's Parsons School of Design and launch a full clothing line by the age of 20. "I want to showcase all the skills I've learned," he says. But first things first, he adds: "I want to get my license and buy a Jeep."

"I WANT TO HEAR IF I'M WRONG OR IF I'M RIGHT"

RACHEL ZIETZ, 18

Founder and CEO, Gladiator Lacrosse

"THERE ARE A LOT of bumps along the way, but the biggest bump is being a teenager," says Rachel Zietz about her entrepreneurial journey. At 13, she started Gladiator Lacrosse to make durable, affordable practice equipment for her favorite sport, and as the business grew, her life became a balancing act. "The school day is the same as the business day, so it's a lot of time management and explaining to teachers that you have to miss part of the day because you're speaking at a conference about your business." Over the past five years, she's grown the brand to have a national retail presence; it's projected to do $2 million in revenue this year, and this summer, her gear was used at the World Lacrosse Championship, which was broadcast on ESPN. Now, as a freshman at Princeton studying economics, she plans to continue building her business, and as a veteran CEO, she is prepared to voice her hard-earned opinions in class. "I want to hear if I'm wrong or if I'm right—and why I'm wrong or why I'm right."

PHOTOGRAPHS COURTESY OF MOZIAH BRIDGES AND RACHEL ZIETZ

Reporting / STEPHANIE SCHOMER and AMY WILKINSON

"THE CONCEPT OF CUSTOMIZED PRODUCTS IS WHERE I SEE THE INDUSTRY HEADING"

BRENNAN AGRANOFF, 18

Founder and CEO, HoopSwagg

BRENNAN AGRANOFF GREW up in Oregon, not far from Nike's headquarters—and he and his friends *loved* Nike. But at the age of 13, when his pals started sporting the brand's $14 Elite basketball socks, Agranoff found the trend to be, well, dull. They came only in muted tones, and Agranoff wanted to stand out. He bought a pair of brightly patterned socks online that set him back $40. "I wanted more, but that price was just ridiculous," he says. He spent nine months researching the printing process, built a business plan, persuaded his parents to invest $3,000, and launched HoopSwagg, a playful brand that manufactures eye-catching basketball socks. Five years later, he has 20 employees and 700 original patterns, and he's on track to hit $1.6 million in revenue this year. He's putting off college to focus on the business, recently launching a second company, PetParty, that prints on-demand socks featuring images of Fido and Cuddles. "The concept of quick-turnaround, customized products is where I see the industry heading," Agranoff says.

"YOU HAVE TO ASK FOR HELP AND ADVICE AND SUPPORT"

ABBY KIRCHER, 18

Founder and CEO, Abby's Better

WHEN ABBY KIRCHER displayed her startup's product—healthy, good-for-you nut butters—at her first natural-product trade show in Baltimore, people loved the taste. They were less sure of Kircher herself. "I was 15 at the time. I'd start talking about our product and people would kind of look to my mom and dad, because it was assumed they were in charge," she says. "But I was like, '*I'm* Abby!'" Confusion aside, the ultimate response was encouraging, and what started as a health-driven hobby in her parents' kitchen has since ballooned into Abby's Better, a brand distributed along the East Coast and Midwest in stores including Wegmans and Lowes Foods, with revenue surpassing $1 million for 2018. Running a team of 12 employees (including her parents and a couple of her brothers) has been a crash course in leadership for the young entrepreneur. "I've learned a lot of humility, that's for sure," Kircher says. "You can't rely on just yourself or just your experience. You have to ask for help and advice and support." Even with a strong support system, Kircher knows she's given up a lot of valuable teen time to be a young CEO. "There have been sacrifices in terms of not going out with friends or to parties because I'm making product or working on our marketing," she says. "And I'm postponing college right now, which is a big sacrifice. But I regret nothing. Running a business is all-consuming in a way, but it's worth it because you know you're working toward your goals, not someone else's."

PHOTOGRAPHS COURTESY OF ABBY KIRCHER AND BRENNAN AGRANOFF

"AGE ISN'T A FACTOR IN INNOVATION"

ANTON KLINGSPOR, 18

Founder and general partner, Indicina Ventures

AS A SIX-YEAR-OLD, Anton Klingspor cut his entrepreneurial baby teeth at his family's abrasives-manufacturing company, routinely attending board meetings in his kiddie-size suit and tie. "There's a picture of me drinking a sippy cup of OJ and programming," he says. By the time he reached junior high, he was dabbling in his own ventures, most notably creating a website with proprietary software that allowed his classmates (for a modest fee) to cut the line at the Adidas website to purchase in-demand Yeezy shoes. (He never heard from Adidas, but Klingspor has received a few cease-and-desist letters from other companies following similar programming ploys.) And in late 2016, with personal capital from earlier enterprises as well as family investments, Klingspor launched the Miami Beach–based Indicina Ventures. The company's function is twofold, as both an incubator and a venture capital firm, but its mission is singular: Help foster the ideas of young entrepreneurs who are not taken seriously by traditional VCs. "Age isn't a factor in innovation," says Klingspor, who is focused on tech startups and is particularly keen on companies that help Gen Zers create YouTube presences, soup to nuts. "If you walk into any kindergarten class and say, 'What does everyone want to be when they grow up?' the answer is 'YouTuber,'" he says. Currently, Indicina's assets total $53 million, and the company's portfolio includes everything from an AI startup to a talent management business. Klingspor is now looking for the right partners to help manage it while he undertakes another lofty pursuit—completing his bachelor's and master's degrees in four short years. "It sounds fanciful, but that's the goal."

"STARTING A COMPANY, THINGS MOVE A LOT QUICKER"

KEIANA CAVÉ, 20

Founder, Mare

AT 15, KEIANA CAVÉ was fascinated by ongoing efforts to clean up the 2010 BP oil spill. Curiosity led the science-minded teen to ask professors at nearby Tulane University to let her use their labs for research, and she discovered something nobody else had: Cancer-causing toxins were developing in the seawater. "I initially tried to publish papers on the topic, but it takes a long time, and academia doesn't have very high visibility," says Cavé, now 20 and a junior at the University of Michigan. "Starting a company, things move a lot quicker." She launched her startup Mare with the intention of finding ways to neutralize those toxins, thereby stopping them from harming the ocean's inhabitants and, eventually, humans as well. At a pitch competition at MIT, Cavé caught the attention of a Chevron executive, which led to a $1.2 million investment and helped her build a team of 14 employees. Earlier this year, Mare was acquired by an oil-and-gas corporation, and that exit has given Cavé the financial freedom (and time) to focus on her next project: developing a nonhormonal, over-the-counter contraceptive pill. "Bye-bye energy, hello drugs," she says, laughing. She's hush-hush about details but says industry partners are already helping her work to make this a reality. Once again, she hopes that starting a company will help her do what a published scientific paper could not: "The same way I was able to change mindsets about approaching oil-spill cleanup? We just have to change mindsets again."

PHOTOGRAPHS COURTESY OF ANTON KLINGSPOR AND KEIANA CAVÉ

"THERE'S ALWAYS SOMETHING TO LEARN"

ZANDRA CUNNINGHAM, 17

Founder and CEO, Zandra Beauty

ZANDRA CUNNINGHAM, like a lot of young girls, was obsessed with lip gloss. When she was nine years old, with the help of her mom, she started making her own lip balms using kits purchased online and the guidance of YouTube videos. She'd pass out her homemade products at her church in Buffalo, N.Y. "One day a lady gave me a dollar in exchange for the lip balm," says Cunningham. "And I was like, *Oh, I can make money off this!*" She began experimenting with new formulas for all-natural skincare products, using each failure as motivation. "The first soap I made looked like crap," she says, laughing. "But it smelled good and the lather was good, so we kept going." She enrolled in KidBiz, a summer youth program offered by SUNY Buffalo State, to learn the basics of building a business. She eventually earned a spot at a pitch competition hosted by Etsy and secured a placement deal with gift retailer Paper Source. From there, business snowballed: Today, Zandra Beauty is sold in Costco, Bed Bath & Beyond, and Wegmans. Revenue is approaching $1 million, and a pending partnership with Target holds the promise of extreme growth. But Cunningham still wants to strengthen her foundation. "I'm starting college this fall, and people have asked me, 'Why do you need to go to college?'" she says. "But there's always something to learn."

"I HAVE THE LUXURY OF THINKING BIG-PICTURE"

ISABELLA ROSE TAYLOR, 17

Founder and CEO, Isabella Rose Taylor

LIKE ANY ENTREPRENEUR, Isabella Rose Taylor has had her fair share of highs and lows. She launched her fashion brand for young women when she was eight and quickly landed in local retailers and boutiques. In 2015, Nordstrom came calling, and her designs spread across the country. But as sales rose to the high six figures, Taylor struggled with sourcing and manufacturing as she tried to scale on the fly. "The Nordstrom deal forced us to handle growth very quickly," she says. "I was just putting out fires, when I really needed to scale back and restructure." So she did. She stopped working with large retailers, and left her hometown of Austin to study fashion marketing at New York's Parsons School of Design; she's since moved home and is taking online business classes from NYU. Taylor is now thinking strategically about partnerships that can build her brand—like a 2017 collaboration with PBteen—and has found partners to help her scale as she rebuilds her retail presence. "I know more about manufacturing and distribution now, but I still don't have those years of expertise," she says. "With a strong team in place, I have the luxury of thinking big-picture."

PHOTOGRAPHS COURTESY OF ZANDRA CUNNINGHAM AND ISABELLA ROSE TAYLOR

FACTORY FOREMAN Kairos founder Ankur Jain is finding problems in need of startups.

THE SOLUTI FACTO

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KAIROS is a company that makes companies. And those companies have a mission: Identify unsexy, overlooked, challenging industries, and then fix them like nobody else ever has.

by MARY PILON

On a recent sun-drenched spring afternoon, Daniel Mishin is strolling through the townhouse in Manhattan's West Village where he lives, works, and, if time allows, plays. It reeks of Manhattan real estate envy—lofty ceilings, wooden staircases, gleaming appliances, capped off with a roof deck and a back porch. Trees line the street, where the Waverly Inn peeks through from the view on the front stoop.

Most enviable is the price tag: Residents here pay $1,900 a month per private room, roughly 20 to 40 percent below the area average for a shared apartment—but the price includes cleaning services, security deposit, internet, utilities, and even some toiletries (among them a very lovely hand soap). "Adult dorms? We don't play that game," says Mishin, who is as crisp and friendly as his surroundings. "This is a home."

His neighbors know they have Mishin to thank for the living arrangement. It's the product of his company, Residenz, which aims to create affordable urban housing for young professionals. But many residents may not be aware that there's a force *behind* Residenz—and it's the same force behind a growing number of buzzy startups run by young, ambitious founders.

It's called Kairos. In the past 18 months, it has produced four startups and invested in 16 more, and it has aggressive plans to keep growing.

Kairos (Greek for "opportunity") is a decade-old, New York–based concern with origins that are not surprising (Wharton) but an approach that is. The company is part venture capital, part mentoring group, part elite society, and it's leading a war of ideas aimed at the kind of young entrepreneurs who would traditionally be lured into the highly paid, snack-filled sanctuaries of Silicon Valley's Notification Industrial Complex. Kairos' very different pitch goes like this: There is enormous untapped opportunity, and potential profit, in unsexy industries like elder care and rental security deposits, where innovation can literally change people's lives. The key to success there is to reverse the typical Valley development process. Rather than create a product and then sell it to consumers, Kairos wants founders to identify real problems faced by consumers and then engineer their solutions.

Kairos is now launching a new startup every few months.

In this way, Ankur Jain, Kairos' 28-year-old founder and co-CEO, is thinking far more Warren Buffett than Jack Dorsey. And in a short amount of time, his focus on the hole in the marketplace rather than the pitch deck has produced results. Today there is more than $6.5 billion in companies that were founded by Kairos entrepreneurs, the bulk of which were started by people under the age of 30. And it's been launching a new startup every few months.

"You see a lot of people in Silicon Valley going after these big, change-the-world ideas," Jain tells me at his offices at 10 Hudson Yards, looking over a wide, twinkling view of Manhattan. Jain speaks with the enthusiasm of a TED Talk, even in casual conversation, rendering his voice slightly hoarse yet convincing. "Ultimately, you waste all this money and no one uses the product. They're so surprised why, and it's because no one was asking for it. Nobody wanted it."

That may be true, but Kairos also lives in its own paradox. How does one marry the oft-criticized forces of technology with the real, deeper needs of consumers beyond Silicon Valley? And in industries where people have spent decades-long careers trying (and often failing) to solve problems, why would young entrepreneurs be expected to fare any better?

JAIN IS THE FIRST to admit the irony. He's drawing a contrast with the same moneyed world he's working alongside. His offices in the Hudson Yards development capture the tension well, located inside a skyscraper that's so new that some stickers haven't been pulled off the walls and the windows that overlook the New York panorama have barely needed to be cleaned. Many of the building dwellers are, like Jain, clad in the tech-casual garb of a black shirt and jeans, but there's no shortage of suits roaming around. (Coach and Neiman Marcus are located here; KKR & Co. and BlackRock are moving in.)

Jain tells me about his childhood in Seattle and early exposure to megacompanies like Microsoft and Boeing, both in his zip code and in his household. His father is Naveen Jain, the founder and former CEO of InfoSpace, a company that boomed and busted with the dot-com bubble and a flurry of lawsuits. His father went on to cofound Moon Express, a lunar exploration business, and Viome, a nutritional genomics company. Jain's mother, Anu, is an entrepreneur and a philanthropist focused on women's rights, science, and technology.

His literal DNA, a mix of private and public partnerships, was part of what fueled Jain to attend Wharton's undergrad program in 2007, where he says he was surprised to find most of his classmates gunning for investment banking gigs rather than starting their own businesses. But then the financial crisis began to dawn. "All of my smartest friends were panicking," Jain says. But he was seeing an important shift: Big business was being demonized, new startups like Facebook were being celebrated, and the recession was highlighting society's fault lines. It was "a crazy, lucky combination of factors," he says, which led some of his friends to ask themselves a question: *Why don't we come together and work on companies that can solve problems?*

In 2008, Jain and some fellow students launched Kairos as an incubator. To gain support, they tried to organize a meeting of Wharton minds and business leaders aboard the aircraft-carrier-turned-museum *Intrepid,* in New York City. Jain sent out 50 letters to CEOs, and while walking to class one day, he received a call from Phil Condit's office. "I could not for the life of me remember who it was at the time," Jain admits. Condit, it would turn out, was the former CEO of Boeing. He'd soon become a mentor to Jain. "It was a true startup experience," Jain says.

The incubator would grow into multiple projects, including something called the Kairos 50, an annual batch of early-stage companies that receive seed funding of $50,000 and guidance. In 2012, intrigued by data and frustrated by his inability to manage the contacts in his phone, Jain left Kairos for a few years to launch his own startup, Humin, a platform that helped people manage their contacts. When Tinder bought Humin, Jain became the parent company's VP of product. (Kairos kept going under the leadership of Jain's business partner, Alex Fiance.) The experience taught him a lot about how product works, particularly on a large scale, but he says he missed the birthing stage of company development. "The reason you hear me

PHOTOGRAPH BY AMANDA FRIEDMAN (INTRO PAGE)

KAIROS' NEW LEADERS

Ben Maruthappu
Cofounder, CEO/
Cera

Paraag Sarva
Cofounder, CEO/
Rhino

Lisa Barnett
Cofounder, CMO/
Little Spoon

Daniel Mishin
Cofounder, CEO/
Residenz

emphasize the pain points of consumers is [because I learned that] just because they use your product, it doesn't mean they want to use all the features you have," Jain says.

So in 2017, Jain returned to Kairos full-time as co-CEO with an idea for what is essentially Kairos version 2.0. Rather than just help incubate early-stage companies, Jain wanted to be directly involved in building some of the most promising ones—using Kairos as a parent company, under which new startups could grow and thrive, and where Jain himself would function as a cofounder of each one.

To begin, the company would do a version of what Kairos did way back at Wharton when just starting out: It would set out to find big, overlooked problems for entrepreneurs to solve.

THERE'S AN ATTITUDE in Silicon Valley that's so mocked, it's become a recurring punch line on HBO's *Silicon Valley*: Startups will *make the world a better place.* Critics say it's a symptom of self-importance—that tech founders see their work as critical and infinitely good, regardless of what their actual product is. (Canned air, anyone?)

Jain knows this, and he doesn't want to fall into the trap. And frankly, he says, there are problems startups just aren't suited to solve. That's why, as he built this new version of Kairos, he first needed to build a way to identify the right problems.

Step one: "We do a ton of research," Jain says. It began with pulling data, having conversations with founders worldwide, and sifting through a sea of company proposals. Instead of looking for flashy pitch decks, or just nodding in agreement about the depth of a problem, Jain and his team looked at how or if a startup was the best way to solve what's going on. Was there potential government red tape, and if so, could it be circumvented? Would people really pay for a solution to the problem? What was the slack being used?

Kairos assembled an advisory board of immense names, which currently includes makeup mogul Bobbi Brown, NFL commissioner Roger Goodell, Dr. Mehmet Oz, former Mexican president Vicente Fox and his wife, Marta, and MetLife's chief marketing officer, Esther Lee, among others. Together, after taking in all the research, the leaders collectively settled on five societal pressure points for Kairos to focus on: student loan debt, cost of rent, parenting, job loss, and senior care. (This can change. The process is repeated on a quarterly basis, Jain says, with the notion that it's deploying capital on a two-year cycle.)

The point of this process is to ultimately narrow down the list of startup ideas Kairos will acquire and develop. There were macro issues with regulation that only governments could really deal with, Jain says. Then there were social issues that were better addressed (or were already being addressed) by nonprofits, NGOs, and in some cases giant, social-oriented tech companies like Apple, Amazon, and Google. "When we looked at the market, we tried to focus on the communities that were the most squeezed," Jain says. "Then the question is, Is [the solution] better done by a startup?"

And this is how, for example, a group of mostly childless 20-somethings came to talk a lot about baby food.

In 2017, Kairos made a prelaunch seed investment in a startup called Little Spoon, cofounded by Lisa Barnett, Ben Lewis, Angela Vranich, and one mom, Michelle Muller. They'd seen a problem in need of solving: Parents of newborns care about their children's nutrition but don't necessarily have the time or, often, the funds to produce high-quality foods catered to the child's needs. So instead of pureeing organic meals for the critical first 1,000 days of a child's dietary life, most parents are buying jarred, processed food that's been sitting on store shelves for months, like outdated fossils from another era—and often not necessarily the right fit for an individual baby's diet.

This wasn't a hard problem to solve, they thought, but it would require new thinking. First came the partnership between two founders with compatible expertise: Barnett understood health and consumer products, having spent six years as an investor and operator, including at Sherpa Foundry, Maveron, and Dorm Room Fund, and before that through her experience at Estée Lauder and Boston Consulting. Lewis, meanwhile, knew food distribution, having cofounded the Greek yogurt company The Epic Seed and the food distribution company Green Shoots Distribution.

They saw the nutrition problem as really an issue of access and time. Although many of the ingredients are available at big-city grocery stores, parents in smaller, rural communities may not be able to find the diverse set of organic ingredients for their baby's specific nutrition needs. And if they do, many still don't have time to prepare these meals. "This issue was what some mom-preneurs were trying to do in their kitchens," Barnett says, "but for them to start scaling, it would have been $14 a meal. The average household income is $69,000. We knew we had to solve for that."

Little Spoon built a platform it calls a Blueprint—a series of questions parents answer about their baby, from whether they were

PHOTOGRAPHS COURTESY OF KAIROS

BIG QUESTION Jain at a Kairos event that brought people together to discuss why Silicon Valley doesn't tackle deeper problems.

delivered by C-section to their head circumference, that leads to a personalized nutrition plan for each child. Then, to produce the food, the startup has food producers ship to a production facility in Southern California, where it's all prepared—blending, packing, and the same cold pressure processing (to help kill off any remaining bacteria) that the expensive juice market has popularized. A proprietary distribution system then enables Little Spoon to mail the customized meals to each family at about $3 per blend—about the cost of baby food at Whole Foods.

Little Spoon launched in November 2017 and delivers to doors in 48 states. "That supply chain allowed us to not be just a brand for the coastal cities or the 1 percent," Lewis says. "We were a brand accessible to everyone, everywhere. We knew that to fulfill our mission, we had to have a national footprint on day one."

Barnett believes that Little Spoon's outsider thinking—no founder came from the baby industry—is part of what enabled its success. "When you're an expert in something, you may be trained to think in a certain way and not necessarily to ask big questions," she says. "When you're young, or new, you may be more inclined to ask, 'Why do people do things in this way? Why has this been the case for so long?' "

AS KAIROS CONTINUES to grow, its startups seem to be developing a pattern. Each searches for smaller vendors that may, on their own, hold part of the solution the startup is trying to solve—and then it coordinates them all to sing together.

That's been the case with Cera, for example, which plays in one of business's least exotic corners: taking care of the elderly. The startup, based in the United Kingdom, was cofounded by Ben Maruthappu, a 30-year-old, Harvard-educated physician who previously worked at the National Health Service. "At NHS, I kept seeing these patients ping-ponging in and out of hospitals due to poor care at home," Maruthappu says. Then the problem became personal when he tried to find care for a relative. It was expensive, and providers seemed completely uncoordinated. "It was a nightmare. There was this revolving door of caretakers. We never knew who was coming and going."

Maruthappu was once a part of the Kairos 50, and he stayed in touch with the company as he continued his work as a doctor. He decided he wanted a way to lower the cost of care while providing more consistent service. It seemed impractical to just launch a traditional elder-care company, but he figured that the solution lay in coordination: Caregivers needed a way to reliably and predictably get around to different families, thereby being available when needed and not just sitting around costing families money while a patient sleeps, and they needed to easily share information with other caregivers. But how? Using Kairos cash, Maruthappu began acquiring many small nursing companies. Then he developed an app for every nurse to coordinate their work through.

The result: For $450 a week, his caregivers are scheduled to visit a patient three times a day, and additional help can be had on demand, 24-7. Caregivers, in turn, can schedule their own hours and do things like fill out reports on their iPhones as they're commuting home.

Since it launched almost two years ago, Cera has grown to averaging more than 6,000 care visits a week and is growing at a monthly rate of roughly 25 percent, Maruthappu says. The company recently closed a $17 million Series A fund-raising round and launched Cera Flex, a program that allows for caregivers to check in on a larger number of patients by visiting during their downtime. Thanks to the efficient use of time, the average family saves $20,000 annually with Cera Flex over traditional home-care nursing, Maruthappu says.

The Kairos startup Rhino approached its problem in a similar way. Rhino was designed to address the problem of security deposits, that extra month's rent (or so) a renter must pay a landlord as a kind of insurance against damages. Neither side likes this system. It makes renting an apartment unaffordable for many people and may put landlords, who just stick the funds in an escrow account, in a jam if damages from a tenant exceed the amount of their deposit. "It's one of those remaining inefficiencies from an antiquated system," Jain says.

To find a solution, Jain collaborated with Paraag Sarva, who was already working on the idea behind Rhino. He's a New York native with a varied résumé—working at Goldman Sachs, then Mayor Michael Bloomberg's office, then the online dating startup HowAboutWe.com, and finally managing his father's 20 buildings and 350 multifamily rental units. Could they find a way to replace security deposits?

Sarva's solution was to replace the deposit with insurance. Rather than pay a large amount up front, a renter would pay into a small monthly plan—say, $10 or so a month for a $2,000 rent—which could drop as much as 40 to 50 percent after a year. That insurance would cover the landlord in the event of damage. The tenant never gets the funds back, but in exchange, they never have to fork over a lump of cash upon moving in, and the landlord is spared the paperwork and headaches of escrow.

Kairos, in addition to providing the initial infusion of cash, helped introduce Sarva to the powerful real estate families of New York to pitch his idea. Rhino launched last February and is currently available in 50,000 units. "In hindsight," Sarva says of his job as Rhino's CEO, "this job makes way more sense because it takes bits of things I've learned at all those places and puts them to my own projects."

> **"We're young," Jain says. "Time is on our side."**

And one of Rhino's partners is Residenz, the company Mishin spearheaded and now literally lives with. It's essentially a property management company that approaches landlords with, say, two-bedroom units and makes a case for how they could be divided into units for three tenants. The company re-creates certain spaces to meet city regulations, fully furnished, and puts itself in charge of all roommate vetting, thus solving the dilemma of swapping leases or one ending a lease before another. The extra roommate, in turn, creates additional revenue, making the unit more profitable to the landlord. Residenz takes a cut of the overall rent.

In all cases, it was a matter of giving smart, young entrepreneurs the power to tackle complex problems in new ways. This is Jain's vision coming to light. Will these startups (ahem) *change the world?* Maybe. But Jain knows he's playing a long game.

"Two years can turn into 10 when you're working on something," he says. "Companies may not take off too fast, the team may not be working as well as we thought, or the consumer pain we thought they were addressing wasn't big or urgent enough to adopt the product. But I think, for us, it's about being comfortable with whatever scenario. We're young. Time is on our side."

Mary Pilon is the author of The Kevin Show *and* The Monopolists.

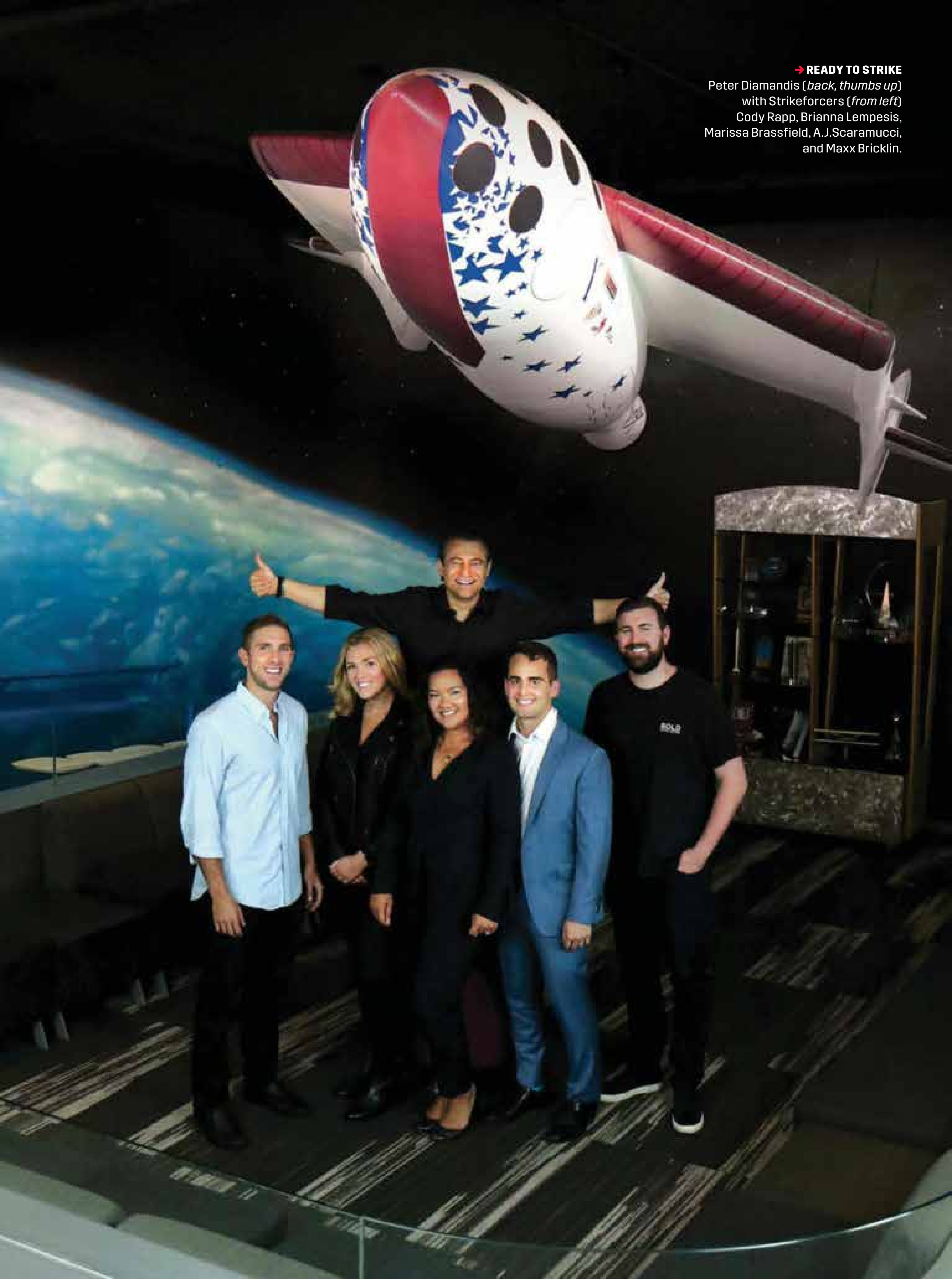
PHOTOGRAPH COURTESY OF KAIROS

Apprentices? Interns? Assistants? No. They are...

Strikeforce

Futurist **PETER DIAMANDIS** offers a deal to young, bright entrepreneurs: Help him for two years, and maybe build the next billion-dollar company at the same time. Inside Silicon Valley's most curious residency.

by ANDREW LEONARD



→ READY TO STRIKE
Peter Diamandis (*back, thumbs up*) with Strikeforcers (*from left*) Cody Rapp, Brianna Lempesis, Marissa Brassfield, A.J.Scaramucci, and Maxx Bricklin.

→ FUTURE MAN
PHD Ventures founder
Peter Diamandis.

PHOTOGRAPH COURTESY OF ABUNDANCE GROUP (INTRO PAGE); PHOTOGRAPH BY ELIZABETH LIPPMAN

As robots go, the three telepresence machines that wheeled themselves into a conference room in Culver City, Calif., in mid May were not exactly what one would call lifelike. Flatscreens mounted on stilts rising from a mobile base, operated from afar by flesh-and-blood humans sitting in front of keyboards, the robots were functionally little more than sophisticated teleconferencing gear. Some people Skype into business meetings, but that's not forward-thinking enough for Peter Diamandis. So when he gathers the dozen or so employees of his company PHD Ventures for their monthly meetings, the off-site participants send robot stand-ins.

"All right, you rebels!" says Diamandis, after the attendees are all in place. "Let's go!" He calls this assemblage his Jedi Council; he is Obi-Wan, and they are his disciples.

Nobody blinks an eye at any of this. Rubbing elbows with robots is hardly the most fast-forward aspect of existence in the "Peter-verse." The job, after all, of the mostly 20-something millennials assembled in this room (or beaming in from New Jersey or Seattle) is to translate Diamandis' futurism into revenue-producing businesses.

Diamandis is a serial entrepreneur, an author, and a public speaker who has started companies dedicated to commercial asteroid mining, zero-gravity flight, and the extension of human longevity, not to mention the XPrize Foundation (which describes itself as "an innovation engine [and] a facilitator of exponential change") and Silicon Valley's way-beyond-the-bleeding-edge Singularity University (more on that later). In other words, Peter Diamandis lives in the future. A future he is 100 percent confident will be great. Bring on the robots!

Diamandis says the Jedi Council meeting is his favorite day of the month, and it's easy to see why. There's a freewheeling sense that anything is possible. Updates on various Diamandis projects are interspersed with bursts of laughter. It's fun to work here—it's fun to work in the future! Everyone here is a true believer in the "abundance mindset": Diamandis' absolute conviction that accelerating technological change will solve all the big problems—energy, climate change, even mortality.

It's clear that Diamandis, 57, feeds off the humming millennial energy. But what's a little less obvious is the extent to which he has institutionalized this cross-generational relationship. Two of the attendees at the meeting, A.J. Scaramucci, 25, and Brianna Lempesis, 26, are not just regular employees. They are the latest members of a special group—an experiment, really, in what happens when the brightest young minds Diamandis can find are given free range within his ecosystem. He calls this group Strikeforce.

Part 24-7 on-call executive assistants and part entrepreneurs in residence, the Strikeforce members serve two-year terms shadowing Diamandis wherever he goes while simultaneously working within (or operating their own) revenue-generating units of PHD Ventures. They are more-than-willing participants in a quid pro quo. In exchange for being at Diamandis' beck and call, they gain access to a constant high-bandwidth download of entrepreneurial wisdom. After their stint comes to an end, they can choose to become "lifers"—permanently employed staff members of PHD Ventures—or go off to start their own entrepreneurial adventures, potentially with direct financial backing from Diamandis.

On one level, Strikeforce is just a fancy name for a concept—apprenticeship—that's as old as the hills. But the relationship between Diamandis and his millennials doesn't fit neatly into a classic top-down, employer/patriarch–employee/acolyte rubric. There's a bit more peer-to-peer two-way flow than you might expect. Even as Diamandis offers guidance, the Strikeforce steers Diamandis. The Strikeforce members aren't just foot soldiers in the Peter-verse; they're architects of its expanding Big Bang.

In the rarefied, geeky world where tech moguls plot the commercialization of space and debate the pros and cons of artificially intelligent robot overlords, Peter Diamandis has been a well-known name for decades. In 1995, hoping to kick-start the private space industry, he founded the XPrize, offering $10 million to the first nongovernmental group to get a three-passenger ship into space twice within two weeks. In 2008, together with the futurist Ray Kurzweil, he galvanized Silicon Valley's adventurous dreamers by founding Singularity University "to educate, inspire, and empower leaders to apply exponential technologies to address humanity's grand challenges."

But Diamandis only started breaking through to a broader public consciousness with the publication of his book *Abundance* in 2012. The combo punch of that plus a widely viewed TED talk, says Diamandis, catalyzed "a phase change." Requests for speaking engagements spiked. People started recognizing him on the street.

"I'd always been an entrepreneur," he says. "My art form is starting companies. But when *Abundance* got published, I ended up with a much higher social profile, and I realized that things I care about and want to teach about were of interest."

Although Diamandis' typical pattern is to spin off the companies he starts to other people and not concern himself with day-to-day management, the job of leveraging his *own* brand, and his *own* message, required attention and dedicated staff. His first step was to circulate an ad on Craigslist and MediaBistro: "Busy entrepreneur seeks online community manager."

THEY RADIATE WITH CONVICTION THAT WE ARE TEETERING ON THE EDGE OF AN AGE OF MARVELS.

At the time, Marissa Brassfield, then 28, was toiling in the sweatshop of online health-and-fitness content generation. (By her own count, over a five-year span she wrote 15,000 articles and edited another 230,000.) She saw the ad, followed up, learned that the entrepreneur was Diamandis, read his book overnight, and nailed the interview. Brassfield soon took over organizing Abundance 360, an annual conference targeting well-off entrepreneurs with a three-day event of networking and concentrated exposure to Diamandis' exponential hope thesis. Tickets for the conference weren't cheap—they're now $15,000 a pop—but Brassfield built up the attendance steadily year by year. In January 2018, a whopping 78 percent of the attendees renewed for the following year on the last day of the conference, and Brassfield received a standing ovation when brought onstage by Diamandis.

Brassfield's success created a template for what was to come—a parade of young and talented employees given wide latitude to exercise their own entrepreneurial energy. But Brassfield herself is a full-time employee, a "lifer." The formalized concept of Strikeforce wasn't created until 2013, when Cody Rapp, then an undergraduate at USC, arrived on the scene as a prospective intern.

Rapp eventually brought his roommate, Maxx Bricklin, into the Strikeforce fold. Then came A.J. Scaramucci, and most recently, Bri Lempesis. Over the course of several years, the terms of the overall deal gradually emerged. Diamandis is a big believer that to be a successful entrepreneur, you need to have some skin in the game. So all the members of PHD Ventures participate in a profit-sharing plan, in which they are entitled to a share of 3 percent of the profits of the entire group and a share of 17 percent of the profits from the business unit they are involved with. The Strikeforce members got the same deal, on top of a basic salary in the $65K-to-$75K range. The goal, says Diamandis is to "double, triple, quadruple your basic salary." And the best way to do that was to build your own new business within PHD Ventures.

Cody Rapp helped Diamandis leverage his multiple networks into a platform for angel investment. Bri Lempesis expanded Abundance 360 into an all-year digital forum. Scaramucci took the lead on building out the Abundance Platinum program, in which Diamandis leads highly curated tours of countries such as China. But by far the most striking development was when Maxx Bricklin, at the age of 22, proposed creating a venture capital fund called Bold Capital Partners.

"You're going to have to convince me of this," Diamandis recalls telling Bricklin.

Bricklin had joined Strikeforce with that in mind. Once he came to understand how a fund could fit into Diamandis' worldview—by investing in companies that seek "exponential transformation"—he pitched it, arguing that the fund could leverage the connections created by PHD Ventures' network.

A few months later, Diamandis said yes. Today it manages two funds that total $250 million, with Bricklin as the founding principal. Recent investments include Insilico Medicine, which aims to use genomics and big data to treat cancer and age-related diseases, and Metawave Corporation, which builds radars using "metamaterials and AI."

"It would not exist had he not had that passion," Diamandis says of his young VC's fund. "So part of what this is all about is me asking Strikeforce members what they are passionate about. 'What do you want to build together?'"

→ FUTURE TROOPERS
Diamandis, geeking out.

After just a few hours spent hanging out with Strikeforce, you start pondering a basic question: Are entrepreneurs born or made? As an undergraduate at MIT in the early '80s, Diamandis founded the (still going) intercollegiate organization Students for the Exploration and Development of Space. His parents wanted him to be a doctor, but Diamandis ended up far more interested in marshaling the forces of business creation. He has started at least a dozen companies and is always looking for the next opportunity.

Past and former Strikeforce members fit the same entrepreneurship-in-the-blood profile. Cody Rapp researched a transportation service for students while studying neuroscience at the University of Southern California. Maxx Bricklin devised an innovative electric car while still in high school. Bri Lempesis hacked her way out of high school by figuring out how to get credits without attending class, taught herself the basics of cryptocurrency so she could buy a fake ID on the Silk Road "dark web" emporium, and then, after skipping college, talked her way into a full-time job at a Palo Alto startup that made telepresence robots (the same robots, in fact, that attended the Jedi Council meeting).

And then there's A.J. Scaramucci (yes, he's a son of *that* Scaramucci). In high school, he occupied his hours by semi-professionally singing opera, searching for exoplanets at a local observatory, and conducting research on mice spleens. During college he interned at Planetary Resources (the asteroid-mining startup cofounded by Diamandis) and worked full-time for Tesla. Somehow he also managed a stint at Google before arriving at PHD Ventures.

Fast-talking, articulate, effortlessly self-promoting, the Strikeforce members weren't so much drawn into the gravitational pull of the Diamandis orbit as they were self-hurled into it via the power of their own custom-built booster rockets. From his dorm room at Tufts, Scaramucci watched an announcement video for Planetary Resources and decided right then and there he had to work for the startup. Around the same time, Rapp read *Abundance* and cold-emailed Diamandis seeking an internship. At her last job, at a data analytics firm, Lempesis decided she was too bored to do anything but jump ship to the Peter-verse. A few phone calls later, she was meeting Diamandis at Silicon Valley's Moffett Field airport. The first lesson one draws from extended exposure to the Strikeforce is that entrepreneurship is inextricable from the pure exertion of will. And you have to wonder: What could such a go-getting pack of self-starters learn from Diamandis?

Persistence, says everyone. "The belief that you can do anything," says Lempesis. "How to sell people," says Bricklin. "Understanding how the world works," says Rapp.

"Vision," says Scaramucci. "Peter is the fucking Picasso of vision."

That vision—of a world of infinite possibility, a world that scoffs at scarcity, a world with colonies on *other* worlds and hover cars and an end to cognitive decline—speaks to a crucial part of the bond between

PHOTOGRAPH BY GETTY IMAGES/ALBERT L. ORTEGA/CONTRIBUTOR

Diamandis and Strikeforce. Everyone alive today is buffeted by a constant barrage of negativity, but millennials in particular have matured in an era bracketed by the recession, imminent climate change doom, and cartoonishly broken politics. Meanwhile, Diamandis, in addition to showing his Strikeforce what the inside of a board meeting looks like or demonstrating the raw mechanics of startup formation, is also selling hope.

And that, right now, is a very underserved market.

"People want hope," says Diamandis. "People want to know that the world is getting better. If I can offer them data-driven optimism, I think that's a really great value proposition."

The morning before the Jedi Council meeting, Diamandis delivered a keynote speech at a conference before an audience of 70 or so "high net worth" real estate investors. Aside from a few references to the onset of 3-D-printed housing, he didn't tailor his remarks to the industry. It was his stump speech, a gung ho elucidation of the-future-will-be-better thesis.

Diamandis believes we are not hearing about all the good news there is in the world because journalism is incentivized to give us an endless deluge of "it bleeds, it leads" clickbait. He's on a mission to turn back that tide. In the past century we've doubled the human life span, he tells the audience. In the next century, we'll double it again. Just a few months ago, he reports, Japanese researchers exploring the ocean floor discovered deposits of the rare earth minerals crucial to our smartphone age that are so plentiful, the whole world won't exhaust them for 500 years. Scarcity is a myth!

"Empowering individuals into an abundant future of unlimited potential has always been a theme for me," he tells me later. What may be most remarkable about his personality is that he has somehow managed to hold on to the same "bright, unencumbered enthusiasm" (his words) he felt as a child watching the first man walk on the moon.

The Strikeforce members absorb that enthusiasm and reflect it back with blinding intensity. Lempesis and Scaramucci, in particular, both radiate with the conviction that we are teetering on the edge of an age of marvels.

The child of a computer programmer and a professor who specialized in early childhood psychological development, Lempesis was practically a laboratory experiment designed to explore how much a motivated autodidact could learn about the world via the internet. She recalls having a cellphone in third grade: "It was so fascinating. I had no one to talk to other than my parents, but I just thought transmitting information was so cool. Look at this little tool in my hand that can contact anybody on Earth.

"I was a very strange kid," she says, and then pauses for a moment. "I'm still very strange as an adult."

Lempesis talked her way into Suitable Technologies, the telepresence robot maker, because of her faith in the transformative possibilities of the internet. With these robots, a disabled person could transcend the limitations of the body and be anywhere. Edward Snowden could appear (with Lempesis' help) at the Consumer Electronics Show in Las Vegas. People could connect through technology. The same wonder she felt in third grade was still driving her forward.

What makes Lempesis an outlier is not her "strangeness" but her ability to hang on to her faith in technology in an environment where the downsides of our digital lives are increasingly well-publicized. It's something that all the Strikeforce members have in common with each other, and with Diamandis. They are far more excited than cynical.

By the time I visit PHD Ventures in May, Maxx Bricklin is fully ensconced working long hours at Bold Capital, from an office up the road in Santa Monica. Cody Rapp is in the preliminary stages of starting his own company but not ready to go public. (He doesn't even want to tell me whether Diamandis is investing in it.) Lempesis is still serving out her two-year term and isn't sure what's next. She could easily see herself becoming a "lifer" like Marissa Brassfield (who says Peter will never let her leave) or striking out on her own.

Scaramucci is months away from finishing his stint as a Strikeforce commando when I arrive. Next up for him: Stanford Business School. He is *really* interested in the future of artificial intelligence. And biotechnology as it applies to human longevity. And Chinese advances in automation.

Those are all huge topics, I point out to him.

"Sure, they're huge," says Scaramucci. "But I don't care. I mean, I'm going to live to at least 150, so I have plenty of time to study things."

And then he laughs long and hard, as if to underline the wackiness of it all. But at the same time, he sounds serious.

The optimism and unbridled ambition of Scaramucci and Lempesis and all the rest seem to be necessary tools in the entrepreneurial arsenal. Too much exposure to the real world can get you down, and that's just not *useful.* Brassfield theorizes that "you almost have to be in a bubble to protect the mindsets of people who need to be visionary and creative." Too much naysaying and you'll never get the courage to go for that moonshot.

Diamandis says the crucial elements of entrepreneurship are "having a vision of where you want to go, then being able to pitch it to others and raise money." The "unfair advantage" he gives to his Strikeforce corps is the ability to tag along with him and see how the game is played at a high level, to see living examples of wild optimism being transformed into lived reality.

"My third week on the job," remembers Rapp, "it was me, Peter, and Richard Branson sitting for two hours talking about space and where the industry was going and what Branson was doing with Virgin Galactic. I'm like, *Holy shit, that's Richard Branson.*"

But the block-and-tackle mechanics of entrepreneurship don't fully explain the liveliness of the Jedi Council meeting, or the playfulness with which Diamandis and the millennials banter.

"I'm clear that this should all be fun," says Diamandis. "This should all be aligned with one's mission and purpose in life. This shouldn't be about just making money. This should be about being in line with what we call our massively transformative purpose. And if it is, then it's a game. Then it's joyful. It's not work."

Diamandis' massively transformative purpose is to "inspire and guide the transformation of humanity on and off the Earth." But even the man preaching the gospel of hope sometimes loses sight of the point of it all. And that's when it really helps to have a 25-year-old sitting next to you.

"Just the ability to reset and to see the world through those non-jaded, youthful eyes is a gift," says Diamandis. "Once, I was with Cody and we were rushing to a speaking engagement in Manhattan. And it was really tight, so we land at JFK and the helicopter picks us up and we're flying down the Hudson at 200 feet above the water and I'm pounding away at emails.

"And Cody says, 'Stop!' He says, 'Look out the fucking window; it's amazing! We are in a helicopter going down the Hudson! This is awesome!'

"And I was like, 'Dude! You are so right!'"

Andrew Leonard lives in Berkeley, Calif., and writes about technology and China.

Make the Most of a Young Staff

At their **Tropical Smoothie Cafe** stores, Dennis and Nicole Drake know that most young employees are temporary. But they invest in their future anyway. by LYDIA BELANGER

Photographs / JON NORRIS

Dennis and Nicole Drake know how to motivate a workforce. The husband-and-wife team—a Defense Department adviser and an aerospace engineer, respectively—spend their days working in highly sensitive U.S. intelligence and defense facilities, managing projects and teams stretched across the globe. Then they turn to their side hustle, where those same skills are put to different use: They own and operate two Tropical Smoothie Cafe stores in Virginia, employing high school and college students preparing for their future. To keep their staff engaged and working hard, the Drakes have implemented programs, rewards systems, and scholarships to set up their employees for success—at Tropical Smoothie Cafe and beyond.

Most of your staff are Gen Z. How do you recruit and hire?

DENNIS: In this industry, you have a lot of companies vying for the same people, and there's high turnover. We have to understand the dynamic of how to hire right and keep our employees from moving simply for a dollar or two.

NICOLE: When I do interviews, I take the "motherly approach." If [the candidate is] still in school, I stress that the most important thing right now is their education. And I establish my expectations up front. I'll tell them that I don't like drama, but I'll also let them know that I want them to come to work and feel safe and comfortable being who they are. That's what we owe our employees.

What have you learned about keeping this younger staff engaged?

DENNIS: They like a healthy challenge and competition. We reward them with our "Atta Boy" employee-of-the-month program that comes with recognition and a bonus. They also value meaningful activities—our guys and gals at our Gainesville location lost a friend to suicide because of bullying, and we took up that cause, with all our employees wearing buttons or shirts to raise awareness and show support. When you care about what they care about, you get great mileage when it comes to their commitment.

How do you support their career development?

NICOLE: We know this is a stepping-stone for them, and we don't want anyone to feel like we're trying to trap them here. But I do want them to learn work ethic. If you're a crew member and you have aspirations to be a leader, then there's a shift-lead goal, an assistant manager goal, and a manager goal. We're extremely proud that both of our managers were some of our first hires.

DENNIS: We also provide résumé assistance for our college students and graduates, we provide letters of recommendation, and we've hosted homework night for students going into final exams—we keep the café open late in the evening so our team has a quiet place to study. We also hold scholarship challenges, certain days where a portion of our sales go toward a fund for our employees.

Do you keep in touch once they've moved on?

DENNIS: The other night, Nicole got a text from one of our ex-employees, who's in college now, that said, "I'm in this business class. What were the methods of customer engagement we used?" It's rewarding—

NICOLE: —to know that they feel comfortable enough to text me at 10 o'clock at night to ask me that question. They know it's OK!

How to Fight Back

After Jersey Mike's came dangerously close to bankruptcy, CEO **Peter Cancro** learned to prepare for the worst—which set him up for lasting success. by HAYDEN FIELD

One night in 1975, 17-year-old Peter Cancro knocked on his high school football coach's front door in Ocean County, N.J. Cancro, a senior and the team's quarterback, was there to ask for a $125,000 loan to buy the sub shop he'd worked at for the past four years. Hours later, Cancro left with the loan, a seven-year payback plan, and the intent to purchase Mike's Subs.

Since then, he's turned that small sub shop into Jersey Mike's, a national franchise with 1,400 locations nationwide and more than $1 billion in annual sales. It's the fastest-growing sandwich chain in the U.S., with more than 18 percent sales growth year over year, according to industry research firm Technomic. (Firehouse Subs, its closest competitor in sales growth, achieved less than 5 percent growth last year.) But there were brutal bumps in the road, including a dance with bankruptcy that changed the way Cancro runs his business.

PHOTOGRAPH COURTESY OF JERSEY MIKE'S

How did you get your start at the sub shop that would become Jersey Mike's?
I started working at Mike's Subs in 1971, when I was 14. My older brother, John, worked there the summer before, and the boss asked him, "What about your brother?" John said, "I know he'll work hard, but I'm not sure how bright he is." That's how I got the job.

What made you fall in love with the operation?
It was in a small beach town in New Jersey, so New Yorkers always came down, along with people from North Jersey. It made us a little more worldly down at the shore. In the summertime, the population quadrupled. We had lines out the door, and we were making a crazy volume of sandwiches. There was no Burger King or McDonald's around. We were it.

You started franchising in 1987. By the early '90s, you've said, the company was on the brink of bankruptcy. What happened?
We opened stores pretty rapidly and put every dime back into growing the business. We had about 35 stores along the Jersey shore. Then 1991 hit, and that was the worst recession for us. It still hasn't left me. Because we had been putting everything toward growth, there was no money in the bank, no reserves, nothing. I had to lay off the six people I had in the office, and that was the toughest thing ever.

How did you work through this with your franchisees?
We met with all the individual store owners to make sure everything was being done right at each location. The business at our existing stores was great, but no one could afford to buy new stores—it was a growth problem.

So how did you ultimately turn things around?
When you don't have any payroll, you can pay a lot of bills. And I worked more than 100 hours a week. I focused on marketing and did a lot of local radio because we couldn't afford TV. We also started some direct mail campaigns and initiated door-to-door grassroots marketing one mile around the stores. Within three years, I'd hired back all the employees that had been let go.

All these years later, how has that experience stuck with you?
At the time, we were mostly reacting. But any business plan will tell you to look at the downturns and upsides and spend more time planning for potential downturns. Think about what could happen, and plan for it. Show up early, stay late.

Most important: What's your favorite sandwich?
The Cancro Special, of course! It's provolone cheese, roast beef, and pepperoni, made "Mike's way." It doesn't sell that much, but if you walk in and ask for one, they know.

BEST IN SERVICE

Our first-ever ranking of the top franchise suppliers, the companies that help franchises succeed.

by TRACY STAPP HEROLD

It's a line used so often in franchise marketing that it's become a cliché: *You're in business for yourself, not by yourself.* But like most clichés, it exists because there's more than a little truth to it. In fact, it's true of not just franchisees but franchisors as well. Few if any franchise companies can become national brands (let alone global powerhouses) without some behind-the-scenes help.

At *Entrepreneur,* we've spent 40-plus years covering franchising, but we've rarely shined the spotlight on the service providers—"suppliers," as the franchise world usually refers to them—who contribute to the success of so many franchisors and franchisees. Now it's time to change that. We're proud to present *Entrepreneur*'s inaugural ranking of the top franchise suppliers.

To find out who the top suppliers are, we surveyed hundreds of franchisors—from brand-new companies just jumping into franchising to top-ranked Franchise 500® brands with thousands of locations—to find out which suppliers they do business with and how satisfied they are with them. Suppliers were then scored based on both how many franchisors reported using them and their satisfaction ratings. The final ranking consists of the 15 top-scoring suppliers in each of seven categories—accounting, banking/financing, legal services, marketing, merchant services, other technology services, and public relations.

Franchisors, whether you are starting out and not sure whom to use or are an established brand shopping around, we hope this ranking will be a valuable resource for you. But we offer the same word of caution we always give prospective franchisees when we rank franchises: This list is not intended as an endorsement of any particular company. Instead, take it as a first step in your research to find the suppliers that best fit your and your franchisees' needs.

ACCOUNTING

AUDITED FINANCIAL STATEMENTS are a required—and vitally important—item in the franchise disclosure documents (FDDs) that are shared with prospective franchisees, so a good auditor is indispensable. And—as with any business—tax, advisory, and other accounting services are essential as well. In our ranking, you'll find the "Big Four" accounting firms, naturally, but there are also smaller firms, including some that specialize in working with franchise companies.

1
Deloitte
Audit and assurance, tax, legal, risk and financial advisory, and consulting services

2
BDO USA, LLP
Audit and tax compliance, tax strategy, mergers and acquisitions, international consulting, royalty audits

3
EKS&H LLLP
Audit, tax, technology, and consulting services

4
EY
Advisory, assurance, tax, and transaction services

5
Grant Thornton LLP
Audit, tax, and advisory services

6
KPMG LLP
Audit, tax, and advisory services

7
RSM US LLP
Audit, tax, and business consulting

8
PwC
Audit, assurance, consulting, and tax services

9
Plante Moran
Audit, tax, wealth management, and business consulting services, including transaction advisory

10
The Franchise CPA
Financial statement audits, royalty audits, and part-time CFO services

11
A. Andrew Gianiodis, CPA
Audit, tax, and business consulting

12
CohnReznick
Accounting, tax, and advisory services

13
DHG (DIXON HUGHES GOODMAN LLP)
Assurance, tax, and advisory services

14
CLA (CLIFTONLARSON-ALLEN LLP)
Wealth advisory, outsourcing, audit, tax, and consulting

15
Baker Tilly
Audit, tax, accounting, and business and transaction advisory services

PHOTOGRAPH COURTESY OF DELOITTE LLP.

DELOITTE

The largest professional services network in the world by revenue and number of professionals, Deloitte provides accounting services to more than 85 percent of the Fortune 500 and more than 6,000 private and middle-market companies. So it's no surprise that among its clients are a number of major franchise brands.

BANKING/FINANCING

OBTAINING FINANCING can be one of the biggest hurdles to starting a business. One advantage of starting a franchise business, though, is that many franchisors have relationships with banks and other financial institutions they can refer their franchisees to for help. These are the financial providers franchisors trust the most to help their franchisees get up and running and keep them funded for the life of their business.

1
Chase for Business
Deposit accounts, loans, credit cards, and cash management

2
Wells Fargo
Banking, investments, mortgage, and consumer and commercial finance

3
Bank of America
Small-business banking, credit, and cash management solutions

4
Guidant Financial
401(k) business financing, SBA loans, unsecured business loans, growth capital, and other business services

5
Benetrends Financial
401(k) rollover funding, SBA loans, and equipment leasing

6
FranFund Inc.
Franchise funding solutions

7
TD Bank
Term loans, lines of credit, commercial real estate mortgages, franchise acquisitions/buyouts/sales, SBA loans, merchant services, credit cards, checking, money market accounts

8
U.S. Bank
Business banking, conventional and SBA financing, credit card and payment solutions, wealth management services

9
Spirit of Texas Bank
Banking and financial services; SBA, real estate, and startup loans

10
BBVA Compass
Banking solutions for franchisors, franchisees, and independent chains

11
PNC Bank, N.A.
Cash-flow solutions

12
First Financial Leasing & Finance
SBA financing for franchise startups, working capital, construction, and acquisitions; equipment leasing

13
DCV Franchise Group
Franchise financing and franchise consulting services

14
Fifth Third Bank
Banking services, including deposit products, loan products, credit cards, payment solutions, and wealth management

15
BB&T
Retail, commercial, and corporate banking, investments, insurance, and wealth management

PHOTOGRAPH COURTESY OF CHASE

CHASE FOR BUSINESS

“We have always had a wonderful relationship with Chase. Actually, our Chase banker was sitting on the floor of my apartment when we purchased the D.P. Dough brand from the founder. The company and its technology are great. But the people make it stand out.” **—MATT CRUMPTON, president and CEO, D.P. Dough**

LEGAL SERVICES

FRANCHISING COMES with its own unique set of legal challenges, starting with the need to draft a complicated legal document—the FDD—and update it every year. So it's no surprise there are a large number of law firms that specialize in working with franchises, offering help with everything from dispute resolution and trademark protection to mergers and acquisitions and international expansion. In this highly competitive category, these are the firms that came out on top.

1
Gray Plant Mooty
Full-service law firm with a franchise and distribution practice team

2
FisherZucker LLC
Full-service franchise law firm offering pre-litigation counseling, litigation, arbitration and mediation, non-compete, antitrust, collections, regulatory compliance, trademark protection, mergers and acquisitions, due diligence, and international and domestic transactions

3
DLA Piper LLP
Legal services including franchise law compliance, mergers and acquisitions, and dispute resolution

4
Drumm Law
Full-service franchise law firm

5
Faegre Baker Daniels
Full-service franchise law firm offering mergers and acquisitions, litigation and dispute resolution, international expansion, privacy/cybersecurity, regulatory compliance, and other services

6
Plave Koch PLC
Franchise legal services, including dispute resolution, transactions, and trademarks

7
Cheng Cohen LLC
Full-service law firm representing franchisors

8
Harold L. Kestenbaum, P.C.
Transactional legal representation for franchisors

9
Mullin Law, PC
Transactional and commercial litigation representation for franchisors and franchisees

10
Carter & Tani
Transactional legal services for franchisors, master franchisees, and Illinois-based franchisees and businesses

11
Haynes and Boone LLP
Domestic and international franchise and distribution counseling, development, expansion, and dispute resolution

12
Law Offices of Carl Khalil & Sada Sheldon
Franchise and trademark legal services

13
Quarles & Brady, LLP
Full-service law firm offering transactional, regulatory, and dispute resolution services

14
Stark & Stark, PC
Full-service franchise law firm offering preparation of franchise disclosure documents, regulatory compliance, trademark legal services, and dispute resolution

15
Warshawsky Seltzer, PLLC
Franchising, licensing, corporate, outside general counsel, and real estate legal services

PHOTOGRAPH BY TRELEVEN PHOTOGRAPHY/GRAY PLANT MOOTY

GRAY PLANT MOOTY

"We have worked with Gray Plant Mooty for more than 10 years now, and they have been a true asset to our organization. Beyond helping us with legal basics and our yearly FDD, they have been a strategic partner in regard to both short-term and long-term tactical advice. Showhomes depends on the wisdom and advice of Gray Plant Mooty as a critical part of our management team." **—MATT KELTON, COO, Showhomes**


OPEN

Service descriptions come from respective suppliers.

MARKETING

FRANCHISORS HAVE a wide variety of options when it comes to growing their brands through marketing, from traditional marketing agencies to those that provide marketing software and other tools. Many focus on digital marketing or social media, while others offer a broader range of services. And some are geared toward attracting customers, while others aim to recruit franchisees for their clients. Whatever the marketing need, there's a supplier to fill it.

1
Scorpion
CMS, web design, and digital marketing solutions and services

2
Hot Dish Advertising
Full-service advertising agency

3
Integrated Digital Strategies
Digital marketing company specializing in franchise development and franchisee marketing

4
Qiigo
Digital marketing for multi-location brands

5
Adfinitely
Marketing campaign management

6
Marketing 360
Digital marketing software and services

7
SOCi Inc.
Social media and reputation management for multi-location brands

8
SeoSamba
Franchise marketing platform

9
Web.com for Enterprise
Custom digital solutions for franchise networks

10
Wheat Creative
Franchise marketing strategy, development websites, and creative and digital collateral

11
Brand Journalists
Franchise development and lead generation marketing

12
Franchise Performance Group
CEO advisory services, franchisee recruitment services including digital marketing and lead generation, and strategic banking relationships

13
Sociallybuzz
Social media reputation, management, and campaign company

14
Rallio
Social media and reputation management technology

15
ClickTecs
Franchise websites and digital marketing services

SCORPION

"Scorpion simply does things right. They demonstrate class in all they do. We have been impressed at almost every turn with Scorpion, from the caliber of the people they find and hire to the detailed way in which they support our company's goals."
—BRIAN CLARK, president and CEO, Service Team of Professionals (STOP)

PHOTOGRAPH COURTESY OF SCORPION

MERCHANT SERVICES

THE ABILITY TO securely process payments is crucial for every modern business, and here again, franchises have a large selection of suppliers to choose from. There are big companies and banks that serve a variety of business customers, as well as companies that serve only certain industries. When searching for the right merchant service provider, franchisors should also consider what other services they offer, such as loyalty programs.

1
Worldpay Inc.
Payment processing, software solutions, reporting and data analytics, fraud monitoring and protection, gift and prepaid card solutions, consulting, and professional services

2
Square
Payment processing, reporting and analytics, POS software, and business services

3
First Data
Payment processing and technology solutions

4
Bank of America Merchant Services
Multi-channel payment, e-commerce, and security solutions

5
Franchise Payments Network
Payment processing and gift/loyalty programs for franchise chains

6
Global Payments Inc. (HEARTLAND)
Payment technology and software solutions

7
Chase Merchant Services
Payment processing

8
TSYS
Payment solutions

9
Stripe
Payments infrastructure and business applications

10
PayPal
Payment technology and software solutions

11
Authorize.Net, A Visa Solution
Payment processing and management system for businesses

12
PNC Merchant Services
Payment processing solutions

Service descriptions come from respective suppliers.

13
Cake from Sysco
Point-of-sale restaurant technology platform and payment processing

14
US Merchant Systems
Credit card processing, POS systems, gift and loyalty card programs, cash advances, and check services

15
ABC Financial
Software and payment processing for health and fitness businesses

PHOTOGRAPH COURTESY OF WORLDPAY, INC.

WORLDPAY INC.

"Worldpay has been a valued vendor for You've Got Maids for a couple of years. They exemplify the type of company that believes in the importance of customer relations and loyalty. They go above and beyond by offering their customers a competitive price match to ensure their satisfaction with both Worldpay's pricing and service."

—FRANK BERGER, founder and CEO, You've Got Maids

OTHER TECHNOLOGY SERVICES

THERE'S NO DOUBT that technology has played an important part in the ability of franchise systems to expand worldwide while maintaining consistent operations and keeping franchisors and franchisees connected. Numerous franchisors and franchisees depend on the companies in this category for software and solutions in areas like CRM, sales, operations, accounting, and more to help their businesses run smoothly.

1
FranConnect
Franchise management software

2
Naranga
Franchise management solutions

3
HubSpot
CRM, marketing, sales, and customer service platform

4
Salesforce
CRM, cloud computing, sales, service, marketing, and analytics apps

5
Intuit Franchise Program
Accounting, payroll, and payment solutions for franchisees

6
Microsoft
Intelligent cloud, CRM, and software solutions

7
Zoho
Cloud software suite and SaaS applications for business

8
FRM Solutions
Software solutions for managing relationships between franchisors and existing/prospective franchisees

9
FranchiseSoft
Franchise management software, including franchise development CRM, operations, and financial components

10
Infusionsoft
CRM, sales, and marketing software

11
MINDBODY
Technology platform for the fitness, wellness, and beauty services industries

12
Vonigo
Business management software for mobile service franchises

Service descriptions come from respective suppliers.

13
Revel Systems
Point-of-sale platform for managing restaurant, quick-service, and retail operations

14
NCR
Self-service kiosks, POS terminals, ATMs, check processing systems, barcode scanners, and business consumables

15
The Better Software Company
Customizable franchise operations management software

FRANCONNECT

PHOTOGRAPH COURTESY OF FRANCONNECT

"For years, AtWork did not have any kind of company intranet platform, and we were afraid that if we tried to develop our own, it would be challenging to maintain and stay relevant. I started doing my research, and immediately FranConnect jumped out as the top platform for franchisors looking to add technology and resources to their franchise system. We have now implemented a number of FranConnect modules, and we're always looking for ways to take full advantage of the resources it provides. This platform has helped drive better communication between our owners and makes everyone feel like they are part of a larger team, rather than alone on an island."
—JASON LEVERANT, president and COO, AtWork Group

PUBLIC RELATIONS

IF THERE'S ONE group of franchise suppliers we at *Entrepreneur* knew well before we put this ranking together, it's this one: PR agencies. They're the ones emailing us daily, working hard to tell their clients' stories in hopes of publication. Some of them even help their clients fill out their annual Franchise 500 applications and regularly update their free online listings. And that's just a sampling of the work they do to help franchise brands gain good exposure and mitigate the bad.

1
Fishman Public Relations
PR and content marketing for franchise lead generation and brand awareness

2
Fish Consulting
Full-service national communications firm specializing in franchise PR and marketing

3
No Limit Agency
Full-service communications firm

4
All Points Public Relations
Publicity, social media, content marketing, and lead generation strategy

5
Franchise Elevator PR
PR services for emerging franchise brands

6
919 Marketing
PR, marketing strategy, social media, digital marketing, and direct marketing

7
Sanderson & Associates
Local and national media placement, media coaching, social media, content and crisis communications, and growth and location consulting for franchisors and franchisees

8
Konnect Agency
PR, franchise development marketing, and social media

9
TopFire Media
Full-service PR and digital marketing agency specializing in franchise lead generation

10
Edelman
Global communications marketing firm

11
Ripley PR
Strategic communication services, including media relations, digital content, social media, and crisis management

12
SPM Communications
PR, crisis communications, social media, and influencer relations for franchise, restaurant, food, retail, lifestyle, and apparel brands

13
C Squared PR
PR, media and influencer relations, marketing communications, promotions, events, and crisis management

14
BizCom Associates
Publicity and brand awareness campaigns, lead generation, franchisee marketing, crisis communications, social media, book publishing, video production, and creative services

15
Decibel Blue
Public engagement, public relations, social media, and digital marketing for franchise systems

PHOTOGRAPH BY BUZZ ORR/FISHMAN PR

FISHMAN PUBLIC RELATIONS

"Fishman PR always exceeds expectations. Last year, a franchisee was helping an overweight dog at a local rescue shed pounds and increase the chances of adoption. When Fishman PR learned of it, they secured coverage for it on *Good Morning America Online*, *Huffington Post*, *Yahoo! News*, and more. This aided the dog's journey to a home and brought recognition to Zoom Room." **—MARK VAN WYE, CEO, Zoom Room**

The New Con Job

Eight years ago, Ally and Scott Svenson started hiring felons to staff MOD Pizza. That turned out to be one of the best business decisions they ever made.

by CLINT CARTER

There was a moment in 2011 when Tony D'Aloia considered his freedom to be a curse. In prison, where he'd just spent the better part of a decade, he could survive a full year on the $100 his mom sent him twice a year, on his birthday and on Christmas. But now that he was outside and back home in Washington state, he needed money to survive—lots of it. He'd heard of job openings with warehouses and construction companies, but nobody seemed eager to bring on a convicted felon.

Then he finally found someone willing to interview him. A young Bellevue pizza joint called MOD was hiring a dishwasher. D'Aloia knew zilch about MOD and wasn't excited about the work. But it came with benefits and a 401(k), which was nice, if unusual. So he went in for the interview.

And anyway, he wasn't in a position to turn down work. By the time he was in his early 20s, D'Aloia had been arrested 38 times. Every time he was released, he'd go right back to jail. "I couldn't last a week on the street," he says. He'd get drunk and start a fight, or trespass after-hours in the park. But his big bust, the one that sent him away for more than five years, was on a conspiracy to distribute ecstasy. He needed two grand to pay off a DUI fine, so he agreed to drive 25,000 pills from the Canadian border down into Washington. The job was a sting, and D'Aloia landed in long-term lockup.

For some reason, MOD overlooked his history. The company met with his parole officer, and once he was cleared to work, D'Aloia was left to scrub dishes while water seeped in through a hole in one of his $20 Payless shoes. MOD gave him a free pizza every day, which he traded on the street for bus tokens to get to and from work. If this was life outside, D'Aloia wasn't sure he was interested.

At the time, MOD still wasn't sure it was interested in him, either. But in 2011 the company was following a few early data points, having discovered that ex-cons could make great employees. That would keep proving itself out. MOD would eventually embrace what it calls impact hiring—people with backgrounds of incarceration, homelessness, drug addiction, or mental disability—and credits the decision in large part with its rapid growth: In the years after D'Aloia's hire, MOD went from five stores in Washington to 367 spread over 28 states and the United Kingdom. It has nine franchise partners, and in 2016, the research firm Technomic named it the fastest-growing restaurant chain in the U.S. Last year, MOD hit $275 million in sales, 81 percent growth over the year prior.

MOD's hiring practices would come to alter everything about the company. "We have no interest in just building another fast-casual pizza business," says Ally Svenson, who cofounded the company in 2008 with her husband, Scott. "We're building a business platform to make positive social impacts." MOD doesn't collect numbers on how many of its employees qualify as "impact hires," but partnerships with organizations like the Monarch School, which helps find jobs for people with autism and ADHD; Juma, which works with young adults in poverty; and Pioneer Human Services, which offers career counseling

PHOTOGRAPHS BY DANIEL BERMAN

MORE THAN PIZZA MOD founders Scott and Ally Svenson are building impact hiring into their franchise.

to the formerly incarcerated, implies that the number is substantial. “People go to job fairs [for impact employees] and hire two or three people,” says Ally. “But we *just* hire that way.”

Often, those hires prosper. From MOD’s perspective, D’Aloia is no charity case. The guy is a slam-dunk hire who immediately appreciated his entry-level job far more than you’d expect from a strong-willed 32-year-old. In his first two years, he was promoted three times. Turns out, the ex-con was full of ambition.

That ambitious spark really began after he started at MOD, the day he got his first check. It was nearly $800—almost four times what he’d lived on for a year in prison. He told his boss as much, who replied, “You earned that money.”

D’Aloia took the cash straight to a shoe store. It was pouring outside, and he could feel water swishing up between his toes. As he stepped off the bus, a gust of wind caught the edge of his pizza box—that free daily pizza, the one he’d eventually stop trading for bus fare—and he managed to save it from flying down the street. Then he marched into the store, bought new shoes, and dumped his old ones in the trash. “Life was better right then,” he says. “I could finally provide for myself.”

→ A FIGHTING CHANCE After being released from prison, Tony D’Aloia found purpose and stability at MOD Pizza.

MOD ISN’T THE Svensons’ first food-industry rodeo. While living in London in 1995, the couple launched the Seattle Coffee Company, a chain they later sold to Starbucks for $85 million. Then they served as board members for an Italian joint called Carluccio’s, helping to scale it for an IPO in 2005. Afterward, they moved back to their hometown of Seattle and started playing with the idea of a fast-casual pizza chain. “Scott and I know what it takes to build a business,” says Ally. “And it’s friggin’ hard. If we were going to put all we have into this place, it needed to be more than a soulless restaurant chain.”

Impact hiring wasn’t immediately part of MOD’s mission. After launching in 2008, the Svensons spent three years refining their business model. They hired a few ex-cons, only because they were available and it seemed like the right thing to do. The real goal was to open a few stores, target different demographics, test the variables. When a store near downtown Seattle failed to hit its numbers, they shut it down.

By 2011, the Svensons had five successful stores and felt ready to scale and eventually consider franchising. They also had come to understand how their impact hires shaped the company’s culture; guys like D’Aloia had become their most driven employees. So that became MOD’s calling—to grow on the strength of the people that other companies overlooked. “After that first three-year period, the mission became very intentional,” says Ally. “We started to describe our business as enlightened capitalism.”

This has inspired franchisees to seek out all sorts of overlooked workers. Three years ago in Houston, for example, a MOD manager brought on a kid with autism to fold pizza boxes. The kid was good, and unlike the rest of the staff, he actually enjoyed folding boxes. So the manager, Mark Foley, hired another kid with autism. Then another. Today, nine of his 25 employees have autism, Down syndrome, or another developmental difference.

MOD’s “enlightened capitalism” isn’t just about hiring. As the company expanded, the mission expanded, too—becoming not just about the people it hires about but everyone it interacts with. For example, pies sell for a set price—$7.67 to $8.47, depending on the market, for an 11-inch pizza—regardless of how many toppings the customer requests. Employees are encouraged to improvise in an endless pursuit of service. If they drop a pie, they can offer the customer a milkshake while they make another; they can give someone a coupon for a free pizza. “That was empowering,” says D’Aloia. “They were like, ‘This is your house. Take care of it.’”

The company came to develop a term for these sort of acts: *MODness*. To spread MODness is to spread happiness.

A concept like MODness begins to inspire all sorts of, well, MODness. When a MOD employee in Sammamish, Wash., discovered that his work-commute bike had been stolen, his colleagues spread MODness by buying him a new one. Afterward, the company as a whole instituted the Bridge Fund, a rainy day account that staffers can access in times of emergency. (The fund currently holds more than $350,000, according to MOD.) When floods hit Houston, the company put up its local employees in hotels, while staffers from across the country mailed gift cards to help their Texan colleagues get back on their feet.

Once, at a meeting in Portland, a MOD employee admitted to his managers that he’d been struggling with homelessness. Some nights he even slept by the Dumpsters outside his store. In the spirit of

MODness, managers hit up some local connections to score him free temporary housing. That employee, Chris Wells, now oversees five stores, soon to be seven, and shares a three-bedroom apartment with his girlfriend and two daughters. He talks about MOD with the passion of a religious convert: "Their pizza sauce pumps through my veins."

To continue to inspire do-good innovation, MOD created an annual meeting—called the Meeting of the MODs—for general managers to gather in Seattle. Recently, Mark Foley, the manager who began hiring autistic employees in Houston, was invited to address his colleagues onstage. As he did, he found himself overwhelmed. "I was an idiot up there, crying," he says. "It was so emotional."

Crying managers aren't a typical scene at a corporate off-site, but they're welcome at MOD. "We're really big on sharing stories," says Sophia Arellano, a MOD recruiter who confirms the profundity of this year's tearjerking GM meeting. "We even have an internal employee Facebook page where people celebrate the good things they see."

To outsiders, all this devotion to MOD can sound like a cult. But the company chalks it up to a self-selecting group. The people who buy into MOD, as either franchisees or employees, are on board with the mission. "Culture is *everything*," says Ally. "Because we invest in it, it defends itself. It's taken on a life of its own."

MOD'S GROWTH arrives at a time when consumers are increasingly willing to support cause-driven companies. Recent surveys by Cox Business and MediaCom show that roughly two-thirds of consumers are willing to spend more money with brands that support social missions. From a business perspective, that makes it increasingly easy to do the right thing. Companies that broadcast their values and then stand behind them are setting themselves up for success.

Though social-impact hiring isn't a new idea—Dave's Killer Bread out of Oregon has been hiring ex-cons for nearly 15 years, and New York's Greyston Bakery has been promoting no-questions "open hiring" for 35 years—it is almost nonexistent within franchises. There are likely many reasons why, but a big one, according to New York–based franchise attorney Harold Kestenbaum, is that it's generally in the franchisor's interest to give its franchisees as much hiring discretion as possible. In a 2014 "joint-employment" ruling against McDonald's, the National Labor Relations Board declared that a corporate office could be held liable for the people its franchisees brought in. "I counsel my clients not to make employment decisions for their franchisees," says Kestenbaum. "You can make recommendations, but I wouldn't go beyond that." (The joint-employment ruling was overturned by the Trump administration, but it's unclear what will happen in the future.)

Of course, MOD doesn't require its franchisees to hire any certain type of employee. It relies on its culture to apply a more subtle form of pressure—

which means that the initiative is always at risk of falling off the agenda. Along the West Coast and in parts of Texas, MOD is good at finding impact hires. But in regions where the company's presence is still new, it has work to do. "We need to be really systematic about embedding our approach so that it's locked in," says Ally.

If MOD's culture-driven attempt to be the first major company to make impact hires at the national level is a success, it could have implications far beyond its 367 stores. "The scope and scale of MOD could bring more attention to the need to hire these people," says Hilary Young, a vice president with Pioneer Human Services, one of the organizations MOD uses to find employees recently released from prison.

Arellano, the franchise's recruiter, knows firsthand how important that "You're hired!" can be. At age 32, she was arrested and convicted of a nonviolent crime, and for her first six months at MOD, she had a tracking device on her ankle. What started as a transitional gig turned into a passion-driven career when she realized how many people like her were on staff. "They're not just employing people," she says of her bosses. "They're giving them a way to feed their families, a way to not go out and reoffend."

By that measure, when MOD comes to town, it's doing more than serving pizza. It's helping to turn crime-prone citizens into productive members of society. And in today's tight labor market—unemployment is below 4 percent—it might also be accessing the last bastion of untapped, hardworking talent. "It's good business to look wherever you can to find the best people for your organization," says Ron Cool, the director of corporate and franchise operations at Garbanzo Mediterranean Fresh, a Colorado-based franchise that, like MOD, works to hire formerly incarcerated and developmentally disabled employees. "These people come in with a genuine desire to better themselves. All they want is a chance."

D'Aloia remembers that feeling well. Now 39, he's a district manager who oversees six MOD locations in Washington. In his seven years with the company, he has flown to the United Kingdom to train managers and spoken at Harvard. "I've had all these opportunities I wouldn't have had if MOD didn't believe in me," he says. "Being able to do that for other people is really important. The best part of the job is helping people through the same situation I was in."

And there it is: the MODness culture keeping itself alive. One kindness begets another. As the company grows, there's no guarantee that the do-good spirit will stay strong. But it's sure worth a shot. "It's not a done deal," says Ally. "It's hard to make sure that our purpose will be protected and perpetuated in the places it's needed most. I feel like we are only starting. We are at the beginning of something."

Clint Carter is a digital nomad who covers travel, food, business, and health for Men's Journal, Men's Health, The Wall Street Journal, *and others.*

Who Has the Strongest Brands?

Franchising is all about brand power. Here are the 200 companies people love the most.

by TRACY STAPP HEROLD

ILLUSTRATION BY ISTOCKPHOTO.COM/SPFDIGITAL

Welcome to *Entrepreneur*'s second annual ranking of the top franchise brands. While our signature ranking, the Franchise 500®, takes a holistic view of the elements that might make a company attractive to prospective franchisees—growth, costs, support, and financial stability—with this list, we want to zero in on one area: brand strength. We do that by analyzing factors such as social media followers, system size, the number of years in business, and the number of years franchising.

Those last two are particularly telling. New franchises come and go every year. Some build up hundreds and even thousands of units before disappearing from the scene, lucky if they're remembered as a footnote in franchise history. The best brands are those that have proven they can stand the test of time. You will find a few relative newcomers here, but the average age of the companies on this list is 47 years.

That said, don't expect any of them to look the same as they did 47 years ago. The key to their longevity lies in their ability to strike a balance between staying true to the roots that gained them fans in the first place and constantly evolving and reinventing themselves to stay relevant in the present day. From a fancy new headquarters to fun on social media to entirely new products and services, we've highlighted just a few of the ways some of these companies are keeping their brands on top.

Remember as you read that this ranking is not intended as a recommendation of any particular company. Always do your research into every aspect of an opportunity before investing. Read their legal documents, consult with an attorney and an accountant, and talk to existing and former franchisees to find what's right for you.

1
McDonald's
Burgers, chicken, salads, beverages
STARTUP COST
$1M–$2.2M
TOTAL UNITS
(Franchised / Co.-Owned)
34,279/3,007

2
KFC
Chicken
STARTUP COST
$1.5M–$2.6M
TOTAL UNITS
(Franchised / Co.-Owned)
19,463/1,363

3
Pizza Hut
Pizza, pasta, wings
STARTUP COST
$302K–$2.2M
TOTAL UNITS
(Franchised / Co.-Owned)
14,645/352

4
Dunkin' Donuts
Coffee, doughnuts, baked goods
STARTUP COST
$228.6K–$1.7M
TOTAL UNITS
(Franchised / Co.-Owned)
12,538/0

5
Subway
Subs, salads
STARTUP COST
$147.1K–$320.7K
TOTAL UNITS
(Franchised / Co.-Owned)
44,608/0

6
Taco Bell
Mexican food
STARTUP COST
$525.1K–$2.6M
TOTAL UNITS
(Franchised / Co.-Owned)
5,889/797

7
7-Eleven
Convenience stores
STARTUP COST
$37.6K–$1.1M
TOTAL UNITS
(Franchised / Co.-Owned)
61,086/1,019

8
Baskin-Robbins
Ice cream, frozen yogurt, frozen beverages
STARTUP COST
$93.6K–$401.8K
TOTAL UNITS
(Franchised / Co.-Owned)
7,982/0

9
Dairy Queen
Ice cream, burgers, chicken
STARTUP COST
$1.1M–$1.9M
TOTAL UNITS
(Franchised / Co.-Owned)
6,905/2

10
GNC Franchising
Vitamins and nutrition products
STARTUP COST
$180.5K–$347.3K
TOTAL UNITS
(Franchised / Co.-Owned)
3,084/3,506

11
Papa John's International
Pizza
STARTUP COST
$130.1K–$844.4K
TOTAL UNITS
(Franchised / Co.-Owned)
4,410/645

12
H&R Block
Tax preparation, electronic filing
STARTUP COST
$31.6K–$149.4K
TOTAL UNITS
(Franchised / Co.-Owned)
4,027/6,655

13
Kumon Math & Reading Centers
Supplemental education
STARTUP COST
$69.6K–$148.97K
TOTAL UNITS
(Franchised / Co.-Owned)
25,827/32

14
Snap-on Tools
Professional tools and equipment
STARTUP COST
$169.5K–$350.2K
TOTAL UNITS
(Franchised / Co.-Owned)
4,696/162

15
RE/MAX
Real estate
STARTUP COST
$37.5K–$225K
TOTAL UNITS
(Franchised / Co.-Owned)
7,560/0

McDonald's/ No.1

MCDONALD'S NEW headquarters is symbolic of the brand's continuing evolution into the "modern progressive burger company" envisioned by CEO Steve Easterbrook. Headquartered in Oak Brook, Ill., since 1971, the Golden Arches returned to its original home base of Chicago this June with the opening of a nine-story, block-wide building in the West Loop neighborhood. The first floor of the new office features an "Experience of the Future" restaurant, open to the public, with self-order kiosks, mobile ordering and payment, table service, and a rotating menu of favorites from around the world. One floor up is the Hamburger University training center, which will host more than 3,000 students annually. Other features include "work neighborhoods" with open floor plans, huddle rooms, communal tables, workstations, and private phone rooms; a 700-person conference center; a work café with stadium seating and a tech bar; a test kitchen that will compost all its waste; and, of course, a fitness center on the ninth floor to work off those Big Macs.

PHOTOGRAPH COURTESY OF MCDONALD'S CORPORATION

16
Sonic Drive-In Restaurants
Burgers, hot dogs, chicken sandwiches, breakfast, ice cream, beverages

STARTUP COST
$1.1M–$2.4M

TOTAL UNITS
(Franchised / Co.-Owned)
3,212/345

17
Ace Hardware
Hardware and home-improvement stores

STARTUP COST
$272.5K–$1.6M

TOTAL UNITS
(Franchised / Co.-Owned)
4,932/101

18
Jazzercise
Group fitness classes, conventions, apparel, and accessories

STARTUP COST
$3.7K–$32.8K

TOTAL UNITS
(Franchised / Co.-Owned)
9,077/2

19
The UPS Store
Postal, business, printing, and communications services

STARTUP COST
$177.96K–$402.6K

TOTAL UNITS
(Franchised / Co.-Owned)
4,979/0

20
Arby's
Sandwiches, fries, shakes

STARTUP COST
$314.6K–$1.8M

TOTAL UNITS
(Franchised / Co.-Owned)
2,360/1,077

21
Jackson Hewitt Tax Service
Tax preparation

STARTUP COST
$39.7K–$105.4K

TOTAL UNITS
(Franchised / Co.-Owned)
4,065/1,772

22
Holiday Inn and Holiday Inn Express
Hotels

STARTUP COST
$7.5M–$24.8M

TOTAL UNITS
(Franchised / Co.-Owned)
3,730/3

23
Great Clips
Hair salons

STARTUP COST
$136.9K–$258.3K

TOTAL UNITS
(Franchised / Co.-Owned)
4,285/0

24
Circle K
Convenience stores

STARTUP COST
$185.5K–$1.6M

TOTAL UNITS
(Franchised / Co.-Owned)
2,286/5,765

25
Jimmy John's Gourmet Sandwiches
Sandwiches

STARTUP COST
$329.5K–$557.5K

TOTAL UNITS
(Franchised / Co.-Owned)
2,718/56

26
Coverall
Commercial cleaning

STARTUP COST
$16.5K–$51.4K

TOTAL UNITS
(Franchised / Co.-Owned)
8,575/0

27
Planet Fitness
Fitness clubs

STARTUP COST
$857.1K–$4.2M

TOTAL UNITS
(Franchised / Co.-Owned)
1,353/58

28
ServiceMaster Clean/ ServiceMaster Restore
Commercial/residential cleaning, disaster restoration

STARTUP COST
$93.2K–$299K

TOTAL UNITS
(Franchised / Co.-Owned)
5,023/10

29
Jan-Pro Franchising International
Commercial cleaning

STARTUP COST
$3.99K–$51.1K

TOTAL UNITS
(Franchised / Co.-Owned)
8,486/0

30
Liberty Tax Service
Tax preparation, electronic filing

STARTUP COST
$58.7K–$71.9K

TOTAL UNITS
(Franchised / Co.-Owned)
3,479/289

31
Denny's
Family restaurants

STARTUP COST
$228K–$2.5M

TOTAL UNITS
(Franchised / Co.-Owned)
1,549/172

32
Ben & Jerry's
Ice cream, frozen yogurt, sorbet, smoothies

STARTUP COST
$156.4K–$486K

TOTAL UNITS
(Franchised / Co.-Owned)
557/29

33
Super 8
Hotels

STARTUP COST
$209.6K–$4.4M

TOTAL UNITS
(Franchised / Co.-Owned)
2,873/0

34
Jack in the Box
Burgers

STARTUP COST
$1.5M–$2.9M

TOTAL UNITS
(Franchised / Co.-Owned)
1,858/394

35
Chem-Dry Carpet & Upholstery Cleaning
Carpet and upholstery cleaning, tile and stone care, granite renewal

STARTUP COST
$56.5K–$162.5K

TOTAL UNITS
(Franchised / Co.-Owned)
3,536/0

36
Rent-A-Center
Rent-to-own furniture, electronics, computers, appliances

STARTUP COST
$355.4K–$582.4K

TOTAL UNITS
(Franchised / Co.-Owned)
150/2,564

37
Supercuts
Hair salons

STARTUP COST
$144.3K–$296.9K

TOTAL UNITS
(Franchised / Co.-Owned)
1,721/944

38
Cruise Planners
Travel agencies

STARTUP COST
$2.1K–$22.9K

TOTAL UNITS
(Franchised / Co.-Owned)
2,564/1

39
Mac Tools
Automotive tools and equipment

STARTUP COST
$171.4K–$359.8K

TOTAL UNITS
(Franchised / Co.-Owned)
1,146/20

40
Hilton Hotels and Resorts
Upscale hotels and resorts

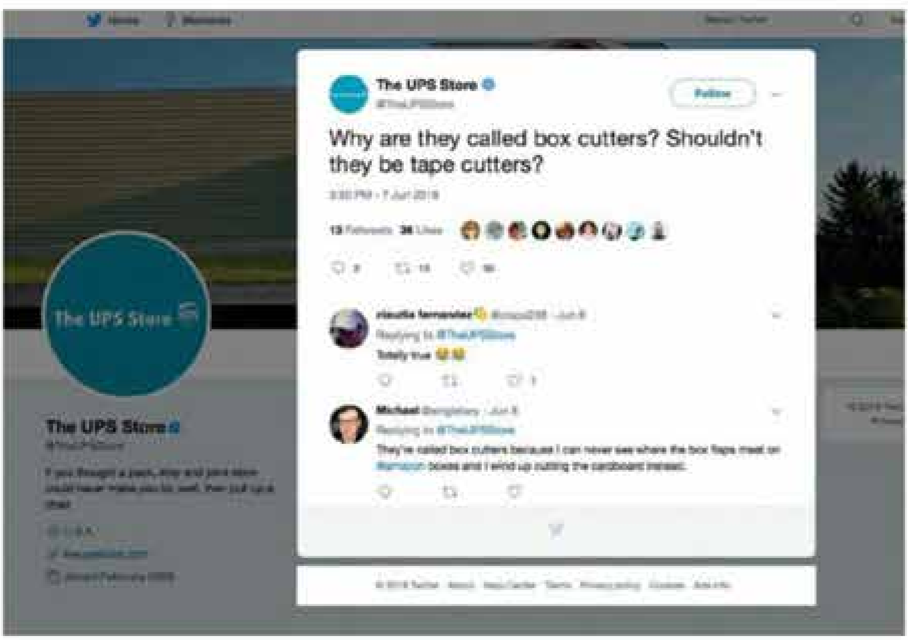
STARTUP COST
$29.1M–$111.95M

TOTAL UNITS
(Franchised / Co.-Owned)
503/69

41
Matco Tools
Mechanics' tools and equipment

STARTUP COST
$91.4K–$269.6K

TOTAL UNITS
(Franchised / Co.-Owned)
1,755/2



SCREEN GRAB COURTESY OF THE UPS STORE

The UPS Store/ No.19

"WE HAVE FAX MACHINES and 3-D printers because we're not sure what year it is." That's just one example of the almost daily tweets made by The UPS Store, showing the brand knows that one of the best ways to connect with customers on social media is through humor. Curiosity helps, too: On Instagram, the company shows off some of the interesting items it's asked to ship, like a diving helmet, a cow skull, and a collection of Power Rangers memorabilia, all tagged with #unexpectedpackandship.

42
Anytime Fitness
Fitness centers

STARTUP COST
$89.4K–$677.8K

TOTAL UNITS
(Franchised / Co.-Owned)
4,019/38

43
Vanguard Cleaning Systems
Commercial cleaning

STARTUP COST
$10.9K–$39.4K

TOTAL UNITS
(Franchised / Co.-Owned)
3,237/0

44
Hardee's
Burgers, chicken, biscuits

STARTUP COST
$1.4M–$1.9M

TOTAL UNITS
(Franchised / Co.-Owned)
2,111/115

45
Hampton by Hilton
Midprice hotels

STARTUP COST
$6.9M–$17.1M

TOTAL UNITS
(Franchised / Co.-Owned)
2,277/0

46
Merry Maids
Residential cleaning

STARTUP COST
$86.8K–$123.8K

TOTAL UNITS
(Franchised / Co.-Owned)
1,667/3

47
Midas International
Auto repair and maintenance

STARTUP COST
$179.1K–$435.1K

TOTAL UNITS
(Franchised / Co.-Owned)
2,090/0

48
Hooters
Casual restaurants

STARTUP COST
$956.5K–$4.3M

TOTAL UNITS
(Franchised / Co.-Owned)
229/197

49
Carl's Jr. Restaurants
Burgers

STARTUP COST
$1.4M–$1.95M

TOTAL UNITS
(Franchised / Co.-Owned)
1,536/80

50
The Maids
Residential cleaning

STARTUP COST
$76.1K–$164.4K

TOTAL UNITS
(Franchised / Co.-Owned)
1,236/111

51
Novus Glass
Auto glass repair and replacement

STARTUP COST
$46.2K–$241.9K

TOTAL UNITS
(Franchised / Co.-Owned)
1,967/32

52
Jiffy Lube International
Oil changes, preventative maintenance

STARTUP COST
$71.7K–$450K

TOTAL UNITS
(Franchised / Co.-Owned)
2,089/0

53
CleanNet USA
Commercial cleaning

STARTUP COST
$20.9K–$85.4K

TOTAL UNITS
(Franchised / Co.-Owned)
2,364/11

54
Auntie Anne's Hand-Rolled Soft Pretzels
Soft pretzels

STARTUP COST
$199.5K–$385.1K

TOTAL UNITS
(Franchised / Co.-Owned)
1,814/14

55
Valvoline Instant Oil Change
Oil changes and preventive maintenance

STARTUP COST
$162.3K–$2.3M

TOTAL UNITS
(Franchised / Co.-Owned)
734/384

56
Jersey Mike's Subs
Subs

STARTUP COST
$178.5K–$746.3K

TOTAL UNITS
(Franchised / Co.-Owned)
1,264/79

57
Servpro
Disaster restoration and cleaning

STARTUP COST
$158.1K–$211.95K

TOTAL UNITS
(Franchised / Co.-Owned)
1,749/0

58
Cold Stone Creamery
Ice cream, sorbet

STARTUP COST
$50.2K–$467.5K

TOTAL UNITS
(Franchised / Co.-Owned)
1,238/10

59
Sport Clips
Men's sports-themed hair salons

STARTUP COST
$189.3K–$354.5K

TOTAL UNITS
(Franchised / Co.-Owned)
1,638/54

60
Gold's Gym
Health and fitness centers

STARTUP COST
$2.2M–$5M

TOTAL UNITS
(Franchised / Co.-Owned)
571/148

61
Edible Arrangements
Sculpted fresh-fruit bouquets

STARTUP COST
$195.5K–$327.7K

TOTAL UNITS
(Franchised / Co.-Owned)
1,239/6

62
Chester's
Chicken

STARTUP COST
$12K–$296.6K

TOTAL UNITS
(Franchised / Co.-Owned)
1,156/0

63
Days Inn
Hotels

STARTUP COST
$194.4K–$7.8M

TOTAL UNITS
(Franchised / Co.-Owned)
1,777/0

64
Snap Fitness
24-hour fitness centers

STARTUP COST
$148.8K–$462.8K

TOTAL UNITS
(Franchised / Co.-Owned)
1,376/34

PHOTOGRAPH COURTESY OF JIMMY JOHN'S

Jimmy John's Gourmet Sandwiches/ No.25

JIMMY JOHN'S HAS long billed itself as "freaky fast" but in recent years has shifted its marketing efforts to emphasize that it's "freaky fresh" as well. Its new advertising campaign celebrates the "freaky" employees who bake fresh bread every four hours (and use a bread color gauge to make sure it's perfect), precisely hand-slice all-natural meats and veggies (lettuce must be $\frac{1}{32}$ of an inch—no more, no less), and even blend batches of the brand's new Kickin' Ranch Sauce daily in store.

LunchboxWax:
A MODERN-DAY CULTURE CLUB

FOUNDER & CEO DEBI LANE TALKS ABOUT THE VIBE BEHIND THE BODY-WAXING BRAND, THE EXPLOSIVE GROWTH AND THE KINDS OF PEOPLE CHOSEN TO JOIN THE CULTURE-DRIVEN FRANCHISE.

When LunchboxWax CEO Debi Lane selects new franchisees for the chic-and-cheeky body-waxing concept she launched in 2010 and franchised in 2013, there's a question she asks herself each time: Could I spend a fulfilling and enjoyable week on a sailboat with this person?

Of course it's not the only requirement, she admits, but it speaks volumes to the company's culture and the people who create it.

"We're redefining what success means in business by placing priority on fostering each person's EQ, or emotional intelligence, as well as their ability to run and grow a business," Lane said. "We are a culture of heart-driven, headstrong people who are as equally interested in taking care of themselves as we are contributing to a greater whole."

The thought behind the sailboat theory, she said, is that people can come together to achieve a goal (or reach a destination), but if the focus isn't on collaboration and purpose, it's not success at all.

You have to wonder, does this progressive, good-hearted approach work?

During the first year of franchising, six salons opened nationwide to welcome women and men who are mindful about people and places they choose for personal services. Since then, the company has near-doubled in size each year and earned a ranking in Entrepreneur Magazine's 2017 top 100 new franchises.

Ed Sheridan, who operates LunchboxWax salons in the Northeast with his son Patrick, says the attention to detail and commitment to culture is central to the growth.

"Walk into any LunchboxWax, and the competence, and kindness is palpable," said Sheridan. "The energy resonates and tells this great story. It's natural to want to be a part of it."

As 2018 gets underway, Lane continues to grow this modern-day culture club by awarding franchises to a diverse mix of curious, driven professionals — people who want the independence afforded by business ownership and the support of a dedicated team in an industry poised for growth (no pun intended).

She says, "Behind our expertly trained waxologists, thoughtfully designed salons and specially formulated products is a knowledgeable, energetic team that guides each LunchboxWax franchisee every step of the way."

Learn more about becoming a LunchboxWax franchisee at lunchboxfranchise.com.

65
Cinnabon
Cinnamon rolls, baked goods, coffee
STARTUP COST
$182.8K–$327.3K
TOTAL UNITS (Franchised / Co.-Owned)
1,464/2

66
Papa Murphy's
Take-and-bake pizza
STARTUP COST
$274.6K–$499.2K
TOTAL UNITS (Franchised / Co.-Owned)
1,397/148

67
Red Roof Inn
Economy hotels
STARTUP COST
$3.5M–$5M
TOTAL UNITS (Franchised / Co.-Owned)
386/126

68
Lawn Doctor
Lawn, tree, and shrub care; mosquito and tick control
STARTUP COST
$101.9K–$115.9K
TOTAL UNITS (Franchised / Co.-Owned)
537/0

69
Motel 6
Economy hotels
STARTUP COST
$2.6M–$3.8M
TOTAL UNITS (Franchised / Co.-Owned)
824/454

70
Stanley Steemer Carpet Cleaner
Carpet and upholstery cleaning
STARTUP COST
$108.9K–$255.6K
TOTAL UNITS (Franchised / Co.-Owned)
206/63

71
ampm
Convenience stores and gas stations
STARTUP COST
$430.7K–$7.9M
TOTAL UNITS (Franchised / Co.-Owned)
956/36

72
Merle Norman Cosmetics
Cosmetics and skin-care products
STARTUP COST
$34.8K–$186.5K
TOTAL UNITS (Franchised / Co.-Owned)
1,182/2

73
Massage Envy
Massage therapy, stretch therapy, skin care, facials
STARTUP COST
$434.8K–$1M
TOTAL UNITS (Franchised / Co.-Owned)
1,189/0

74
Keller Williams
Real estate
STARTUP COST
$183.9K–$336.99K
TOTAL UNITS (Franchised / Co.-Owned)
885/0

75
Eye Level Learning Centers
Supplemental education
STARTUP COST
$58.1K–$140.8K
TOTAL UNITS (Franchised / Co.-Owned)
616/797

76
Budget Blinds
Window coverings, window film, rugs, accessories
STARTUP COST
$110.1K–$230.9K
TOTAL UNITS (Franchised / Co.-Owned)
1,134/0

77
Kampgrounds of America
Campgrounds and RV parks
STARTUP COST
$210.95K–$4.5M
TOTAL UNITS (Franchised / Co.-Owned)
465/30

78
Anago Cleaning Systems
Commercial cleaning
STARTUP COST
$10.4K–$68.5K
TOTAL UNITS (Franchised / Co.-Owned)
1,503/0

79
Sylvan Learning
Individualized supplemental education
STARTUP COST
$70.98K–$159.9K
TOTAL UNITS (Franchised / Co.-Owned)
601/14

80
CiCis
All-you-can-eat pizza buffets
STARTUP COST
$222.5K–$1M
TOTAL UNITS (Franchised / Co.-Owned)
380/50

81
Culver's
Frozen custard, specialty burgers
STARTUP COST
$1.8M–$4.3M
TOTAL UNITS (Franchised / Co.-Owned)
657/7

82
Smoothie King
Smoothies, healthful snacks, health products
STARTUP COST
$225.7K–$778.2K
TOTAL UNITS (Franchised / Co.-Owned)
876/26

83
Kona Ice
Shaved-ice trucks
STARTUP COST
$120.2K–$143K
TOTAL UNITS
(Franchised / Co.-Owned)
1,052/18

84
Golden Corral Restaurants
Family steakhouses, buffets, and bakeries
STARTUP COST
$2.1M–$6.2M
TOTAL UNITS
(Franchised / Co.-Owned)
402/69

85
Pearle Vision
Eye care and eyewear
STARTUP COST
$400.3K–$605.2K
TOTAL UNITS
(Franchised / Co.-Owned)
421/102

86
Del Taco
Mexican/American food
STARTUP COST
$859.7K–$2.1M
TOTAL UNITS
(Franchised / Co.-Owned)
252/312

87
Dippin' Dots Franchising
Specialty ice cream, frozen yogurt, ices, sorbet
STARTUP COST
$112.2K–$366.95K
TOTAL UNITS
(Franchised / Co.-Owned)
212/1

88
Ramada Worldwide
Hotels
STARTUP COST
$218.9K–$13.8M
TOTAL UNITS
(Franchised / Co.-Owned)
873/0

89
Doubletree by Hilton
Upscale hotels and resorts
STARTUP COST
$21.99M–$69.3M
TOTAL UNITS
(Franchised / Co.-Owned)
397/0

90
Home Instead Senior Care
Nonmedical senior care
STARTUP COST
$108.9K–$124.9K
TOTAL UNITS
(Franchised / Co.-Owned)
1,129/3

91
Watermill Express Franchising
Water and ice vending machines
STARTUP COST
$460K–$586.8K
TOTAL UNITS
(Franchised / Co.-Owned)
305/996

92
Wingstop Restaurants
Chicken wings
STARTUP COST
$346.8K–$733.2K
TOTAL UNITS
(Franchised / Co.-Owned)
1,035/21

93
FastSigns International
Signs, graphics
STARTUP COST
$193.5KK–$289.6K
TOTAL UNITS
(Franchised / Co.-Owned)
674/0

94
Minuteman Press International
Printing, graphics, and marketing services
STARTUP COST
$64.2K–$164.5K
TOTAL UNITS
(Franchised / Co.-Owned)
965/0

95
Firehouse Subs
Subs
STARTUP COST
$94.8K–$1.1M
TOTAL UNITS
(Franchised / Co.-Owned)
1,049/37

96
Meineke Car Care Centers
Auto repair and maintenance
STARTUP COST
$123.1K–$572.4K
TOTAL UNITS
(Franchised / Co.-Owned)
915/11

97
Dale Carnegie Training
Workplace training and development
STARTUP COST
$51.2K–$186.5K
TOTAL UNITS
(Franchised / Co.-Owned)
271/2

98
Mathnasium Learning Centers
Math tutoring
STARTUP COST
$112.8K–$148.6K
TOTAL UNITS
(Franchised / Co.-Owned)
892/14

99
Valpak Direct Marketing Systems
Direct-mail and digital advertising
STARTUP COST
$80.6K–$200.8K
TOTAL UNITS
(Franchised / Co.-Owned)
129/14

100
Fantastic Sams Cut & Color
Hair salons
STARTUP COST
$145.4K–$317K
TOTAL UNITS
(Franchised / Co.-Owned)
1,045/3

101
Stratus Building Solutions
Environmentally friendly commercial cleaning
STARTUP COST
$3.5K–$48.4K
TOTAL UNITS (Franchised / Co.-Owned)
1,522/0

102
Complete Weddings + Events
Photography, DJ, video, and photo-booth services
STARTUP COST
$26.4K–$48.7K
TOTAL UNITS (Franchised / Co.-Owned)
194/2

103
Captain D's
Seafood
STARTUP COST
$781K–$1.1M
TOTAL UNITS (Franchised / Co.-Owned)
230/305

104
Dream Vacations
Travel agencies
STARTUP COST
$3.2K–$21.9K
TOTAL UNITS (Franchised / Co.-Owned)
1,119/0

105
Cornwell Quality Tools
Automotive tools and equipment
STARTUP COST
$47.5K–$243.8K
TOTAL UNITS (Franchised / Co.-Owned)
677/0

106
AAMCO Transmissions and Total Car Care
Transmission repair and car care
STARTUP COST
$223.6K–$330.5K
TOTAL UNITS (Franchised / Co.-Owned)
630/0

107
Interim HealthCare
Medical home care, medical staffing
STARTUP COST
$125.5K–$198.5K
TOTAL UNITS (Franchised / Co.-Owned)
561/0

108
Marco's Pizza
Pizza, subs, wings, cheese bread
STARTUP COST
$222.8K–$663.8K
TOTAL UNITS (Franchised / Co.-Owned)
894/0

109
Round Table Franchise
Pizza
STARTUP COST
$423.5K–$831.3K
TOTAL UNITS (Franchised / Co.-Owned)
371/71

110
Molly Maid
Residential cleaning
STARTUP COST
$89.2K–$137.2K
TOTAL UNITS (Franchised / Co.-Owned)
466/0

111
Wienerschnitzel
Hot dogs, ice cream
STARTUP COST
$303.6K–$1.4M
TOTAL UNITS (Franchised / Co.-Owned)
320/0

112
Carvel Ice Cream
Ice cream, ice cream cakes
STARTUP COST
$250.6K–$415.5K
TOTAL UNITS (Franchised / Co.-Owned)
398/0

113
uBreakiFix
Electronics repairs
STARTUP COST
$60.4K–$220.9K
TOTAL UNITS (Franchised / Co.-Owned)
307/18

114
Dickey's Barbecue Pit
Barbecue
STARTUP COST
$289.9K–$421.2K
TOTAL UNITS (Franchised / Co.-Owned)
549/5

115
Ziebart
Auto appearance and protection services
STARTUP COST
$227K–$450K
TOTAL UNITS (Franchised / Co.-Owned)
379/12

Red Roof Inn/ No.67

RED ROOF RECENTLY launched its first "soft brand"—a collection of hotels that will be part of the chain's network but operate under their own unique names and styles, inspired by their local cultures. Hotels in the Red Collection will still offer popular Red Roof amenities—free wi-fi, a pet-friendly policy, and the RediCard loyalty program—but will be located in city centers, close to popular attractions. The first two in the collection, the St. Clair Hotel in downtown Chicago and the State House Inn in Springfield, Ill., are set to open soon.

PHOTOGRAPHS COURTESY OF RED ROOF

116
Primrose School Franchising
Educational childcare
STARTUP COST
$716.7K–$5.8M
TOTAL UNITS
(Franchised / Co.-Owned)
353/0

117
Travelodge
Hotels
STARTUP COST
$198.9K–$7.8M
TOTAL UNITS
(Franchised / Co.-Owned)
415/0

118
Bojangles' Famous Chicken 'n Biscuits
Chicken, biscuits, iced tea
STARTUP COST
$1.4M–$2.2M
TOTAL UNITS
(Franchised / Co.-Owned)
436/326

119
ActionCoach
Business coaching
STARTUP COST
$47.96K–$466.8K
TOTAL UNITS
(Franchised / Co.-Owned)
758/3

120
Orion Food Systems
Fast-food systems for nontraditional markets
STARTUP COST
$59.5K–$140K
TOTAL UNITS
(Franchised / Co.-Owned)
996/0

121
Goddard Systems
Preschool/educational childcare
STARTUP COST
$619.9K–$760.6K
TOTAL UNITS
(Franchised / Co.-Owned)
482/0

122
Hungry Howie's Pizza & Subs
Pizza, subs, calzones, bread, wings, salads
STARTUP COST
$251.4K–$495.9K
TOTAL UNITS
(Franchised / Co.-Owned)
518/30

123
Duraclean
Carpet and upholstery cleaning, disaster restoration, mold remediation
STARTUP COST
$38.7K–$117.9K
TOTAL UNITS
(Franchised / Co.-Owned)
274/9

124
Proforma
Printing and promotional products
STARTUP COST
$4.7K–$39.7K
TOTAL UNITS
(Franchised / Co.-Owned)
654/0

125
Gloria Jean's Coffees
Specialty coffee
STARTUP COST
$181.2K–$488.8K
TOTAL UNITS
(Franchised / Co.-Owned)
856/0

126
TacoTime
Mexican food
STARTUP COST
$144.7K–$814.1K
TOTAL UNITS
(Franchised / Co.-Owned)
274/0

127
Pet Supplies Plus
Retail pet supplies and services
STARTUP COST
$463.7K–$995.4K
TOTAL UNITS
(Franchised / Co.-Owned)
222/213

128
Once Upon A Child
New and used children's clothing, equipment, furniture, toys
STARTUP COST
$254.1K–$390.5K
TOTAL UNITS
(Franchised / Co.-Owned)
357/0

129
Weed Man
Lawn care
STARTUP COST
$68.5K–$85.5K
TOTAL UNITS
(Franchised / Co.-Owned)
335/0

PHOTOGRAPH COURTESY OF DEL TACO

Del Taco/ No.86

DEL TACO HAS ENJOYED 18 consecutive quarters of same-store sales growth, but the company isn't resting on its laurels. A new rebrand announced in June will redesign interiors, menu boards, packaging materials, and uniforms. It will also emphasize the company's use of fresh ingredients—like hand-grated cheese, slow-cooked beans, and hand-sliced avocado—with a new tagline, "Fresh Mexican Grill," and social media campaign, #FreshAsDel. Stores will feature fresh produce chalkboards that inform guests where the ingredients were picked and who prepared them that day.

130
Leadership Management
Leadership and organization training and development
STARTUP COST
$20K–$27.5K
TOTAL UNITS
(Franchised / Co.-Owned)
461/0

131
Big O Tires
Tires, tire services, auto products
STARTUP COST
$260.2K–$1.1M
TOTAL UNITS
(Franchised / Co.-Owned)
395/2

132
Maaco Franchising
Auto painting and collision repair
STARTUP COST
$313.3K–$478.3K
TOTAL UNITS
(Franchised / Co.-Owned)
496/0

133
Blimpie Subs & Salads
Subs, salads
STARTUP COST
$139.8K–$403.5K
TOTAL UNITS
(Franchised / Co.-Owned)
312/3

134
Howard Johnson
Hotels
STARTUP COST
$311.9K–$9.4M
TOTAL UNITS
(Franchised / Co.-Owned)
364/0

135
HoneyBaked Ham
Specialty foods, catering, cafés
STARTUP COST
$299.2K–$468.2K
TOTAL UNITS
(Franchised / Co.-Owned)
206/198

136
Express Employment Professionals
Staffing, HR solutions
STARTUP COST
$130K–$206K
TOTAL UNITS
(Franchised / Co.-Owned)
761/0

137
Miracle Method Surface Refinishing
Kitchen and bathroom surface refinishing
STARTUP COST
$83.4K–$127.99K
TOTAL UNITS
(Franchised / Co.-Owned)
144/1

Valpak Direct Marketing Systems/ No.99

LIKE MANY BRANDS, Valpak—which turns 50 this year—has had to adapt to appeal to today's consumers. The company now offers digital coupons, as well as a mobile app with an augmented reality feature that allows customers to hold their phones to the horizon to see nearby businesses offering deals. But Valpak still mails out its signature Blue Envelope as well. And now it's launching data-driven direct mail products like the Luxe mailer, which includes high-end brands targeting the millennial audience.

LOGOS COURTESY OF VALPAK

138
Rooter-Man
Plumbing, drain, and sewer cleaning
STARTUP COST
$46.8K–$137.6K
TOTAL UNITS
(Franchised / Co.-Owned)
613/22

139
Checkers and Rally's Restaurants
Burgers, fries
STARTUP COST
$96.4K–$1.5M
TOTAL UNITS
(Franchised / Co.-Owned)
567/284

140
Steamatic
Insurance/disaster restoration, cleaning, mold remediation
STARTUP COST
$74.4K–$173.5K
TOTAL UNITS
(Franchised / Co.-Owned)
170/0

141
Realty Executives Intl. Svcs.
Real estate
STARTUP COST
$23.5K–$171K
TOTAL UNITS
(Franchised / Co.-Owned)
481/0

142
Padgett Business Services
Financial, payroll, consulting, and tax services
STARTUP COST
$20.2K–$99.98K
TOTAL UNITS
(Franchised / Co.-Owned)
356/0

143
Schlotzsky's
Sandwiches, pizza, salads
STARTUP COST
$503.8K–$787.98K
TOTAL UNITS
(Franchised / Co.-Owned)
339/25

144
Potbelly Sandwich Shop
Toasted sandwiches
STARTUP COST
$564.1K–$782.7K
TOTAL UNITS
(Franchised / Co.-Owned)
55/424

145
Embassy Suites by Hilton
Upscale all-suite hotels
STARTUP COST
$17.4M–$75M
TOTAL UNITS
(Franchised / Co.-Owned)
235/0

146
Two Men and a Truck International
Moving services
STARTUP COST
$95K–$666K
TOTAL UNITS
(Franchised / Co.-Owned)
300/2

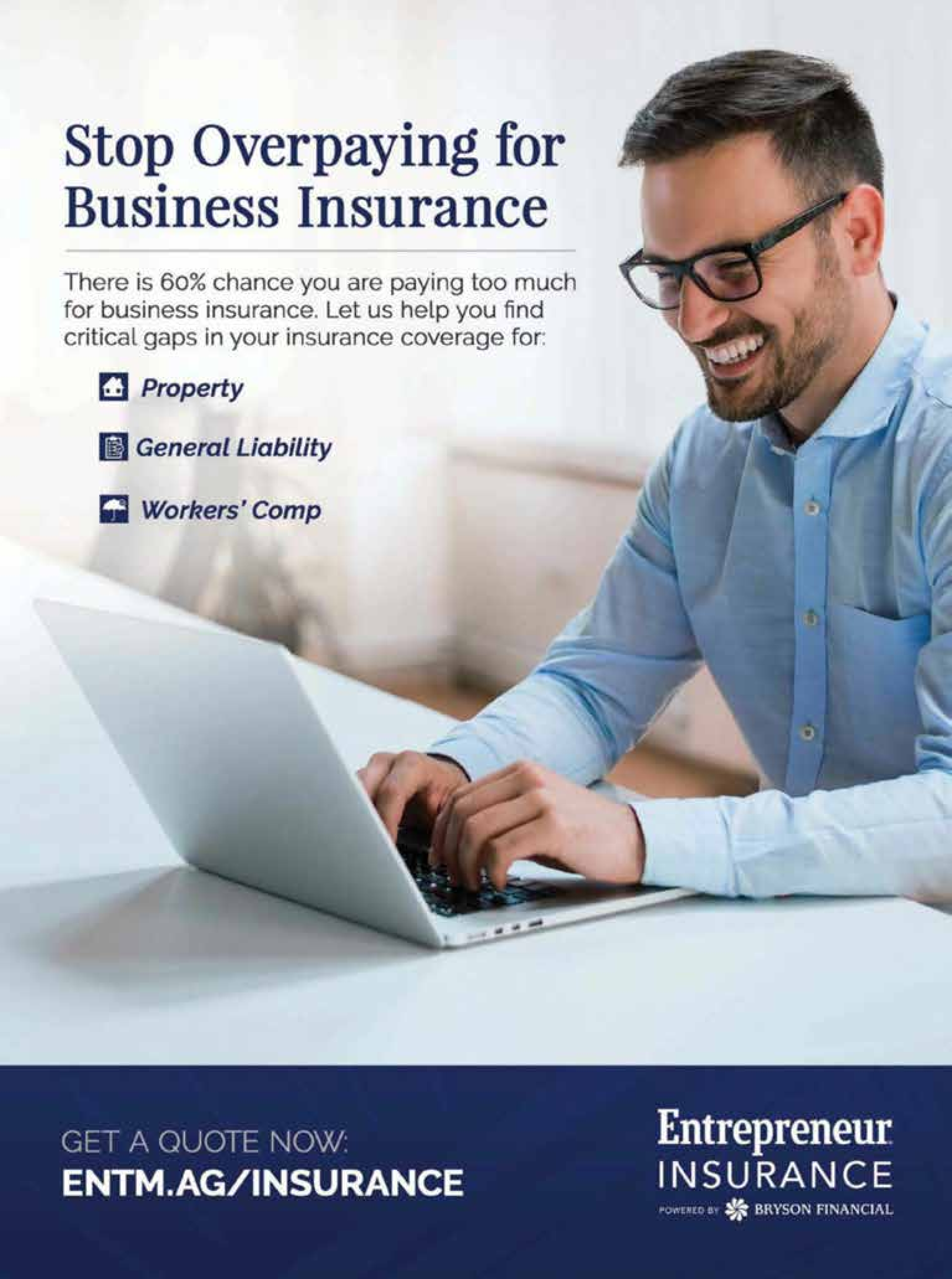
147
Paul Davis Restoration
Insurance restoration
STARTUP COST
$196.4K–$422.6K
TOTAL UNITS
(Franchised / Co.-Owned)
250/0

148
Sandler Training
Sales and sales-management training
STARTUP COST
$91.5K–$108.5K
TOTAL UNITS
(Franchised / Co.-Owned)
263/0

149
Shipley Do-Nuts
Doughnuts, kolaches, pastries, coffee
STARTUP COST
$340.9K–$556.2K
TOTAL UNITS
(Franchised / Co.-Owned)
274/13

150
Martinizing
Dry-cleaning and laundry services
STARTUP COST
$131.4K–$577.3K
TOTAL UNITS
(Franchised / Co.-Owned)
379/0

151
Great American Cookies
Cookies
STARTUP COST
$160.1K–$461.1K
TOTAL UNITS
(Franchised / Co.-Owned)
366/0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152
Crowne Plaza Hotels & Resorts
Hotels
STARTUP COST
$28.4M–$61.3M
TOTAL UNITS
(Franchised / Co.-Owned)
410/0

153
Mr. Rooter
Plumbing, drain, and sewer cleaning
STARTUP COST
$74.3K–$180.2K
TOTAL UNITS
(Franchised / Co.-Owned)
276/0

154
The Melting Pot Restaurants
Fondue restaurants
STARTUP COST
$969.2K–$1.4M
TOTAL UNITS
(Franchised / Co.-Owned)
119/3

155
AlphaGraphics
Digital publishing, internet services, printing, marketing, and communications
STARTUP COST
$285.8K–$429.4K
TOTAL UNITS
(Franchised / Co.-Owned)
281/0

156
Glass Doctor
Auto/residential/commercial glass installation, repair, and replacement
STARTUP COST
$128.8K–$265.5K
TOTAL UNITS
(Franchised / Co.-Owned)
180/0

157
Maid Brigade
Residential cleaning
STARTUP COST
$85K–$124K
TOTAL UNITS
(Franchised / Co.-Owned)
455/0

158
Golden Chick
Chicken
STARTUP COST
$235.5K–$484K
TOTAL UNITS
(Franchised / Co.-Owned)
156/14

159
First Choice Haircutters
Family hair salons
STARTUP COST
$168.9K–$282.6K
TOTAL UNITS
(Franchised / Co.-Owned)
197/210

160
Signarama
Signs
STARTUP COST
$110K–$295.5K
TOTAL UNITS
(Franchised / Co.-Owned)
702/0

161
Togo's
Specialty sandwiches, salads, soups, wraps
STARTUP COST
$274K–$508.7K
TOTAL UNITS
(Franchised / Co.-Owned)
225/12

162
Camille Albane Franchising
Upscale hair and beauty salons
STARTUP COST
$245.9K–$424.8K
TOTAL UNITS
(Franchised / Co.-Owned)
270/0

163
Fatburger North America
Burgers
STARTUP COST
$525.5K–$988K
TOTAL UNITS
(Franchised / Co.-Owned)
159/0

164
AmeriSpec Home Inspection Services
Home inspections
STARTUP COST
$46.4K–$59.7K
TOTAL UNITS
(Franchised / Co.-Owned)
252/0

165
Fox's Pizza Den
Pizza, sandwiches, wings, salads
STARTUP COST
$111.6K–$210.1K
TOTAL UNITS
(Franchised / Co.-Owned)
230/0

166
Palm Beach Tan
Tanning

STARTUP COST
$479K–$789.1K

TOTAL UNITS
(Franchised / Co.-Owned)
257/189

167
Batteries Plus Bulbs
Batteries, light bulbs, related products

STARTUP COST
$152.2K–$369.5K

TOTAL UNITS
(Franchised / Co.-Owned)
660/52

168
WSI
Digital marketing agencies

STARTUP COST
$64.5K–$94.6K

TOTAL UNITS
(Franchised / Co.-Owned)
830/2

169
HouseMaster
Home inspections

STARTUP COST
$61.1K–$106.2K

TOTAL UNITS
(Franchised / Co.-Owned)
312/0

170
Radisson
Hotels

STARTUP COST
$3.2M–$9.9M

TOTAL UNITS
(Franchised / Co.-Owned)
146/15

171
Comet Cleaners
Dry-cleaning and laundry services

STARTUP COST
$570K–$979K

TOTAL UNITS
(Franchised / Co.-Owned)
160/0

172
Petland
Pets, pet supplies, boarding, daycare, grooming

STARTUP COST
$280K–$1M

TOTAL UNITS
(Franchised / Co.-Owned)
176/13

173
Right at Home
Home care, medical staffing

STARTUP COST
$78.3K–$137.9K

TOTAL UNITS
(Franchised / Co.-Owned)
553/0

174
Spring-Green Lawn Care
Lawn and tree care

STARTUP COST
$109.1K

TOTAL UNITS
(Franchised / Co.-Owned)
109/26

175
Kilwins Chocolates Franchise
Chocolates, fudge, ice cream

STARTUP COST
$392.5K–$591.5K

TOTAL UNITS
(Franchised / Co.-Owned)
107/2

176
Sir Speedy Print Signs Marketing
Printing, signs, marketing services

STARTUP COST
$227.98K–$277.98K

TOTAL UNITS
(Franchised / Co.-Owned)
239/0

177
Champs Chicken
Fried chicken, fried fish, sides

STARTUP COST
$9K–$349K

TOTAL UNITS
(Franchised / Co.-Owned)
397/0

178
Cost Cutters Family Hair Care
Family hair salons

STARTUP COST
$139.4K–$290.2K

TOTAL UNITS
(Franchised / Co.-Owned)
382/236

179
PrideStaff
Staffing

STARTUP COST
$154.1K–$260K

TOTAL UNITS
(Franchised / Co.-Owned)
77/2

180
Johnny Rockets
Burger restaurants

STARTUP COST
$605.5K–$1.1M

TOTAL UNITS
(Franchised / Co.-Owned)
379/23

181
Tuffy Associates
Auto repair

STARTUP COST
$224K–$413.5K

TOTAL UNITS
(Franchised / Co.-Owned)
161/17

182
Orangetheory Fitness
Group personal training

STARTUP COST
$563.5K–$999.1K

TOTAL UNITS
(Franchised / Co.-Owned)
962/23

183
United Country Real Estate
Real estate

STARTUP COST
$16.7K–$45.4K

TOTAL UNITS
(Franchised / Co.-Owned)
417/0

184
CPR Cell Phone Repair
Electronics repairs and sales
STARTUP COST
$58.2K–$176K
TOTAL UNITS
(Franchised / Co.-Owned)
365/4

185
Hilton Garden Inn
Upscale midprice hotels
STARTUP COST
$12.1M–$23.2M
TOTAL UNITS
(Franchised / Co.-Owned)
741/0

186
HomeVestors of America
Home buying, repair, and selling
STARTUP COST
$44K–$347.3K
TOTAL UNITS
(Franchised / Co.-Owned)
851/0

187
Precision Tune Auto Care
Auto repair and maintenance
STARTUP COST
$127K–$253.6K
TOTAL UNITS
(Franchised / Co.-Owned)
266/53

188
Furniture Medic
Furniture and wood restoration, repair, and refinishing
STARTUP COST
$80.4K–$90.7K
TOTAL UNITS
(Franchised / Co.-Owned)
348/0

189
My Gym Children's Fitness Center
Early-learning/fitness programs
STARTUP COST
$36.8K–$249.7K
TOTAL UNITS
(Franchised / Co.-Owned)
503/0

190
Labor Finders
Industrial staffing
STARTUP COST
$128.5K–$217.96K
TOTAL UNITS
(Franchised / Co.-Owned)
193/0

191
Weichert Real Estate Affiliates
Real estate
STARTUP COST
$50K–$364.7K
TOTAL UNITS
(Franchised / Co.-Owned)
323/129

192
Fleet Feet Sports
Athletic footwear, apparel, accessories
STARTUP COST
$180K–$338K
TOTAL UNITS
(Franchised / Co.-Owned)
137/34

193
Baymont Inn & Suites
Hotels
STARTUP COST
$213.6K–$6.8M
TOTAL UNITS
(Franchised / Co.-Owned)
449/0

194
Pillar To Post Home Inspectors
Home inspections
STARTUP COST
$34.4K–$42.6K
TOTAL UNITS
(Franchised / Co.-Owned)
560/0

195
Hospitality International
Hotels/motels
STARTUP COST
$133.6K–$2.6M
TOTAL UNITS
(Franchised / Co.-Owned)
231/0

196
PostNet Neighborhood Business Centers
Packing, shipping, printing, signs, marketing solutions
STARTUP COST
$169.8K–$212.3K
TOTAL UNITS
(Franchised / Co.-Owned)
666/0

197
Huntington Learning Centers
Tutoring and test prep
STARTUP COST
$117.97K–$269.5K
TOTAL UNITS
(Franchised / Co.-Owned)
245/35

198
9Round
Kickboxing circuit-training programs
STARTUP COST
$87.2K–$128.8K
TOTAL UNITS
(Franchised / Co.-Owned)
657/7

199
Jet's Pizza
Pizza, subs, salads, wings, dessert
STARTUP COST
$470K–$651K
TOTAL UNITS
(Franchised / Co.-Owned)
360/38

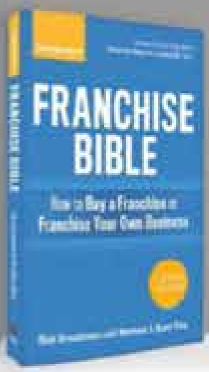
200
N-Hance Wood Refinishing
Wood floor and cabinet refinishing
STARTUP COST
$62.2K–$160.9K
TOTAL UNITS
(Franchised / Co.-Owned)
479/0

OPPORTUNITY SPOTLIGHT

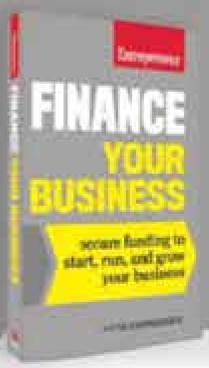
One of these opportunities could mark the turning point to owning a business of your own, realizing your personal dreams and securing true financial independence. So go ahead, make your first move by considering all that they have to offer in this Opportunity Spotlight. Then make your first call.

Starting a Business

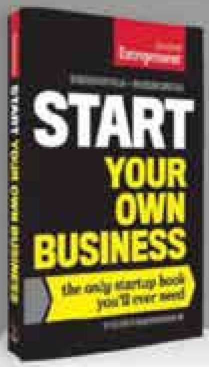
You've got the idea and the passion; now learn what you need to know to hit the ground running



Franchise Bible



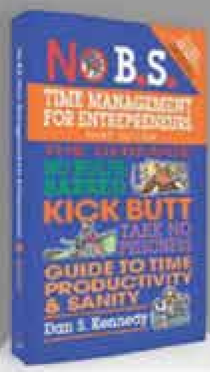
Finance Your Business



Start Your Own Business

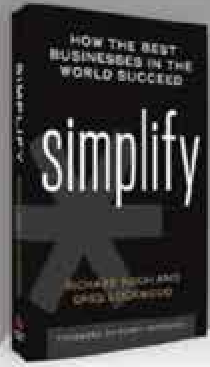
Planning

Preparation is key to your success—uncover valuable tools to establish and grow your business



No B.S. Time Management for Entrepreneurs

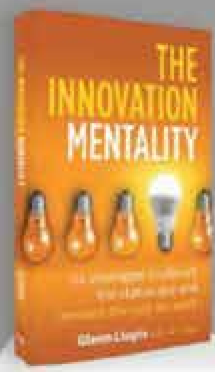
The Tax and Legal Playbook



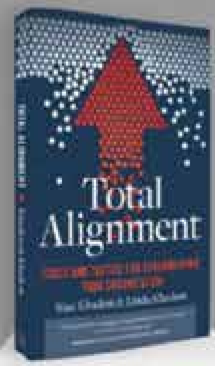
Simplify

Leadership

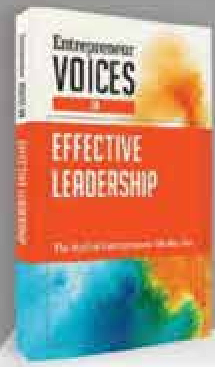
Your success is driven by your ability to lead—discover strategies and techniques to improve your leadership skills



The Innovation Mentality



Total Alignment



Entrepreneur Voices on Effective Leadership

Shelve Under

Whether establishing your operations or spreading the word, no matter what stage

→ **THNKS FR TH MMRS**
John Janick (*second from left*) with Fall Out Boy's Pete Wentz (*fourth from left*) and the Fueled by Ramen family in 2007.

Fueled by Family

by John Janick, CEO, Interscope Geffen A&M

When I was a teenager, in the '90s, I was really into underground music. I'd buy wholesale orders of CDs I loved and then sell them to friends for $10 apiece. Eventually I started putting together compilations. It wasn't about making a profit as much as it was about turning people on to new music that I loved.

I was friends with a local band, Less Than Jake, in Florida, and the summer before my freshman year at the University of Florida, the drummer, Vinnie Fiorello, and I decided to start a record label. We launched Fueled by Ramen out of my dorm room in 1996. There was no guidebook—and not many people there in Gainesville to learn from.

We signed artists from all over the country, young acts that bigger labels weren't paying attention to. We wanted so badly to show these bands what we could do for them. I purposely took five years to finish my undergraduate degrees; college life gave me a place to sleep and eat while I built the business.

A few years in, I kept seeing flyers for this band from Chicago called Fall Out Boy. I remember thinking, *That name is so horrible.* But when I finally checked them out, they were *so* good. I gave them a call and signed them immediately over the telephone, just based on their music and vibes.

Fall Out Boy obviously went on to have multiple platinum albums—they were our first really big success. This photo of me and [Fall Out Boy's] Pete Wentz, and some of the guys from The Academy Is… and Cobra Starship, was taken backstage after a show in 2007. Fall Out Boy and Panic! At The Disco, another band on our roster, had gone platinum by then. It's crazy to think about where I am now—running Interscope, living in L.A. with my wife and two kids—compared to where I was then, having spent years sleeping on an air mattress in a dorm room.

This picture sits in my office and reminds me of that hustle, but mostly that Fueled by Ramen was a family. We worked together, ate together, played basketball at night together. We did whatever we could to break an artist. We all knew we were working toward something bigger, and we created a family atmosphere that could be felt by the people at the label and the artists and the fans. Now that's what I also love about Interscope—we're a family, and a real entrepreneurial culture that both artists and employees want to be a part of. If you can achieve that, you're checking all the boxes.

WHAT INSPIRES YOU?
Tell us about a story, person, object, or something else that pushes you forward, and we may include it in a future issue. And we may make you photograph or illustrate it, too. Email **INSPIRE@ENTREPRENEUR.COM** with the subject line **"WHAT INSPIRES ME."**

PHOTOGRAPH COURTESY OF JOHN JANICK

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