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(On the cover and this page) **Photographs** Brian Finke

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CHAPTER 1

NEGOTIATING SUCCESS

How to get what you want—and what your business needs.

Start Your Own Business

WHAT'S YOUR DEAL?

Negotiating Successfully **by CLIFF ENNICO**

If you're in business, you're a negotiator. You have no choice. Business doesn't happen unless two or more people enter into a transaction. This can be as simple as buying inventory or as complicated as a merger of two public companies. Without transactions, business doesn't happen, and every transaction involves a certain amount of negotiation.

If I had to pick one of the scariest challenges facing every first-time entrepreneur, it would be learning how to negotiate. Nobody (except perhaps a lawyer) likes to negotiate—it's confrontational, it involves a certain amount of "playacting," and it may put you in the position of thinking you're "putting something over" on another human being. In a big company, you had the luxury of hiring people to do this for you. Not anymore.

When you're in business for yourself, negotiating the best possible deals is a high, if not the highest, priority. As a business owner, you can't know enough about negotiating.

WHAT IS NEGOTIATION?

It's a lot easier to describe what negotiation *isn't* than what it is. Let's get some things straight up front. Negotiation is not:

- A search for truth, justice, and absolute fairness
- A friendly discussion at the corner Starbucks
- A quest for the perfect solution to a business problem

Make no mistake: Negotiation is a game. Whether sellers have paid good money for something or are emotionally attached to it, they'll want to get the most money they can from its sale. Buyers are worried about losing money and want to pay as little as possible so the chances of making a profit on resale are as high as possible. Somewhere between these two goals, there's a deal waiting to happen.

The goal in negotiating is to win—to get the best deal you can. Period.

PREPARING FOR NEGOTIATION

To get ready for any negotiation, you must do three things:

1 Know your bargaining position. In every negotiation, someone is in a stronger position and someone is in a weaker position. Where are you?

Let's say you're looking to lease 1,000 square feet of retail space in a shopping center. The landlord is a large commercial real estate developer with two million square feet of space in five major shopping malls in your town. How flexible do you think this landlord will be in the negotiation? Not very. One thousand square feet is a drop in the bucket to this landlord, so you'll be the one making all the concessions.

Now, let's say you're looking to lease 1,000 square feet of retail space in a strip mall. The landlord is a local widow whose husband died several years ago. The strip mall is the only property she owns, the 1,000 square feet is the largest tenant space in the mall, and it's been vacant for the past six months. Who's in the stronger position now?

You—and so long as it's the right space for your business, you're crazy if you don't take advantage of it. (See "The Golden Rule," on page 10.)

2 Know how the other side perceives its position. It isn't enough to know what your real bargaining position is. You also have to consider how each side perceives its position. As any poker player knows, sometimes a mediocre hand can be a winning hand if it's played properly. If the person with the mediocre hand can convince the other players that they have a much better hand than they

NEVER LET 'EM SEE YOU SWEAT

Are you serious about wanting to be a better negotiator? Then learn to play poker. A good poker player is almost always a good negotiator. Consider the lessons poker teaches you:

- Use a "poker face" to conceal your emotions.
- It isn't so much the hand you're dealt as what the other players think you've got. If you get a great hand and show too much enthusiasm, the other players will fold early and leave you with a small pot, but if the other players think you have only a mediocre hand, they'll stay in the game and leave a lot more money on the table.
- Likewise, if you truly have a mediocre hand, by making the other players think you've got something better, they'll yield to their insecurity and fold early. This leaves you with money you wouldn't have gotten if you'd shown your cards too soon.

Bluffing and posturing are part of the game of negotiation. If you master these techniques early, you stand a much better chance of winning negotiations on a regular basis.

actually have, and the other players (with better hands) buy into that, they're likely to fold early to cut their losses, leaving the pot to the bluffer.

If your negotiating position isn't great but you see the other side is worried about losing the deal, you can't go wrong by coming on strong and playing to the other side's fears.

3 Assess your bargaining style. Are you aggressive or passive by nature? I hate to say it, but in 25 years of studying lawyers, I've found that those who are naturally aggressive, fearless, and downright ornery tend to make the best negotiators. People are afraid of them, want to avoid their nasty behaviors, and will give them what they want. To truly succeed at negotiating, it helps if you can find your inner Rottweiler. Remember, it's a game.

I'm not saying you should yell, scream, or threaten violence during a negotiation (although some negotiators use these techniques to great effect). You can be pleasant and communicate your willingness to get the deal done as quickly and efficiently as possible. Just make sure the other side doesn't misinterpret your nice behavior as a sign of weakness, or you'll lose the negotiation.

THE GOLDEN RULE

You can never get a bargain on something you really, really want.

In any negotiation, the side that needs the deal more is the side that gives up the most—precisely because they need the deal and can't afford to have the other side walk away.

Winning the most points in a negotiation is almost always a function of: (1) not needing the deal as much as the other side does, (2) convincing the other side they need the deal more than you do, or (3) a combination of 1 and 2.

Nervous about negotiating? Here's a great way to practice. Go to collectibles shows and look for items you don't feel strongly about—you can take them or leave them. When you find one, approach the dealer and offer him 50 percent of the asking price. He'll almost certainly refuse your offer—sometimes nicely, sometimes by pretending to be offended—but don't worry about it. You don't really want the item, and you know he paid less than 50 percent of the tag price. Thank him politely, tell him you really couldn't justify paying more than 60 percent of the price, and move to the next booth.

Then return to the dealer in the late afternoon and ask politely if he has reconsidered your offer. If the item hasn't sold by then, the dealer is concerned about having to lug the thing back to his showroom and will be in a better bargaining mood. Stay firm. Remember, the goal isn't to add to your antiques collection but to practice your negotiating skills. Make it a point to say no to whatever counteroffer he proposes, and walk away.

Do not try this if you see an item you really want—your body language will inevitably tip your hand to "the dealer," and he will turn the tables on you by saying something like "I'm sorry, but I'm only making a 10 percent profit at this price." At this point the negotiation is over—you're reaching for your wallet, and you'll pay the dealer's price.

WHAT DO YOU WANT?

Now that you're psychologically ready to sit down at the bargaining table, it's time to figure out what you need to get out of the deal. Sit down with a sheet of paper, fold it down the middle, and label each half "deal points" and "trading points." Then list all the points you need to reach agreement on. Deal points are those you must win—if you can't get those, you walk from the table and look for another deal. For example, if you paid $1,000 for a painting and need to get a 20 percent return on your inventory to stay afloat, getting a purchase price of at least $1,200 is one of your deal points.

Any point that isn't a deal point is a trading point—nice if you can get it, but you can live without it if you sense it's a deal point for the other person. In a negotiation, your goal is to get all your deal points and as many of your trading points as possible, recognizing that often you'll have to yield one or more trading points to get your deal points.

Be realistic when identifying your deal points. A lot of things you negotiate for aren't really life or death for your business. If you aren't sure if you really need something or not, it's a trading point.

THE NEGOTIATION PROCESS

Any negotiation has three basic steps—sometimes they

DON'T PUSH IT

Sometimes silence is the best weapon. By quietly pondering for several moments what the other side has just said, you raise their anxiety about your willingness to do the deal. Your body language should send the signal that you have all the time in the world and don't need the deal. This often makes the other side uncomfortable and more willing to negotiate. Just don't do this too often; you'll appear indecisive.

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happen in order, sometimes not.

STEP 1 State your position. At the beginning of a negotiation, each side lays out its position and tells the other side what it needs. As soon as it's apparent the two sides agree on something, that point is taken off the table so the parties can focus on the issues where they disagree.

STEP 2 Search for win-win compromises. Sometimes when a negotiator asks for something, what they really need is a lot narrower. By probing the other side, you can often find a way to give them what they really need without giving them everything they're asking for. Here's an example: The other side wants you to promise you won't compete with them anywhere in the State of X for five years. By asking probing questions, you learn that the other side doesn't plan to do business outside of Town Y. You agree not to compete with the other side in Town Y for five years and keep your options open for the rest of the state.

STEP 3 Do a little "horse trading." Sooner or later, in every negotiation, you get to a point where further compromise is impossible. For a deal to happen at this point, both sides have to engage in a little "horse trading." You look at the list of three open points, realize that only one of them is a deal point, and offer to give on the other two points to get the one you need. If the other side agrees (one or both of the two points you gave them were deal points for them), you make the deal. If the other side refuses (your deal point was also their deal point), the negotiation is over—and so is the deal.

SALES CONTRACT NEGOTIATING POINTS

Do you think the only thing to negotiate in a sales contract is the purchase price? Think again. Here are some noncash terms you can negotiate.

- ❏ The number of goods to be sold
- ❏ The condition of the goods at the time of delivery
- ❏ Return privileges and/or credits for goods delivered in defective condition
- ❏ Rebates for goods that aren't sold within a specified time period
- ❏ Shipping and delivery dates
- ❏ Method of shipping (UPS versus FedEx, for example)
- ❏ Method of payment (money order versus credit card, for example)
- ❏ Currency of payment (for international sales)
- ❏ Whether discounts will be offered for volume or bulk purchases
- ❏ The timing of payment (cash up front versus installment payments)
- ❏ The interest rate to be paid on any deferred portion of the purchase price
- ❏ The penalty rate of interest to be paid if any portion of the purchase price isn't paid on time
- ❏ Whether the seller will have a lien on the goods until the purchase price is paid
- ❏ Whether the buyer's principals will guarantee payment of the purchase price if the buyer defaults
- ❏ Whether the seller or buyer will pay sales and/or transfer taxes
- ❏ Whether the seller or buyer will insure the goods while in transit
- ❏ When title to the goods transfers from seller to buyer
- ❏ Whether or not the seller will "warrant" title or condition to the goods
- ❏ The sale closing date
- ❏ Whether the seller will assume responsibility for the products' liability and other legal claims if the goods turn out to be defective
- ❏ Whether the seller will provide the buyer with advertising and promotional materials to assist in the resale of goods
- ❏ If a broker was involved, who will pay their commission?

EVERYTHING IS NEGOTIABLE

When you first start negotiating, it's hard to separate deal points from trading points—everything seems important. Experienced negotiators know something you don't—everything is a trading point. Nothing is nonnegotiable. If you need the deal badly enough, you can give up some deal points and still survive to negotiate another day. As any lawyer will tell you, you know a deal has been well-negotiated when both sides walk away from the table feeling at least somewhat disappointed in the outcome. Use the above table to help define the points of negotiation.


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The Risk That Changed Everything

"HELP ME, OR DESTROY ME"

What's the biggest risk you've ever taken? For **Angela Gennari**, whose company provides security and event staff at the University of Georgia, it was putting her fate into the hands of a competitor. **by JASON FEIFER**

Angela Gennari didn't expect to win. She's honest about that. She's the founder of Titan Global Enterprises, an Atlanta-based company that staffs and runs security for events, and it's a small player in a giant industry.

So when the University of Georgia's athletics contract came up for 2019 (which included its huge football stadium), she saw it as a good learning opportunity. She thought she'd throw everything she had at the bid, lose, get some great insight, and be better prepared next time. But then the unexpected happened: She won. "What a sense of release that was," she says.

The feeling would soon turn to panic. She discovered that her three employees overseeing operations were slacking–not filing important documents, not properly training new employees, and so on. "It could have cost me the company," she says. All three resigned. But now she was left to clean up the mess and shoulder the giant contract all by herself. It was impossible.

She considered her options. There weren't many. Then she thought of her son; she is a single mom and conscious of the example she sets. *I will not fail at this,* she thought, *because I have to show him that no matter what the obstacle is in front of you, you have to push through it and not let anything defeat you.* So she decided to do the one thing that might save the business–but that would also be the riskiest, craziest, most vulnerable thing she could do. She went to her biggest local competitor, Les Dupree of Dupree Security Group, and asked for help. Dupree could save her business...or easily destroy it. Here are the three steps that helped her survive.

STEP 1 Lay the groundwork.

"I am transparent to a fault," Gennari says. This wasn't always true. In her 20s and 30s, she put on what she calls a "fearless facade"–but it pushed people away. "Now I realize that if I'm honest and tell people, 'Look, I am really nervous right now,' they step up." That helped her build great relationships, including with Dupree. They'd met at many events and developed a good rapport. "I've always chosen to show respect and work well with my competitors," she says, "because you never know when your competitor will become your ally." It was time to put that to the test.

STEP 2 Own the weakness.

Gennari wasn't in control of the situation, so she embraced it. She invited Dupree to lunch and said, "Look, this is what's going on in the business. I don't know what to do with this right now. But I'm coming to you because you have the chance to take me down–or you can advise me on how to get out of this craziness." Dupree chose option B. ("It was just the right thing to do," he says.) His guidance helped her to staff up with reliable people and fix the business's problems.

STEP 3 Strengthen the team.

With a new team in place, thanks to her competitor's help, Gennari was able to staff up for the University of Georgia's football season. Everything went great, and she was grateful. She wanted to keep her team happy. One fall evening, the temperature suddenly dropped into the 30s, and her staff wasn't prepared. "We had a little cash in the bank," she says. "As an entrepreneur, you're constantly worrying about money–but I thought, *I'm not gonna let them freeze.*" So she spent $10,000 on coats for everyone. "They were so appreciative," she says. Now they're all preparing for this year's season.

PHOTOGRAPH BY DEE FLORES OF DEELITE PHOTOGRAPHY

Six Ways

WHO BREAKS THE TIE?

How do cofounders settle disagreements when they have an equal say in the business? Six entrepreneurs share their methods.

1 Focus on the "yes."

"When we started our business, we discussed our strengths and interests and decided that if we couldn't resolve an issue, I would have 51 percent ownership over the finances and my cofounder, Christiana [Coop], would have 51 percent ownership over design. But we also agreed to discuss our differences in opinion, and for more than 11 years, we haven't had to play our 'ownership card.' Our default is that if we both can't get to yes on something, we pass."

–AIMEE LAGOS, cofounder, Hygge & West

2 Turn to your team.

"We've built a highly experienced executive team–VP of operations, VP of construction, VP of finance–to help us settle disagreements and differences. They're our tiebreaker. This allows us to spend less time bickering and more time on strategy."

–PAUL ALTERO, cofounder, Bubbakoo's Burritos

3 Rely on your relationship.

"My husband is my cofounder, which adds another level of complexity we've learned to turn into an advantage: Marriage and parenting require micro problem-solving on the daily, so most of the time, we're in a flow that feels more or less automatic. It's a balancing act of knowing when to lean on the other, and knowing when it's meaningful to stand your ground. Our number one rule? Don't take things personally!"

–JAIME SCHMIDT, cofounder, Schmidt's Naturals

4 Trust the numbers.

"My cofounder, Michael [Wieder], and I both have strong opinions, so when starting Lalo, we wrote a list clearly defining our roles and responsibilities–and we revisit this list every quarter. It's allowed us to figure out who is the ultimate decision maker if we can't come to an agreement. And whenever possible, we rely heavily on data and let the numbers break the tie."

–GREG DAVIDSON, cofounder and CEO, Lalo

5 Ditch the emotions.

"We're complementary opposites, a yin-and-yang partnership. While that sounds lovely, in reality it means we approach problem-solving from two different angles and have to work together to objectively come to an agreed decision. We try to avoid the 'I'm right, you're wrong' argument. It's important to pause, listen, and communicate from an unemotional place, and–knock on wood–it usually works out."

–BRIAN BORDAINICK, cofounder, Starface

6 Get loud.

"Leslie [Barron] and I have been business partners for 15 years, and it's true that a business partnership is akin to being in a marriage; you have to make concessions and compromises. So when conflicts arise, we always sit down, listen to each other, and, yes, argue. That's the thing–it's OK to argue and debate so that ultimately, we find out who is more passionate about the issue at hand. Essentially, the loudest bark wins!"

–AMY REED, cofounder, Woofie's

Illustration Pete Ryan

Fundraising

NAILING THE VIRTUAL INVESTOR PITCH

When seeking money these days, some things are different—and some are exactly the same.

by CHENOA FARNSWORTH

As the managing partner of the Hawaiian global startup accelerator Blue Startups, as well as an active angel investor, I've heard hundreds of virtual pitches since COVID-19 began—and seen entrepreneurs repeat the same errors. Virtual calls can be stressful, but entrepreneurship is about solving problems. If you can't nail a virtual call, I worry about your ability to solve more critical issues. Parts of pitching haven't changed: You should still get a warm intro to investors (I pass on hundreds of cold emails every week!), and you should still thoroughly research whom you're talking to. Beyond that, here are five ways to hold an investor's attention during a virtual pitch.

1 Make sure they're writing checks.

Not all investors are right now, so have that conversation up front. Investors may say it's business as usual, but in reality, they have to maintain capital for their existing portfolio and therefore will not be making new investments. Plus, new investment decisions are likely to take a lot longer. One investor just told me that for his last investment, what would normally be a one-month due diligence process stretched out to two months or more.

2 Check your equipment.

It is shocking how many presenters log on to Zoom to do a pitch without any familiarity with the platform. For example, in a pitch meeting last week, a startup company did not know how to share his screen in Zoom. While this may seem like a small thing, we extrapolate from that small thing into larger assumptions. Is this person technologically savvy? Do they pay attention to details? Do they take the time to prepare thoroughly? At Blue Startups, we refer to this as the "technology IQ test." If an entrepreneur fails it, we usually pass on the opportunity.

3 Turn on your video.

If we can't meet face-to-face, video is important. A huge part of communication is nonverbal, and we learn a lot about each other by having the video turned on. It is also important to make sure you look professional on these calls. We had an entrepreneur pitch us from inside his closet, with his clothes hanging behind him. We had a laugh about it, but the bottom line is we came away with the impression that this entrepreneur did not care enough about the presentation to find a more suitable environment.

4 Do everything live.

Do not prerecord your pitch. It just doesn't work to engage the audience, and it is fraught with complications. Likewise, skip embedded videos in your presentation; because the audio input is different on each meeting software, it has a high probability to fail.

In a virtual pitch competition I was judging last month, the entrepreneurs had three minutes to pitch. The clock started running as soon as they were on screen—and many wasted full minutes trying to get their videos to play. These teams were rated very poorly by the pitch judges.

5 Follow up, follow up, follow up.

I always give my entrepreneurs the same advice about the amount of follow-up to do: Follow up with investors until they tell you to stop. You cannot overcommunicate. Do not take silence as a no, because most investors are simply too busy to pay attention to every communication or take the time to respond. Do not assume they are not interested; just keep trying. I am always much more impressed with the entrepreneur who, while it may seem obnoxious, follows up too much than the one who gives up too easily. Persistence is a trait you need for success, and there's no better way to demonstrate it than with your enthusiastic and consistent follow-up.

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Teamwork

WORK SHOULD NOT BE CRAZY

What if working long hours, living on Slack, and growing as fast as possible isn't the best way to run a business? The founders of **Basecamp** are pretty sure they have the answer. **by CLAIRE ZULKEY**

On March 7 at 4:30 A.M. Greenwich Mean Time, a tech company's worst nightmare began. For eight and a half hours, a catastrophic network failure disabled Basecamp's popular project management software. Instead of boosting productivity for its three million accounts around the world, Basecamp stopped people from getting their work done. "We're incredibly sorry...especially for our European customers," wrote cofounder and CTO David Heinemeier Hansson on the company blog. He explained that the problem originated with their cloud provider, took full responsibility, and promised they would work diligently to make sure it never happened again.

But it did—just six days later. This time, Heinemeier Hansson couldn't apologize enough. "I'm sorry. I'm really sorry (and ashamed)," he told customers. "It's also been a mighty fall...From riches of reliance to rags of shambles. To say this is humbling is an epic understatement."

Such a fiasco would cause a crisis in most companies. But for Basecamp, it actually proved a point. Internally, there was no freaking out, no worry about losing jobs. Everybody just hunkered down and focused on fixing the problem; if anyone worked overtime, they came in late the next day, no sleep lost and no questions asked. Heinemeier Hansson and his cofounder, Jason Fried, are two of the loudest critics of the modern Silicon Valley-fueled workaholic insanity, and to that end have purposefully curated a culture of calm in their company. They wrote the book on the subject. Several, in fact. And they've done it all exactly for moments like this.

HAVE WE REACHED the point where a job offered with 9-to-5 sanity is a company perk? Has round-the-clock work culture become that pervasive?

If you look at people in jobs across the country, which the Bureau of Labor Statistics does, the 40-hour workweek is officially dead. The average full-time employee now puts in nine hours a day. In addition, the typical worker takes only about half of their paid vacation, according to 2017 data collected by Glassdoor. (And when they do take vacation, two-thirds end up working during that time.) What's causing this? Many people blame communication tools. Email already enabled colleagues to dash off messages late into the night, but Slack and other chat tools amped it up—creating, it is often said, a culture of instantaneous response, where employees are on alert 24-7 for any ping, ding, buzz, or ring. "They're leaving the office, going home, and staying connected to their devices, being interrupted by the vibration of their phone in the middle of the night," says Bruce Daisley, host of *Eat Sleep Work Repeat,* a podcast on business

culture. It's only slightly ironic that he used to be the VP for Twitter's business in Europe, the Middle East, and Africa.

As people work harder and faster, science has been turning up the downsides. A nine-year study published in 2012 in *Administrative Science Quarterly* highlighted the sleep, addiction, and anger issues of overworked bankers, and a 2016 report by the American Bar Association and the Hazelton Clinic found high levels of depression, anxiety, and substance abuse among lawyers. In some fields, there's "almost a sense that if you get eight hours of sleep a night, you should be ashamed," says Daisley. "There's starting to be a lot more science and evidence that working longer and harder isn't the way to be effective in our jobs."

In a strange way, though, this all creates an opportunity for a certain set of entrepreneurs. If overworking is becoming the norm, then normal working–the old promise of clocking in and clocking out–starts to become a competitive advantage. "My feeling is we'll see a bifurcation of companies that get it and don't get it," Daisley says. "Over time, the companies that don't get it will lose the better talent or lose their way."

That's certainly how Basecamp's Fried and Heinemeier Hansson see it. They've been promoting the work benefits of sleep since 2010, and it's been transformational for their company. Because if you're going to offer your workers a normal work life, you have to really think through the question: How does it happen?

BASECAMP'S ROOTS go back to 1999, when Fried cofounded a web design firm called 37Signals in Chicago. At the time, the neighborhood still smelled like pig carcasses from the nearby meat markets. "The internet was just starting to get big. They had this sort of punk rock view, a do-it-yourself philosophy that attracted me," says lead Android designer Jamie Dihiansan, who came on as employee number 12 in 2008. "They were like, 'Screw this business-speak and this conventional wisdom that all these consultants are spouting.'"

As 37Signals grew, it struggled to keep track of its various projects. Fried looked for a tool to manage everything, and when he couldn't find one, he decided to build his own. To do this, in 2001 he brought in programmer Heinemeier Hansson, now 40 and later known for creating Ruby on Rails, the web development framework. He and Fried called their new product Basecamp, and once 37Signals started using it, their clients wanted to, too.

The tool was a runaway hit, and Fried pivoted the company from doing web design to building multiple work-based applications. Over the next few years, Fried and Heinemeier Hansson would think a lot about how to counter the workaholism in their industry. Two books were written as a result: In *Rework* (2010) they advocated for cutting back on meetings and big staffs; in *Remote* (2013) they argued the advantages of an out-of-office workforce.

But they still had a lot of work to do on their own company. By 2014, they concluded that they were unnecessarily stretching themselves; they were making multiple apps, but the original, Basecamp, was the clear favorite. It had 1.5 million accounts by that time. So they simplified–selling off or spinning off the other apps, renaming the company Basecamp, and focusing on their one core product.

Then they looked at their own team. They had about 30 employees, most of them remote, and Fried sensed he'd lost touch with them. "It seemed like something changed," he says. "I didn't know how people felt about things. I realized that if I wanted to get answers, I had to ask questions. People don't bring stuff to you. 'My door is always open': That's such a cop-out."

So he hired consultant Claire Lew to do an audit. Surveying employees about what they were working on, how they felt about work, and their lives outside of work yielded specific ideas for new policies, like an employee-suggested charity match. But generally, it inspired Fried and Heinemeier Hansson to be more deliberate and articulate about company ideals.

They began to develop a more robust system to protect employee time and create a sense of calm. It's still in place today. Most of the company's staff work free of managers and are expected to decide how to get their jobs done. Working late is strongly discouraged–there has to be a true emergency to justify it. To promote focus, Fried and Heinemeier Hansson encourage their staff to go without checking in for blocks of time (say, a morning or an afternoon). The company also ditched the common practice of making employees' calendars available for all colleagues to see, with anyone able to add a meeting to anyone else's agenda. That, Fried concluded, is like stealing someone's time. At Basecamp, calendars are private; employees post "office hours" when they're available for meetings.

To make all this happen, Basecamp had to change the work itself as much as the workplace. Projects are now ruthlessly narrowed to fight off scope creep. No teams are larger than three people. "You can do big things with small teams, but it's a whole hell of a lot harder to do small things with big teams," says Fried. "And small things are often all that's necessary." Fried and Heinemeier Hansson also aren't focused on higher and higher growth metrics and promising faster customer-response times. (On average, their global customer service team gets back to customers in eight minutes.) Their stance: If a client expects them to be on call 24-7, perhaps that's the wrong client. They are currently at a lean 56 employees, none whom are held to sales goals, revenue goals, or even long-term plans.

"As we started talking more with other people, it seemed time to codify this in a book," Fried says. So they wrote *It Doesn't Have to Be Crazy at Work*, which they hoped would serve as a counternarrative to what so many tech companies offer. "Never before has there been this focus on growth and domination," says Fried. "You see it in big tech: Facebook, Uber, Airbnb. These companies have been damaging to cities, to industries. The desire for endless growth, the opportunity for endless interruption–those things combined create a really crazy workplace."

UNTIL RECENTLY, BASECAMP was based a few blocks from its original headquarters. I visit there before COVID-19, and as it turns out, I won't see it again: The company gave up its office in July, with no plans to have an office again until there's a vaccine. But it's doubtful anyone will miss it. Before I arrive at the office,

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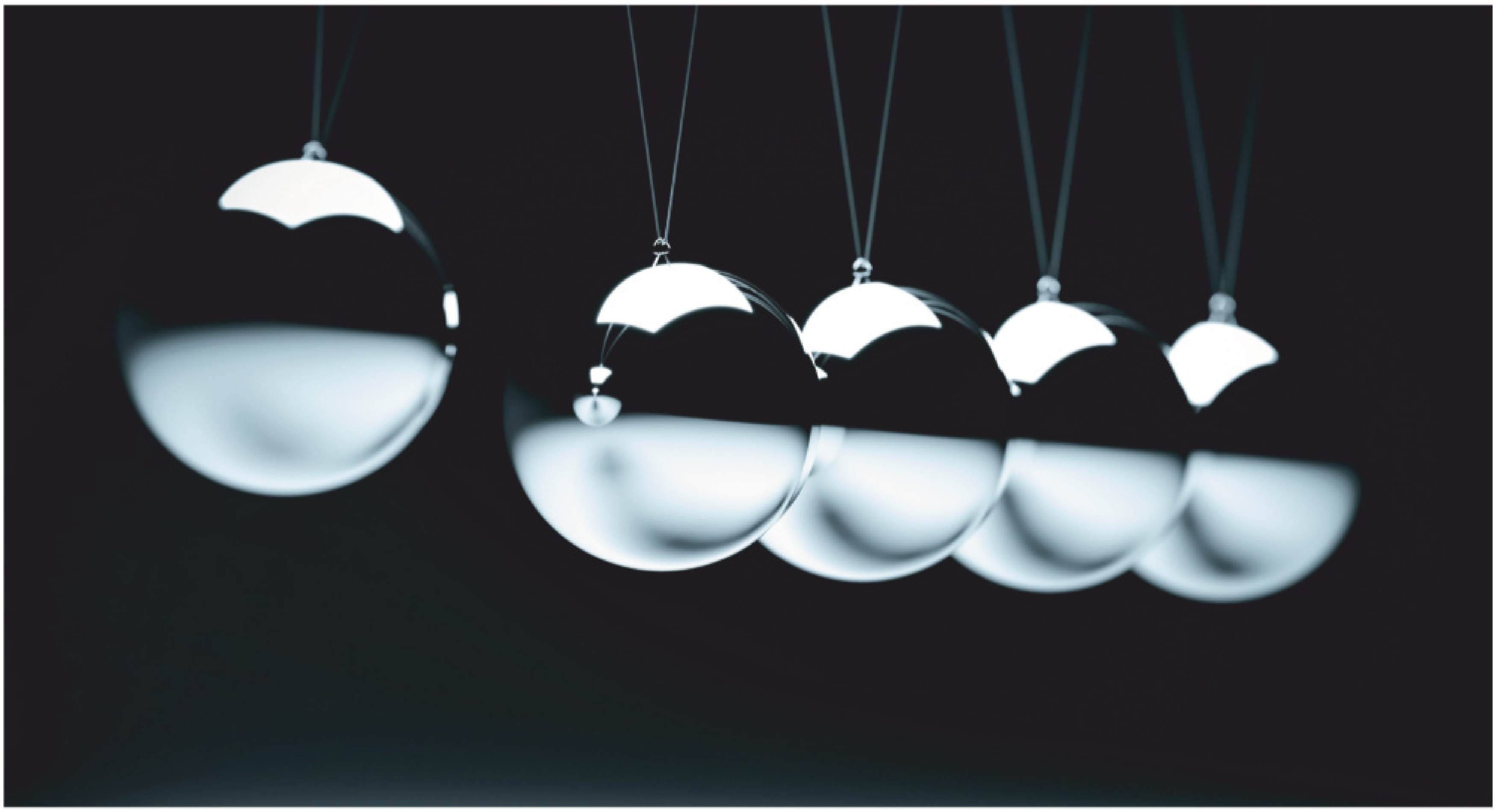

Fried issues me a warning: There isn't much to see here, he says. There generally aren't even many employees around.

This is true. As we hang out in Basecamp's brushed-metal kitchen, there really isn't much to see, aside from the eclectic assortment of quinoa-based snacks and Girl Scout cookies. But the absence of activity is–much like the novelty of a normal workday–noticeable all by itself. Employees don't seem to come and go; they linger. Instead of an awkward wave hello and a hasty "Gotta get back to work" retreat, they debate takeout orders for that night's after-work round of Dungeons & Dragons. One shows off a patterned scarf she made at a textile-dyeing class paid for by work. I'm shown a video of a company outing at an ax-throwing place. (Aside from offering Silicon Valley-based compensation, Basecamp has perks like paid-for classes, one-month paid sabbaticals every three years, subscriptions to a fresh-produce box, and the charity match program.)

This calm lifestyle is meant to attract top employees, though sometimes it takes a while for them to acclimate. When Basecamp hired a systems administrator from UPS, he had culture shock, says Fried: "He was going to err on the side of being extremely conservative because he was afraid of [getting] in trouble the way he would at UPS if he did anything wrong." A programmer from Capital One was too used to receiving specific directions from a manager to adapt to the Basecamp mentality of "It's on you to figure out how to get it done." But for one recent hire, Jane Yang, a data analyst, that was the draw. "It's exciting to realize that I could pursue a question I was interested in," she says.

Jeremy Daer, a programmer who has been there since 2007, says the calm groundwork really paid off during the March network failure. "It was rough," he recalls, but the company culture made the stressful situation "much easier to deal with. I didn't feel like I'm going to lose my job."

Outside the walls of Basecamp, Fried and Heinemeier Hansson's message doesn't always land. After all, what they're arguing isn't just about workers–it's about the ambitions of a company more broadly. "Where Jason and I differ is that we are trying to grow a company and serve a lot of people," says Wade Foster, founder of the web app service Zapier, which is also known for its remote workforce and flexible, egalitarian company culture. "If we have a week that's exceptionally busy because we have to serve our customers, we'll do that."

Fried acknowledges the challenges, to a point. But he's not asking other companies to adopt everything Basecamp does, he says. Instead, he suggests starting with just one change. "Set aside one day a month, or an afternoon, where a team cannot talk to each other. You should be able to sacrifice one afternoon," he says. Small victories can snowball and are good for morale.

He also admits that Basecamp isn't perfect. Not every moment is calm; not every day is short and sweet. "You can't enact everything wholesale and go, 'It's all or nothing.' It's the small steps you can take." And in fact, Basecamp recently broke one of its own rules: It developed a new product–the first since it offloaded its other apps in 2014. It's an email service called Hey. "Like every other thing we've built, it's something we need ourselves," Fried says. When we spoke before Hey's launch, he knew it could be a flop. He knew that it could be stressful. He knew this new idea is risky. Even so, he seemed calm about it.

Claire Zulkey is a Chicago-area-based writer.


OPEN

CHAPTER

2

SMART ADVERTISING

Find your customers—and win them over.

Start Your Own Business

MARKETING GENIUS

Advertising and Marketing Your Business

You may know how to build the perfect product or provide excellent service, but do you know how to market your business? If not, no amount of operational expertise will keep your business afloat.

Without marketing, no one will know your business exists—and if customers don't know you're there, you won't make any sales.

Advertising doesn't have to mean multimillion-dollar TV commercials. There are plenty of ways to market your business that are affordable or even free. All it takes is a little marketing savvy and dedication.

CREATING A MARKETING PLAN

Everyone knows you need a business plan, yet many don't realize a marketing plan is just as vital.

Unlike a business plan, a marketing plan focuses on winning and keeping customers. It includes numbers, facts, and objectives. Marketing supports sales, and a good marketing plan spells out all the tools and tactics you'll use to achieve your sales goals. It's your plan of action—what you'll sell, who will want to buy it, and the tactics you'll use to generate leads that result in sales. And unless you're using your marketing plan to help you gain funding, it doesn't have to be lengthy or beautifully written; it's better to use bulleted sections, and get to the point.

Here's a closer look at creating a plan that works.

STEP 1 Begin with a "situation analysis."
This first section of the marketing plan defines your company and its products or services and then shows how the benefits you provide set you apart from your competition.

Target audiences have become extremely specialized and segmented. For example, there are hundreds of special-interest magazines—each targeted to a specific market segment. No matter your industry, from restaurants to professional services to retail clothing stores, positioning your product or service competitively requires an understanding of your niche market. Not only do you need to be able to describe what you market, but you must also have a clear understanding of what your competitors are offering and be able to show how your product or service provides a better value.

Make your situation analysis a succinct overview of your company's strengths, weaknesses, opportunities, and threats. To determine your company's strengths, consider the ways that its products are superior to others, or if your service is more comprehensive, for example. What do you offer that gives your business a competitive advantage? Weaknesses, on the other hand, can be anything from operating in a highly saturated market to lack of experienced staff members.

Next, describe external opportunities you can capitalize on, like an expanding market for your product. Include any external threats to your company's ability to gain market share so that other sections of your plan can detail how you'll overcome those threats.

Positioning your product involves two steps. First, you need to analyze your product's features and decide how they distinguish your product from its competitors. Second, decide what type of buyer is most

MARKETING PLANNING CHECKLIST

Before you launch a marketing campaign, answer the following questions about your business and your product or service:

- ❏ Have you analyzed the total market for your product or service? Do you know which features of your product or service will appeal to different market segments?
- ❏ In forming your marketing message, have you described how your product or service will benefit your clients?
- ❏ Have you prepared a pricing schedule? What kinds of discounts do you offer, and to whom do you offer them?
- ❏ Have you prepared a sales forecast?
- ❏ Which media will you use in your marketing campaign?
- ❏ Do your marketing materials mention any optional accessories or added services that consumers might want to purchase?
- ❏ If you offer a product, have you prepared clear operating and assembly instructions if required? What kind of warranty do you provide? What type of customer service or support do you offer after the sale?
- ❏ Do you have product liability insurance?
- ❏ Is your packaging likely to appeal to your target market?
- ❏ If your product is one you can patent, have you done so?
- ❏ How will you distribute your product?


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likely to purchase your product. What are you selling—convenience? Quality? Discount pricing? Knowing what your customers want helps you decide what to offer.

STEP 2 ▶ Describe your target audience.
Develop a simple, one-paragraph profile of your target customer. Consider age, sex, family composition, earnings, geographic location, and lifestyle. Ask yourself: Are my customers conservative or innovative? Leaders or followers? Timid or aggressive? Traditional or modern? Introverted or extroverted?

If you're a B2B marketer, you may define your target audience based on their type of business, job title, size of business, geographic location, or any other characteristics that make them possible prospects. This will be your guide as you plan your media and public relations campaigns.

STEP 3 ▶ List your marketing goals.
What do you want your marketing plan to achieve? For example, are you hoping for a 20 percent increase in sales of your product per quarter? Write down a short list of goals—and make them measurable so that you'll know when you've achieved them.

STEP 4 ▶ Communications strategies and tactics.
This is the heart and soul of your marketing plan. It's time to detail the tactics you'll use to reach your prospects and accomplish your goals.

POSITION POWER

The right image packs a powerful marketing punch. To make it work for you, follow these steps:

- ❑ Create a positioning statement for your company. In one or two sentences, describe what distinguishes you from your competition.
- ❑ Test your positioning statement. Does it appeal to your target audience? Refine it until it speaks directly to their wants and needs.
- ❑ Use the positioning statement in every written communication to customers.
- ❑ Integrate your company's positioning message into all your marketing campaigns and materials.
- ❑ Include your team in the positioning effort. Help employees understand how to communicate your positioning to customers.

A good marketing program targets prospects at all stages of your sales cycle. Some marketing tactics, such as many forms of advertising, public relations, and direct marketing, are great for reaching cold prospects. Warm prospects—those who have previously been exposed to your marketing message and perhaps even met you personally—will respond best to permission-based email, loyalty programs, and customer appreciation events, among others. Your hottest prospects are individuals who've been exposed to your sales and marketing messages and are ready to close a sale. Generally, interpersonal sales contact (whether in person, by phone, or email) combined with marketing adds the final heat necessary to close sales.

To complete your tactics section, outline your primary marketing strategies and then include a variety of tactics you'll use to reach prospects at any point in your sales cycle. For example, you might combine outdoor billboards, print advertising, and online local searches to reach cold prospects but use email to contact your warm prospects. Finally, you can use one-on-one meetings to close the sale. Don't overlook complementary materials that support sales: For instance, if you plan to meet with prospects to follow up on leads you've generated, you'll need brochures and presentation materials.

STEP 5 ▶ Set your marketing budget.
You'll need to devote a percentage of projected gross sales to your annual marketing budget. Of course, when starting a business, this may mean using newly acquired funding, borrowing, or self-financing. With so many different kinds of tactics available for reaching out to every conceivable audience niche, there's a mix to fit even the tightest budget.

As you begin to gather costs for the marketing tactics you outlined in the previous section, you may find that you've exceeded your budget. Not to worry. Simply go back and adjust your tactics until you have a mix that's affordable. The key is to never stop marketing—don't concern yourself with the more costly tactics until you can afford them.

So what should you spend on marketing? There's no hard-and-fast guideline. In fact, the amount varies based on your industry, the amount of competition you must overcome, and the type of media you have to use to reach your audience. A particularly complex message will also require a bigger marketing budget because prospects will need to be guided through the education phase, which involves more advertising and an increase in the repetition of your message. The U.S. Small Business Administration recommends spending 7 to 8 percent of your gross revenue for marketing and advertising if you're doing less than $5 million a year in sales and your net profit margin—after all expenses—is in the 10 percent to 12 percent range.

Where to Advertise

Small companies succeed by finding a niche. Focus as narrowly as possible on the media that will reach your customers.

Suppose you ran a business selling model train supplies nationwide online and by mail order. It would make sense to advertise in a mix of national specialty magazines, on websites targeting aficionados, and in specialty e-newsletters catering to the hobby rather than advertising in, say, *The New York Times*. On the other hand, if you sold model trains from a hobby shop rather than online or via mail order, the vast majority of your customers would be drawn from your local area. Therefore, advertising in national hobbyist magazines would net you only a few customers. In this case, it would make more sense to advertise in local phone directories (both online and offline), area newspapers, or magazines that carry related editorial sections online and in print, or with flyers in other shops' windows, or by commercials on carefully selected cable TV programming targeting the local area.

Like any aspect of running a business, marketing involves a measure of trial and error. However, you'll quickly learn which advertising media are most cost-effective and draw the most customers to your company. Here's a closer look at the different types of advertising methods.

DIGITAL PLATFORMS

Social media, banner ads, newsletters, influencers, search engine ads—that's just the start. The world of online advertising can be vast and confusing, but it still comes down to the fundamentals we've discussed already: If you narrowly define your audience, you can identify the places where your audience already is ... and where they're able to be best engaged. In this brief space, we'll focus on three low-cost digital spaces that are often overlooked.

1 Your company blog. "If there's one opportunity I see brands ignore most often, it would be investing in their company blogs, which can not only help you convey valuable information to your followers but also often help to begin new relationships with prospects," writes Steven Li, founder of Medius Ventures, which builds niche media brands. Use your blog to speak candidly to your customers, and also to produce content you know that your target audience is searching for. That way, your site will come up on prospective customers' Google searches, leading them to you.

2 Your email list. Social media platforms like Instagram and Twitter may be great for building an audience, but you don't own that audience. The platforms do. That's why you should invest in building an email newsletter on a platform like Mailchimp or ConvertKit, and then regularly engaging with your list to keep yourself top of mind.

3 Boost your best posts on social media. Social media advertising seems simple—just pay Facebook to display your ad!—but it's actually quite complicated. There's a reason so many people specialize in this field: It can be complicated to build smart, targeted campaigns, and to optimize them so that you lower the amount of money

START EARLIER THAN YOU THINK

Your marketing efforts should begin even before a product or service launch. After you set a launch date, work backward to create a schedule that is as detailed as possible, and use it to initiate a quick prelaunch campaign.

Use this period to build anticipation among your audience. Track social media interactions with your campaign using tools such as Buffer or Hootsuite. If you find that your target audience is skeptical or concerned about specific product details, take that feedback and apply it preemptively, to ensure that customer expectations are met at launch.

Here are four strategies that leaders can implement:

1 Make sure your product stands out. Let the target market know how the product is different from the competition by using data to locate the right audience and communicate with them constantly.

2 Speak your audience's language. Don't launch your product with a blanket campaign that tries to reach everyone. Understand your key demographics—everything from age to attitude to geolocation to shopper type—and coordinate your marketing plan by triangulating that information with similar data on various marketing platforms.

3 Evolve your strategy as necessary. As you deploy and test your initial marketing goals, take heed of what the audience is actually responding to. This will help you figure out how and where your efforts should be targeted. Don't be afraid to tweak and evolve your campaign as you receive this feedback.

4 Don't be afraid to kill your darlings. Even with astute strategizing, not all marketing plans are successful. If the promotions from a campaign launch aren't going to pan out, reevaluate and reposition your marketing before you've spent too much money on something unsuccessful. And if a particular campaign fails to get results, adjust the format and rewrite the copy. If the situation still doesn't improve, move on.

you have to spend to acquire every new customer. So what's a good way to start?

"One of the biggest opportunities for so many brands with limited time and resources is to simply boost top performing posts from their page," Brian Peters, who manages strategic technology partnerships for enterprise platform Shopify Plus, has written. "Organic social media content is a powerful catalyst in increasing word-of-mouth marketing. People are much less likely to share an advertisement that *feels like an advertisement* with their friends and family."

Peters, when he worked for Buffer, said the company spent about 70 percent of its ad budget on this kind of work—amplifying posts that did well organically, even if there was no sales pitch attached. Sometimes, he said, they could reach up to 750,000 people for just one or two hundred dollars. That's affordable brand awareness—and once you've built that kind of audience, you can engage them more directly.

PRINT MEDIA

There are certainly cries that print advertising is dead or ineffective. But neuroscientists have reported that print ads make a better impression than digital ones. "Numerous studies have indicated that on a brain-chemistry level, people process print content with greater engagement and focus, not to mention a deeper emotional response, than they do content viewed on a screen," Jenna Bruce of Mediaspace Solutions has said.

RADIO AND TV

Advertising nationally on commercial network TV may be too costly for many entrepreneurs, but local stations (especially cable TV) can be surprisingly affordable. Armed with the right information, you may find that TV and radio advertising deliver more customers than any other type of ad campaign. The key is to have a clear understanding of your target audience and what they want or listen to so the money spent on broadcast advertising is invested in programming that reaches them in the right way and in the right context.

One way to do this: Ask a station's salesperson about the "audience delivery" of available spots. Using published guides (Nielsen), you can calculate the CPM (cost per thousand) of reaching your target audience. Remember, you are buying an audience—not just time on a show.

DIRECT MAIL

Direct mail encompasses a wide variety of marketing materials, including brochures, catalogs, postcards, newsletters, and more.

What's the advantage?

Unlike other forms of advertising, in which you're never sure just who is getting your message, direct mail lets you communicate one-on-one with your target audience. That allows you to control who receives your message, when it is delivered, what is in the envelope, and how many people you reach.

Start by getting your name on as many mailing lists as possible. Junk mail isn't junk when you're trying to learn about direct mail. Obtain free information every chance you get, especially from companies that offer products or services similar to yours. Take note of your reaction to each piece of mail, and save the ones that communicate most effectively, whether they come from large or small companies.

CLASSIFIED ADS

Believe it or not, classified ads still get you noticed, even in the age of social media. Classified ads are a smart way to reach prospects who are looking for—and are prepared to buy—what you sell. And since they demand neither the eye-catching design of a display ad nor the clever wording of a direct-mail campaign, almost anyone can write them.

What should your ad say? The News Media Alliance recommends listing your product or service's main benefit. Does it make people money? Improve their self-image? Use a catchy statement such as "Feel good now!" to create an impact. Not every reader is looking for the same benefit, so list as many as you can afford.

CO-OP

How can small retailers or distributors maintain a high profile without spending lots of money? One answer is co-op advertising, which is a cooperative advertising effort between suppliers and retailers—such as between a soda company and a convenience store that advertises the company's products.

Both retailers and suppliers benefit: retailers because co-op advertising increases the amount of money they can spend on ads, and suppliers through increased local exposure and better sales.

Although each manufacturer or supplier that uses co-op advertising sets up its own individual program, all co-op programs run on the same basic premise. The retailer or distributor builds a fund (called accrual) based on the amount of purchases made by the supplier. Then, when the retailer or distributor places ads featuring that supplier's products, the supplier reimburses all or part of the cost of the ad up to the amount accrued.

To start, ask your suppliers if they offer co-op programs. Follow their rules to be sure you're reimbursed. ■

Crisis Management

SHARING THE PROFITS

The sports drink company **O2** is thriving during the pandemic, thanks to a counterintuitive decision: It started giving money away. **by JASON FEIFER**

LOCATION: CROSSFIT BLUE ASH

 Photographs Brian Finke

O2 founder and CEO Dave Colina at his local gym, CrossFit Blue Ash, in Ohio.

Dave Colina's startup could have been severely hurt by the pandemic. His company makes the sports recovery drink O2, and prior to COVID-19, half of its business came from gyms. But once lockdowns began, gyms were closed and athletes were stuck at home. Colina worried for his future but decided to take a gamble: He found unique ways to financially support those closed gyms, even as he ran tight on cash. "We felt that as long as we did the right thing to help our gym owners, then chances were it would come back to us in the end," he says. He was right. His direct-to-consumer sales are tracking to be 10 times higher than last year's, and his entire business is on pace to grow five times. How? He explains.

Gyms are a big part of your business, but how could you help them?
We're carried in independently owned gyms—CrossFit, gyms, yoga studios, places that aren't backed by tons of cash. When they shut down, we looked at creating a program to effectively allow them to share in the financial upside of purchases of O2, knowing that their members would usually be buying from them instead of us.

We dubbed it the "50/50 initiative." Each gym gave its members a unique coupon code, and we split 50 percent of profits from each sale back with the gym where the online purchaser generally works out. We sacrificed our margins significantly. Then we enlisted five other brands to join us, and collectively generated more than $230,000 for more than 2,600 participating gyms.

Gym owners must have loved that. Did you feel like you'd earned customers for life?
A hundred percent. I mean, $230,000 spread across 2,600 gyms—that's not a ton of money per gym. We recognize that. But the gesture was super, super appreciated.

And when we were about to conclude the program after six weeks, we noticed that a lot of gym owners were preparing for May to be really challenging. When the gyms shut down, a lot of members were like, "I'll keep my membership active for April because I want to support my gym." But a lot of folks were considering canceling in May. And membership dues are what keeps gyms in business.

So we developed another program, to offset the cost of people's memberships and incentivize them to stick around. For every member of those 2,600 participating gyms who kept their membership active in May, we'd give them a $100 gift card—it was $25 from us, and $25 from three other brands that had participated in our first program. When we announced the program, we had gyms telling us this is what kept them in business—that this was more than their bank or government had done for them. I don't know exactly how many people kept their memberships active because of this, but it's potentially tens of thousands of people.

ourselves. That's just good business.

So basically, there was no way to predict what would happen anyway—so you might as well take what felt like a smart risk?
Nobody could have predicted anything about their business at that time. Frankly, I was just hoping to break even and not have to lay anybody off. But that's the thing to being a startup: Once you're in the market, you can get a sense for how the response is and forecast that forward. Three or six days into these programs, it became clear we should put more fuel on this fire. So that's what we did. Our sales increased dramatically, and our profits increased, too. We're now the strongest we've ever been.

What do you think is going to happen next?
We're seeing probably 90 percent of our clients back online. *[Editor's note: We spoke in June.]* Our revenue from the gym channel this month will be the highest it's been all year, which is good. We're bringing on more new clients right now than we ever have, because our brand awareness and equity is so high as a result of the initiatives we've been doing.

What happens a month from now? I have no idea. I don't think anybody does. But we're still very oriented toward the principle of "What's the right thing to do?" So we're throwing everything we can behind our gyms. ■

What was the conversation like about this inside O2? The early days of the pandemic must have been scary, and now you're giving money away!
Honestly, I had no idea if I'd have to lay people off or furlough people or cut back on benefits. But I decided to share the profits with our gym owners because that felt like the right thing to do.

We are a very values-oriented company, and we have three values: honesty, humility, and hustle. Looking at a decision within the lens of those values makes the decision a lot easier. A lot of businesses are under a lot of scrutiny for prioritizing themselves ahead of their customers, and we don't buy into that. We do everything we can to prioritize our customers ahead of

Tap Your Network

SHOULD I SPEND BIG ON SOCIAL MEDIA?

Paid ads on social platforms can get your business in front of a lot of eyeballs. But don't overlook the many other (and cheaper) ways to grow your customer base online.

by ADAM BORNSTEIN

Q: When it comes to customer acquisition, how important is paid social media compared with other digital channels? —John L., Houston

Social media has created a beautiful opportunity for entrepreneurs: It's never been easier to get your message in front of hundreds, thousands, or even millions of people. But if you want to reach all those people, it's going to cost a lot.

It's a simple case of supply and demand, and social media platforms are limiting the supply. Organic reach—your ability to speak directly to the audience that chooses to interact with your business—has dwindled to almost nothing. On Facebook, organic reach touches around 6 percent of your audience. Facebook simply doesn't show your posts to most of your followers...unless you pay for the privilege. That's one reason why advertising inside social media has become increasingly expensive, as brands outbid each other in a competition for attention.

Suddenly, social media isn't such a great deal. If you're on a budget, all of this can brutally limit your growth and acquisition opportunities.

That's not to say you should stop using digital platforms. Paid social is a hotbed of marketing insight. With a small amount of cash, you can test headlines, imagery, and offers. However, if your entire acquisition strategy depends on paid media, you could pay your way right out of business.

But there is another way! You just need to diversify. There are many ways to acquire customers: paid social, paid search, email, organic social, organic search, public relations, influencer marketing, and earned media. Start by identifying a few channels where you want to focus your efforts. (Ideally, some of those channels will not require ad dollars.) This way, you can test what's working while building an omnichannel approach.

At my marketing agency, we start with data and consumer insights, then use that to support tactics that allow clients to win at SEO through organic content. (Social media may be the ultimate toy for idle hands, but Google is still a business's best friend.) Then we tie that to a strategy that makes it easy to acquire emails. Then we focus on paid social to amplify direct selling.

For example, we have one CPG client for whom we created 40 original articles, designed to drive traffic to its website. On the surface, this might not seem like a way to grow revenue. But within two years, those 40 articles allowed the brand to rank for more than 12,000 keywords (up from 2,000), landing in the top three Google results for nearly 400 searches.

This influx of traffic made it easier to directly sell on the article pages and add thousands of email addresses to the company's database, which they used for marketing. This was a combination of smart SEO planning (knowing what keywords to target), strategy lead generation (creating pop-ups or other opt-ins), and positioning product offerings on specific article pages (like native ads that sold products related to the topic of a specific article). This way, the traffic was technically "free"—and so were the added emails, which we could now upload to social media platforms and directly sell to consumers with ads based on their interests.

If you put all your eggs in the paid basket, you undercut the long-term growth of your brand. And when you push on all levers at the same time, you make it increasingly hard to know which channels have the highest ROI. But when you diversify your strategy, growth opportunities can feel limitless.

Adam Bornstein is the founder of Pen Name Consulting, a marketing and branding agency, and the creator of two12, a mentorship experience for entrepreneurs.

Illustration Federico Gastaldi

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Digital Marketing

PEOPLE ARE NOT DATA

Want to really connect with consumers? Take it from me, a guy who ran marketing at YouTube, Spotify, Google, and Instagram: You can't rely on data alone. It's time to build some truly human connections. by **ERIC SOLOMON**

I didn't know it at the time, but I was about to join my very last "performance calibration session." This was late in 2018, when I was a managing director at Instagram, and these sessions had been a common part of my life—just like they are at many big companies. They're a time for senior managers to discuss the performance of their individual team members, applying common organizational standards across job levels. HR specialists moderate performance discussions on a biannual, sometimes quarterly, basis. Conceptually, there's nothing all that weird about calibration. But that's conceptually. I have held senior-level marketing roles at YouTube, Spotify, Google, and Instagram, so I've sat in on a lot of these. And the reality is this: A group of highly opinionated, often outspoken managers get together in a room shielded from prying eyes. Most managers gather in a physical conference room; others connect by phone or video, making it nearly impossible for everyone to weigh in equally. The HR representative says a few obligatory words toeing the company line, and then the verbal battle swords come out. For the next several hours, we go around the room, screens, and phone lines making the best case for why one manager's team member deserves an "exceeds expectations" rating ("She's a rock star!"), while another's should be a "meets expectations" ("He's solid but hasn't gone to the next level") or, worse, a dreaded "meets most expectations" ("Her peers sometimes find her difficult to work with"). During one particularly memorable calibration session at Google, a young man's rating was under scrutiny because his manager argued that this employee needed to "grow a pair of balls."

Every so often, HR will step in to suggest that the group bump a few people down because we're aiming to hit a normal distribution of ratings. We're not looking for a perfect bell curve—very few people are rated at the lowest or highest ends—but the bell can't be too top-heavy. Although positioned

Illustrations Doug Chayka

as an objective method to evaluate employee performance, I have found calibration to be an almost entirely subjective experience, with sometimes dire consequences. One below-average rating means less bonus money; two in a row triggers a performance improvement plan that routinely ends with getting fired.

But I'll be honest; for years, these problems never really sunk into my brain. I was a devotee of data. That was the best way to reach customers, I believed—and, naturally, that meant it was the best way to manage employees as well. Data was core to my Ph.D. work and the thing I dedicated my career to. And even when I was emotionally shaken—a moment, only a few years ago, when I lost my father in a tragic and haunting way—I reacted by submerging myself even further into a data-driven, analytical, emotion-free world. That space just made more sense.

But during this performance calibration session, something inside me started to crack. I had a thought: By plotting performance on a normal curve, we're treating people as data points, not as human beings. I had been videoconferencing into this meeting and felt an urge to leave it. So I turned my camera off. I sat and thought. It was unclear how much time had passed when I turned the camera back on to rejoin my Instagram colleagues. I stared into the lens, past the lens, to see the looks of silent victory or resignation on the faces of my peers, most of them crammed around a small conference room table in Menlo Park, Calif., nearly touching elbows. I had entered a rare moment of silence, as if everyone were leaning in to hear the barely whispered secrets of the universe.

And that's the moment when I knew I was done. Done with Instagram. Done with the career I had been building for the past two decades. Done with the notion that turning everything into data—especially human beings—is anything other than personally and professionally damaging. It was time to do better.

At the age of 20, like so many college students, I was in search of some kind of "truth." Math and the harder sciences lay outside my mental wheelhouse, so I settled on cognitive psychology, with a focus on language and reasoning. This was a bull's-eye on people skills, but backed by brain biology and a heap of statistical analyses. I became enamored with the vernacular of objectivity. People who participated in my experiments became subjects. To get published in the field, I was instructed to be in constant pursuit of statistically significant results. I learned how to run t-tests and ANOVAs and other math-y things that allowed me to abstract away from the individual in order to talk about populations. This was a version of truth I could identify with, and I was hooked.

After college, I entered a graduate program in psychology. I found new ways to experiment on subjects. By the time I was 26, I had earned my master's and my Ph.D. Then I went into advertising, where I was something of a corporate unicorn—the guy with a Ph.D. in quantitative psychology who employs a data-driven skill set to help sell mainstream products like Cheetos and Slim Jims. I found this intoxicating, but I wanted even more. So after a few years at ad agencies, I made the leap to a marketing role at YouTube, and later to Spotify. With their well-known missions to organize the world's information in different ways, there seemed to be no better space for someone infatuated with the hunt for truth and objectivity.

I joined YouTube in 2011, and my timing was good. I'd been invested in data-as-truth for a long time, and suddenly data became the central currency of corporate America. Topics I had delved into as a doctoral candidate—A/B testing, artificial intelligence, rational versus emotional decision-making—became mainstream business parlance. Everyone began talking more excitedly about adopting data-driven approaches to everything, and I watched as leaders across industries started to demand increasingly more data in order to inform—and, in many cases, guide—critical business decisions.

The field of marketing in particular has embraced the quantitative mindset. In part, this is due to a correction of the "Don Draper" era of advertising, where big, transformative ideas materialized toward the bottom of a martini glass. There's a logic to this: Marketing used to rely upon the whims of a few, but now we have the technical capacity to understand the interests of the many. And that, in turn, has enabled us to track and calibrate exactly how people react to different messages—a perfectly reasonable interest for any business. Then this capability was democratized—Facebook and Google, along with other technology platforms, have made it famously easy for any business to target people down to an exact science.

These massive digital advertising platforms quickly changed what it means to be a successful marketer—it's no longer about establishing real, human connections with people as customers, assuming that was ever the goal. Today, the Holy Grail of advertising can be framed as personalization meets attribution. This is the mechanical process of delivering highly relevant and valuable communication to customers (personalization at scale), and then understanding in great detail the impact and result of that effort while gleaning new insights (attribution). That's why it seems like just thinking about buying a new pair of pants can result in chinos following you around the internet until you're beaten into clickable submission. Data drives statistically significant results.

I got this. I built new tools and strategies to optimize it, and I saw a return. And then: My own data set changed.

Coming back home from a work trip, just before wheels-up takeoff, I received a call alerting me that my father was in the hospital. He had been found in his suburban backyard that morning suffering from two critical blows to the head—and there was no chance he would recover. Dead. Murdered? It appeared that way, although there were no witnesses and not enough evidence to know for sure. He was gone by the time I landed, and I had absolutely no clue how to process the noxious human cocktail of denial, anger, sadness, fear, and unabashed grief.

I took to the task of managing these emotions like an unflinching robot. I ate up the procedural minutiae as a proxy for feeling anything on a human level. There wasn't much

conscious about the shift, but I reverted to seeing the world as divided objectively into two parts. There was the task of conquering the soul-sucking tactics of sudden loss, and there was proving to the world that nothing—not even a tragedy—would stop me from blindly achieving. The idea of pouring myself into work came so naturally that I never once paused to think about it.

This didn't make me an especially pleasant colleague. I was fired from Spotify. Then I went to Google, and onward to Instagram—a believer in data as a corporate strategy but also, personally, as a method of separating work from my humanity. I wasn't ready to blend the two.

But then I realized that this is exactly what we must do if we're ever to succeed in business (or, for that matter, in life). We'll never really reach people if we just focus on their output. We'll never build truly great, resonant brands if we don't connect with people as individuals. So to start, I quit Instagram.

After corporate life, I did what anyone in a career crisis does: I worried. Then I relaxed and traveled a bit, discovered the value of sleep, and enjoyed quiet mornings that didn't begin with an overflowing inbox. I learned that there's more to this world than the narrow band I'd been laboring in. I started speaking with others who felt stuck or were looking to make change. I confronted the issues I had put off; I properly grieved for my father and started, slowly, to learn how to talk about it with others. And then I tried to find my new place in this world. Which meant starting with new ideas.

As an oversimplification, I've come to think about business activity—spanning departments, companies, even entire industries—as running along a two-dimensional axis. On one end lies the operational, tactical, or transactional aspects of how organizations get things done. In marketing, these are activities like making a piece of advertising, running a story through a PR outlet, creating customer experiences, or deciding how and when to run a promotion. These, and other transactional activities, are tactics we can easily measure to tell stories about why what we're doing is working or not.

On the other end of the axis lies the foundational elements of how a business runs. For all organizations, this is about spending the time to craft or revisit the authentic mission and vision of a company, the core values the company holds, and how that business is positioned for greatness in the world beyond just the top and bottom lines. This work is based on telling human stories that resonate emotionally, not just rationally—and, clearly, this type of foundational work is much harder to measure. And that makes it harder to think about.

All points along this transactional-to-foundational axis contribute to the success of any organization, but corporate obsession with Big Data has made it far too easy to ignore the foundational elements of business entirely. After all, it is so much easier to focus on measuring KPIs and crafting stories about success by exceeding agreed upon, but often arbitrary, metrics.

For a long time, I simply didn't see this as a problem. Who needs emotional resonance when you have metrics? But once I stepped outside corporate life and started looking at business as a regular, feeling, grieving, unemployed consumer, I started to really appreciate the disconnect.

When businesses ignore the foundational elements of relationships, it can result in failure of epic proportions. Across the past few years alone, the marketing world has offered a constant string of cautionary tales. Pepsi launched an expensive ad starring Kendall Jenner in 2017 that had nothing to do with Pepsi's mission or core values; in the same year, Audi ran a Super Bowl ad talking about empowering young women, but its entire board consisted of older men; and just recently Gillette produced an ad aimed at tackling toxic masculinity without any regard for how it made its core customers—men—feel.

These all made news, and they were discussed as boneheaded missteps. But I know what they really are. They're cases of blindly embracing data ("Fifty-two percent of people say a brand needs to stand for something bigger than just its products and services"), without much recognition that there are humans on the other end, and that those humans have finely tuned bullshit detectors. This is what happens when organizations execute without clearly defining or aligning to their operating system, which comprises such foundational elements as the core reason why the company exists (beyond making money), why it does what it does or makes what it makes, and how it goes to market and positions itself to the world.

But this is exactly the direction we need to head in if we want to thrive in business and, more important, as human beings.

Today, I consult. I know, I know—it's clichéd and expected: the man who left corporate life and now serves his old masters in new ways. But I find it satisfying in that I can now walk into data-driven places and say, "Stop."

In corporate life, we are tempted to separate human emotion from business practice, just as I separated data from humanity for most of my career. But I have come to realize that the line between these things is completely arbitrary. Drawing a stark distinction puts us at a big disadvantage as businesses and as people. I hope I'm not alone in thinking this, and perhaps I'm not. In the summer of 2019, it was heartening to see executives from the Business Roundtable assert for the first time that companies need to invest in the well-being of customers and employees rather than focusing solely on shareholder value. We'll see how committed they truly are to doing that. But it is, if nothing more, a good way to start the conversation.

The reality is that marketers have long understood the need to build and foster meaningful emotional connections between businesses and customers. The quality of these connections helps to define the world's most iconic brands. But as technology, data, and metrics have moved to the forefront of corporate discourse, the context in which to establish these emotional relationships has changed. The net result of the connected world is that people are producing more signals about who they are, what they talk about, and the things they like. So the temptation–one I understand all too well–is to move away from individuals and to look for human patterns in the tangled web of data. There is value in doing that, of course. I'm not saying that advertising is pointless, or that targeted marketing doesn't work. But I am saying that you can't confuse those tools for what it means to build relationships with humans.

So how do businesses do the more important work? First, they need to acknowledge that there are living, feeling human beings at the beginning and end of every transaction–and that a shift in thinking must be employed to really build emotional connections with their customers. For example, I've started to think about how businesses can construct a "business relationship arc" to help simplify their marketing goals.

Whenever a person interacts with a brand, they experience milestones or feelings. It's exactly like how they first interact with other people. At first, a consumer will only know that a brand "exists"–they see it, maybe they try it and form some early opinion about it, but that's it, just like meeting a new person at a party. Over time, the relationship can develop. Consumers will attach deeper meaning to some brands, or will think about them in certain ways, or will attach some new meaning to the brand. Now the business relationship arc is developing. Things get interesting as they move further up the arc, where customers might incorporate a business or a product into a part of their lives, or think of the brand as something that shapes or defines them. Very few companies (or people!) are able to take the relationship beyond that, to a place where they are indispensable and would be forgiven no matter what happens. But it's possible.

Successful companies are the ones that find ways to move people up the arc–to go from merely existing to being something people care about, and then something they'll defend. This requires thinking about what moves people as humans, not just what motivates them as groups.

Businesses also need to establish what I call their "brand operating system." In technology, operating systems support basic functions that enable more complex tasks to happen. Similarly, for companies, a brand operating system is what delivers a clarity of purpose to inspire and catalyze the potential, power, and humanity of any business. At the heart of a company's operating system is a core brand essence, a central idea. It's what the company is about–and it's an internal thing, not a tagline or campaign.

At Nike, for example, there is the central belief that "if you have a body, you are an athlete." This is at the heart of who Nike is, serving as a North Star for how it operates and communicates as a company. With that in place, Nike can build a holistic operating system that includes details about why the company exists, what it's trying to achieve, the distinct value it offers to its customers, fundamental beliefs that provide norms for how it makes decisions, and the collection of characteristics that represent the style in which it communicates. These are precisely the ingredients that make us unique as individuals, and they are essential to building companies that mean more to people than just the things they make and sell.

Successful companies are the ones that go from merely existing to being something people care about, and then something they'll defend. This requires thinking about what moves people as humans.

Belief is at the heart of any company's OS. But belief can't be established without good leadership. So here's where a business turns inward–where it takes its philosophy on reaching customers and applies it to its own employees. Data got us those "performance calibration sessions." But a focus on humanity can get us somewhere else entirely.

Many employees, across all levels, care about what they do beyond a written job description. They might not do everything well, but they double down on their strengths, building successes from the things they're good at. Performance calibrations, as I've experienced them, are rarely about identifying or evaluating strengths. They seem designed to weed out employees who defy expectations or who don't check off all the mandatory boxes, arbitrary as they may be. There has to be a better way to get the most out of a human workforce.

So consider the advice I was given years ago. Originally meant to apply to qualities of leadership, I think the sentiment is best applied to how we can nurture human talent in the workplace and in daily life, beyond any traditional evaluation methods: Big or small, have a vision. People need to understand why you get out of bed in the morning. Then, discover and describe the passion in that vision. If you don't really care about what you're doing, neither will anyone else. Vision and passion fall on deaf ears without persuasion–the ability to get others on board. And most important, embrace humility. This means bucking against the trend–fueled by data–of committing to being right and defensively closing yourself off.

Humility means being curious about other people, being open to what they offer, and realizing that we all have a lot to learn about what makes us tick. It took me a while to get there. And now, I believe, this can go a long way in allowing us to treat each other properly–not as data points, but as fellow human beings.

Eric Solomon is a New York-based writer and a marketing and leadership consultant.

CHAPTER

3

GOOD OPPORTUNITY

Create your best success through franchising.

The List

TOP 200 FOOD FRANCHISES

It's been a tough year for restaurants, but the industry remains powerful—and full of opportunity.

Compiled by TRACY STAPP HEROLD

PHOTOGRAPH BY GETTY IMAGES/LUCAS MOSNA

Even as the franchise model has expanded into just about every industry imaginable, food remains the largest and one of the fastest-growing industries in the franchise world. Thirty percent of the 1,105 companies that applied for *Entrepreneur*'s 2020 Franchise 500 ranking were food-related franchises, and new concepts continue to come on the scene every year.

Food is also one of the most durable franchise industries. While running a restaurant can certainly be challenging, there's a reason brands like A&W, which just turned 100 last year, are still around today—they know how to earn loyalty, and they know how to adapt to keep that loyalty strong even in extreme situations. As dining rooms were shut down in response to the coronavirus pandemic, food franchisors rose to the occasion, quickly finding ways to keep serving customers and communities and help their franchisees survive—and, in some cases, even thrive.

On the following pages, we celebrate the strength and resilience of these companies with our list of the top 200 food franchises, ranked within their respective categories. This ranking is based on the scores each company received from our Franchise 500 formula, which evaluates more than 150 data points—collected last summer—in the areas of costs and fees, size and growth, franchisee support, brand strength, and financial strength and stability.

Remember as you read that this list is not intended as a recommendation of any particular company. It's more important than ever to do your own careful research before investing in a franchise opportunity. Read the company's legal documents, consult with an attorney and an accountant, and talk to as many existing and former franchisees as you can about their experiences.

Asian Food

1 L&L Hawaiian Barbecue
STARTUP COST
$133.7K-$535K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
195/0

2 Teriyaki Madness
STARTUP COST
$322.8K-$845.4K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
55/3

3 Pho Hoa
STARTUP COST
$267.6K-$523.4K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
53/10

4 Pokeworks
STARTUP COST
$273K-$711K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
35/11

5 LemonShark Poke
STARTUP COST
$341.95K-$866.4K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
16/2

Baked Goods

1 Cinnabon
STARTUP COST
$108.5K-$368.1K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
1,539/1

2 la Madeleine French Bakery & Cafe
STARTUP COST
$1.2M-$3.1M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
53/30

3 Paris Baguette
STARTUP COST
$719.3K-$1.4M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
3,333/48

4 Great American Cookies
STARTUP COST
$177.7K-$476.1K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
383/0

5 Shipley Do-Nuts
STARTUP COST
$410K-$771.5K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
290/12

6 Kolache Factory
STARTUP COST
$428.9K-$696.9K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
32/26

7 Breadsmith
STARTUP COST
$354.3K-$399.9K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
32/2

8 Auntie Anne's
STARTUP COST
$199.5K-$385.1K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
1,892/11

9 Cinnaholic Franchising
STARTUP COST
$178K-$308.5K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
37/1

10 Duck Donuts Franchising
STARTUP COST
$348.4K-$568K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
82/1

11 Wetzel's Pretzels
STARTUP COST
$164.95K-$405.9K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
319/26

12 Pretzelmaker
STARTUP COST
$216.2K-$343K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
255/0

13 Ben's Soft Pretzels
STARTUP COST
$89K-$339.5K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
69/13

14 Great Harvest Franchising
STARTUP COST
$144.1K-$704.2K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
182/1

15 Philly Pretzel Factory
STARTUP COST
$133.99K-$351.2K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
155/7

16 Peace, Love & Little Donuts
STARTUP COST
$121.2K-$235.1K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
35/3

Candy

1 Kilwins Chocolates Franchise
STARTUP COST
$381.3K-$898.3K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
130/2

2 Rocky Mountain Chocolate Factory
STARTUP COST
$186.5K-$476.8K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
244/2

3 ■ Peterbrooke Chocolatier
STARTUP COST
$212.8K-$333.5K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
14/8

4 ■ River Street Sweets Savannah's Candy Kitchen
STARTUP COST
$458.1K-$920.5K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
4/15

Chicken

1 ■ KFC
STARTUP COST
$1.4M-$2.8M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
22,774/329

2 ■ Wingstop Restaurants
STARTUP COST
$374.1K-$782.4K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
1,381/32

3 ■ Bojangles' Famous Chicken 'n Biscuits
STARTUP COST
$1.6M-$2.4M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
442/322

4 ■ Chester's
STARTUP COST
$12.4K-$287.6K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
1,286/0

5 ■ Golden Chick
STARTUP COST
$443.4K-$1.3M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
169/12

6 ■ Church's Chicken
STARTUP COST
$964.2K-$1.6M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
1,385/165

7 ■ Pollo Campero USA
STARTUP COST
$432.4K-$1.97M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
73/272

CHICKEN SALAD CHICK

When dining rooms closed, Chicken Salad Chick's franchisees found creative ways to keep serving customers, including pop-up drive-throughs and community drop-off events. Many restaurants also added a "donate a meal" option to their online ordering, giving customers an option to pay for meals to feed frontline workers. Grayson Moody, a young fan of the brand in Atlanta, asked friends and family to donate meals in lieu of gifts for her 13th birthday, raising more than $1,300.

8 ■ Chicken Salad Chick
STARTUP COST
$515K-$683K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
85/40

9 ■ Champs Chicken
STARTUP COST
$9K-$349K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
369/0

10 ■ Epic Wings
STARTUP COST
$459.95K-$1.2M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
4/19

Coffee

1 ■ Dunkin'
STARTUP COST
$395.5K-$1.6M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
12,957/0

2 ■ The Human Bean Drive Thru
STARTUP COST
$211.6K-$738.4K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
85/13

3 ■ Scooter's Coffee
STARTUP COST
$331K-$638K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
205/20

4 ■ Gloria Jean's Coffees
STARTUP COST
$173.2K-$473K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
859/0

5 ■ PJ's Coffee of New Orleans
STARTUP COST
$188.3K-$578K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
93/0

6 ■ Biggby Coffee
STARTUP COST
$186.9K-$369.1K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
240/0

7 ■ The Coffee Beanery
STARTUP COST
$185K-$472.5K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
56/2

8 ■ Ellianos Coffee Company
STARTUP COST
$275.3K-$398.5K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
12/0

9 ■ Aroma Joe's Coffee
STARTUP COST
$256.5K-$702K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
66/1

10 ■ Maui Wowi Hawaiian Coffees & Smoothies
STARTUP COST
$63.9K-$554K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
150/0

Frozen Desserts

1 ■ Culver's
STARTUP COST
$1.97M-$4.7M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
709/6

2 ■ Baskin-Robbins
STARTUP COST
$93.6K-$401.8K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
8,072/0

3 ■ Dairy Queen
STARTUP COST
$1.1M-$1.8M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
7,035/2

4 ■ Kona Ice
STARTUP COST
$127.8K-$151.6K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
1,180/19

5 ■ Ben & Jerry's
STARTUP COST
$149.2K-$504.3K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
577/38

PHOTOGRAPH COURTESY OF CHICKEN SALAD CHICK


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KONA ICE

Kona Ice trucks usually do business in places where people gather—schools, sports fields, churches, events. So when such gatherings ceased due to social distancing recommendations, franchisees had to find another way to reach their customers. The company created Kurbside Kona, a delivery service that allows customers to preorder shaved ice treats online and then have them delivered to their driveway by their local Kona truck.

6 ▶ Freddy's Frozen Custard & Steakburgers
STARTUP COST
$590.5K-$1.99M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
349/30

7 ▶ Dippin' Dots Franchising
STARTUP COST
$112.2K-$366.95K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
223/0

8 ▶ Marble Slab Creamery
STARTUP COST
$316.1K-$409.1K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
348/0

9 ▶ Carvel
STARTUP COST
$250.6K-$415.5K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
356/0

10 ▶ Handel's Homemade Ice Cream
STARTUP COST
$224.5K-$666.5K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
36/11

11 ▶ The Haagen-Dazs Shoppe
STARTUP COST
$164.2K-$542.8K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
217/0

12 ▶ Creamistry Franchise
STARTUP COST
$224.5K-$576.5K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
62/1

13 ▶ Fosters Freeze
STARTUP COST
$64K-$587.5K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
70/0

14 ▶ Cold Stone Creamery
STARTUP COST
$53.2K-$468.8K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
1,204/4

15 ▶ Paciugo Gelato Caffe
STARTUP COST
$124.7K-$489.3K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
31/1

16 ▶ Yogurtland Franchising
STARTUP COST
$278.2K-$588.2K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
304/13

17 ▶ Bruster's Real Ice Cream
STARTUP COST
$229.2K-$1.3M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
192/2

18 ▶ Rita's Italian Ice
STARTUP COST
$196.1K-$455.5K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
570/0

19 ▶ Sweet Charlie's
STARTUP COST
$124K-$300K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
15/3

20 ▶ Frios Gourmet Pops
STARTUP COST
$27.2K-$186.95K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
33/2

Full-Service Restaurants

1 ▶ Golden Corral
STARTUP COST
$2.3M-$6.7M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
448/36

2 ▶ Walk-On's Bistreaux & Bar
STARTUP COST
$1.2M-$3.99M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
30/5

3 ▶ Buffalo Wild Wings
STARTUP COST
$1.9M-$3.8M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
639/635

4 ▶ Gyu-Kaku Japanese BBQ Restaurant
STARTUP COST
$1.2M-$2.5M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
751/26

5 ▶ Old Chicago Pizza & Taproom
STARTUP COST
$1.4M-$2.2M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
37/72

6 ▶ The Melting Pot Restaurants
STARTUP COST
$1.4M-$1.8M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
105/3

7 ▶ Arooga's Grille House & Sports Bar
STARTUP COST
$1.3M-$3.6M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
10/10

8 ▶ Black Bear Diner
STARTUP COST
$1.1M-$2.1M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
83/48

9 ▶ Brass Tap
STARTUP COST
$780.9K-$1.3M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
44/1

10 ▶ Native Grill & Wings Franchising
STARTUP COST
$998K-$2.6M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
29/0

11 ▶ Hooters
STARTUP COST
$956.5K-$4.3M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
210/202

12 ▶ Ponderosa Steakhouse
STARTUP COST
$657.2K-$1.2M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
83/0

13 ▶ HuHot Mongolian Grills
STARTUP COST
$984K-$1.2M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
42/22

PHOTOGRAPH COURTESY OF KONA ICE

GOLDEN CORRAL

Even as states began loosening restrictions and allowing dining rooms to reopen, most followed federal guidelines suggesting that self-service options not be reopened—a big problem for buffets. But the country's largest buffet chain, Golden Corral, didn't let that stop it, instead coming up with different service models for franchisees to implement depending on the rules in their areas, including a cafeteria-style model with staff members serving the food and a family-style table-service model.

14 Beef O'Brady's Family Sports Pub
STARTUP COST
$806.8K–$1.3M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
127/24

15 The Lost Cajun
STARTUP COST
$250.2K–$667.5K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
22/2

16 Eggs Up Grill
STARTUP COST
$462.3K–$653.7K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
41/1

17 Black Rock Bar & Grill
STARTUP COST
$1.5M–$2.99M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
16/1

18 Tony Roma's
STARTUP COST
$2.1M–$3.5M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
131/2

19 Twin Peaks Restaurant
STARTUP COST
$1.4M–$3.6M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
55/28

20 The Flying Biscuit Cafe
STARTUP COST
$442.5K–$737K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
18/0

21 Russo's New York Pizzeria
STARTUP COST
$451.4K–$1.5M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
37/5

22 The Greene Turtle Sports Bar & Grille
STARTUP COST
$1.5M–$2.7M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
31/13

23 Elmer's Breakfast Lunch Dinner/Egg N' Joe
STARTUP COST
$712K–$3.2M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
18/11

24 Huddle House
STARTUP COST
$511.9K–$1.3M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
301/43

25 Hwy 55 Burgers, Shakes & Fries
STARTUP COST
$153.9K–$249.9K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
116/20

26 East Coast Wings + Grill
STARTUP COST
$434.6K–$927.9K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
34/2

Hamburgers

1 McDonald's
STARTUP COST
$1.3M–$2.2M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
35,461/2,647

2 Sonic Drive-In
STARTUP COST
$1.3M–$3.5M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
3,424/176

3 Hardee's Restaurants
STARTUP COST
$1.5M–$2M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
2,112/117

4 Carl's Jr. Restaurants
STARTUP COST
$1.6M–$2.1M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
1,608/48

5 Checkers Drive-In Restaurants
STARTUP COST
$203.6K–$945K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
602/260

6 A&W Restaurants
STARTUP COST
$269K–$1.2M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
953/4

7 Wayback Burgers
STARTUP COST
$209K–$524.5K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
138/7

8 Fatburger North America
STARTUP COST
$463.2K–$988K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
163/0

9 BurgerFi
STARTUP COST
$613.6K–$987.3K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
87/21

10 Mooyah Burgers, Fries, & Shakes
STARTUP COST
$402.8K–$564.4K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
80/2

Hot Dogs

1 Wienerschnitzel
STARTUP COST
$303.6K–$1.4M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
328/0

2 Nathan's Famous
STARTUP COST
$276.4K–$1M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
258/4

3 Hot Dog on a Stick
STARTUP COST
$349.2K–$582K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
18/44

PHOTOGRAPH COURTESY OF GOLDEN CORRAL

4 Dog Haus Worldwide
STARTUP COST
$378K-$949.1K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
31/2

Mexican Food

1 Taco Bell
STARTUP COST
$525.5K-$2.96M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
6,662/474

2 Taco John's International
STARTUP COST
$1.1M-$1.6M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
382/10

3 Del Taco
STARTUP COST
$859.7K-$2.1M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
274/312

4 Qdoba Mexican Eats
STARTUP COST
$475.4K-$1.1M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
371/362

5 Fuzzy's Taco Shop
STARTUP COST
$858.5K-$1.3M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
135/11

6 Moe's Southwest Grill
STARTUP COST
$443.5K-$1M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
713/5

7 Bubbakoo's Burritos
STARTUP COST
$131.5K-$398K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
21/9

8 Chronic Tacos Enterprises
STARTUP COST
$294K-$799K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
48/6

9 Pancheros Mexican Grill
STARTUP COST
$404.3K-$931K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
43/28

10 Quesada Burritos & Tacos
STARTUP COST
$239K-$320.5K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
121/3

11 California Tortilla
STARTUP COST
$402.4K-$697K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
36/5

12 Rusty Taco
STARTUP COST
$529.8K-$796.3K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
22/9

13 Baja Fresh
STARTUP COST
$229.2K-$994.3K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
131/6

Miscellaneous Quick-Service Restaurants

1 Captain D's
STARTUP COST
$1M-$1.2M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
244/291

2 Orion Food Systems
STARTUP COST
$59.5K-$140K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
1,032/0

3 Chop Stop
STARTUP COST
$315K-$599K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
9/5

4 Taziki's Mediterranean Cafe
STARTUP COST
$468K-$831K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
74/18

5 Cousins Maine Lobster
STARTUP COST
$175.9K-$828.7K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
32/4

A&W

A&W celebrated its 100th anniversary last year, making it America's oldest franchised restaurant chain. And while the brand might be most famous for its root beer, it was also the first chain to offer a bacon cheeseburger, a creation of current chairman, Dale Mulder, when he was a franchisee in 1963. So perhaps it's no surprise that when the company started offering plant-based Beyond Burgers and flexitarian guests asked for bacon and cheese to be added, A&W was happy to comply.

A&W isn't the only franchise looking to appeal to guests seeking more vegetarian, vegan, and flexitarian options. Plant-based foods have been one of the biggest trends of the last year, popping up on a number of franchise menus. And with the prospect of meat shortages looming, it's a trend that may prove even more important to restaurants' success than they might have originally expected.

6 Jazen Tea
STARTUP COST
$186.6K-$339.7K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
10/11

7 Bar-B-Cutie SmokeHouse
STARTUP COST
$266.99K-$2.1M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
9/2

8 Dickey's Barbecue Pit
STARTUP COST
$256.4K-$443K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
505/5

9 Fazoli's
STARTUP COST
$466.8K-$1.9M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
164/52

10 Vitality Bowls
STARTUP COST
$170.1K-$604K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
68/5

11 Zoup! Systems
STARTUP COST
$357.9K-$650.5K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
81/3

PHOTOGRAPH COURTESY OF A&W RESTAURANTS

12 D.P. Dough
STARTUP COST
$142.96K-$463.2K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
26/8

13 Newk's Eatery
STARTUP COST
$932K-$1.1M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
104/20

14 Saladworks
STARTUP COST
$163.7K-$452.3K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
86/4

15 Golden Krust Caribbean Restaurant
STARTUP COST
$225.9K-$687K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
111/5

16 SoBol
STARTUP COST
$187.2K-$390K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
32/4

Pizza

1 Pizza Hut
STARTUP COST
$357K-$2.2M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
17,120/56

2 Marco's Pizza
STARTUP COST
$223.5K-$586.4K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
956/0

3 Blaze Fast-Fire'd Pizza
STARTUP COST
$545.5K-$1.1M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
330/7

4 Mountain Mike's Pizza
STARTUP COST
$208K-$593.5K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
218/0

5 Rosati's Pizza
STARTUP COST
$136.2K-$1.2M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
137/11

6 Papa John's International
STARTUP COST
$130.1K-$844.4K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
4,702/643

7 Pizza Ranch
STARTUP COST
$1.1M-$2.5M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
200/8

8 Round Table Pizza
STARTUP COST
$327.3K-$1.1M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
359/70

9 Donatos
STARTUP COST
$386.5K-$698.9K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
103/55

10 Jet's Pizza
STARTUP COST
$437.5K-$631K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
345/38

11 Hungry Howie's Pizza & Subs
STARTUP COST
$290.6K-$538.4K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
514/32

12 Pizza Factory
STARTUP COST
$372K-$562K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
102/1

13 Ledo Pizza
STARTUP COST
$126.3K-$442K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
102/0

14 Straw Hat Pizza
STARTUP COST
$346.5K-$825K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
23/0

15 Urban Bricks Kitchen
STARTUP COST
$281K-$757.8K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
13/2

16 1000 Degrees Pizza
STARTUP COST
$220.7K-$784.3K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
39/0

17 Fox's Pizza Den
STARTUP COST
$110.8K-$210.8K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
212/0

18 Papa Murphy's Take 'N' Bake Pizza
STARTUP COST
$280.3K-$517K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
1,290/90

19 Figaro's Pizza
STARTUP COST
$86.5K-$549K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
34/0

Retail Food/ Food Services

1 Nothing Bundt Cakes
STARTUP COST
$431.6K-$600.4K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
301/6

2 Watermill Express Franchising
STARTUP COST
$471.8K-$596.4K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
313/953

3 HoneyBaked Ham
STARTUP COST
$291.7K-$516.5K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
214/201

4 Totally Nutz
STARTUP COST
$59.9K-$216K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
77/13

5 The Spice & Tea Exchange
STARTUP COST
$183.7K-$369.3K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
66/1

6 Beef Jerky Outlet Franchise
STARTUP COST
$215.8K-$394.9K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
95/6

7 Edible
STARTUP COST
$173.6K-$373.5K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
1,125/2

8 Farm Stores Franchising
STARTUP COST
$96.4K-$572.3K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
28/0

9 IceBorn
STARTUP COST
$113.1K-$245.7K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
69/104

10 Doc Popcorn
STARTUP COST
$45.8K-$352.7K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
95/0

11 Corporate Caterers
STARTUP COST
$149K-$227.8K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
26/3

12 Chefs For Seniors
STARTUP COST
$10.5K-$26.7K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
43/2

Sandwiches

1 Jersey Mike's Subs
STARTUP COST
$237.4K-$766.97K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
1,520/72

2 Jimmy John's Gourmet Sandwiches
STARTUP COST
$313.6K-$556.1K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
2,763/55

3 Arby's
STARTUP COST
$320.6K-$2M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
2,355/1,137

4 Firehouse Subs
STARTUP COST
$57.5K-$868.7K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
1,142/38

5 McAlister's Deli
STARTUP COST
$772K-$2.1M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
423/29

6 Subway
STARTUP COST
$140.1K-$342.4K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
41,600/0

7 Charleys Philly Steaks
STARTUP COST
$253.2K-$582.3K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
562/59

8 Potbelly Sandwich Shop
STARTUP COST
$534.95K-$874K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
59/429

9 Port Of Subs
STARTUP COST
$214.5K-$397.1K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
108/28

10 Penn Station East Coast Subs
STARTUP COST
$347.96K-$556.8K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
309/1

11 Capriotti's Sandwich Shop
STARTUP COST
$375K-$645.4K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
90/10

12 Roy Rogers Restaurants
STARTUP COST
$767.3K-$1.6M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
28/24

13 Togo's
STARTUP COST
$240.5K-$545.7K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
194/5

14 Schlotzsky's Austin Eatery
STARTUP COST
$503.8K-$800.5K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
328/25

15 Erbert & Gerbert's Sandwich Shop
STARTUP COST
$194.8K-$393.3K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
89/2

16 Tubby's Sub Shop
STARTUP COST
$112.9K-$293.5K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
61/0

17 Jon Smith Subs
STARTUP COST
$332.5K-$637.98K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
17/0

18 Which Wich Superior Sandwiches
STARTUP COST
$175.5K-$480.3K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
428/2

19 Great Wraps
STARTUP COST
$159.5K-$485.5K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
43/1

20 Pita Pit
STARTUP COST
$179.8K-$428.8K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
564/6

21 Cousins Subs
STARTUP COST
$197.2K-$648K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
71/24

22 Pop's Italian Beef and Sausage
STARTUP COST
$577.2K-$1.2M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
14/1

23 Earl of Sandwich
STARTUP COST
$317K-$603K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
22/14

24 Cheba Hut Toasted Subs
STARTUP COST
$404.5K-$687.5K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
12/13

25 PrimoHoagies Franchising
STARTUP COST
$235.5K-$574.5K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
85/1

26 Melt Shop
STARTUP COST
$426.9K-$767.4K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
4/12

27 The Gyro Shack
STARTUP COST
$162.5K-$509K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
1/8

Smoothies/Juices

1 Smoothie King
STARTUP COST
$263.6K-$844.5K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
1,037/36

2 Tropical Smoothie Cafe
STARTUP COST
$198.5K-$543.5K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
840/1

3 Nekter Juice Bar
STARTUP COST
$254.5K-$466.6K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
103/42

4 Jamba
STARTUP COST
$273.6K-$504.3K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
853/7

5 Juice It Up!
STARTUP COST
$214.4K-$377.5K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
84/0

6 Robeks Fresh Juices & Smoothies
STARTUP COST
$236.5K-$345.5K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
84/0

7 Planet Smoothie
STARTUP COST
$77.7K-$327.6K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
136/0

8 Clean Juice
STARTUP COST
$269K-$512.5K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
70/7

The List

THE HOTTEST INDUSTRIES TODAY

Our list of the franchises best positioned for growth, even in uncertain times.

Compiled by TRACY STAPP HEROLD

PHOTOGRAPH BY SHUTTERSTOCK/JAMESTEOHART

Every December, we publish a list in *Entrepreneur* of what we predict will be the "hottest" categories for franchise expansion in the year ahead. And every summer we typically publish an update on that list—not updating the categories, but updating the information on the fast-growing or newly launched franchises within those categories.

But this year, as we prepared to update the list, we were faced with a question—*should* we change the categories from those we had listed in December, back when the world looked and felt a whole lot different? While businesses in some of these categories were deemed nonessential and were adversely affected by the COVID-19 shutdowns, many also found creative ways to keep serving customers during that time. And we believe that even those that didn't will ultimately benefit from the fact that absence makes the heart grow fonder. It's unlikely that anyone will ever again take for granted the ability to go to the gym or a family entertainment center. So in the end, we removed just a few categories (including breakfast, Mexican food, and juices/acai bowls, which you can find covered in our "Top 200 Food Franchises" list, on page 44), and added one that saw a boost in popularity during the shutdowns: home improvement.

The road ahead will still hold many challenges for businesses in every industry, and different franchisors and franchisees will tackle those challenges differently. So keep in mind that this list is not an endorsement of any particular franchise company. It's more important than ever to do your own research before investing in an opportunity. Read the FDD, consult with accountants and attorneys, and talk to existing and former franchisees to decide whether the franchise is right for you.

Childcare

For essential workers who couldn't stay home with their little ones, childcare businesses proved even more vital than ever this year. And those parents who could stay home have likely gained a new appreciation for the work these businesses do to educate and care for their kids. As the economy opens back up and more parents head back to the office, this category should only keep growing.

Adventure Kids Playcare
Childcare/entertainment centers
STARTUP COST
$344.3K–$589K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
12/4

Building Kidz School
Preschool/educational childcare
STARTUP COST
$215K–$656K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
27/3

Celebree School
Early childhood education and childcare
STARTUP COST
$525.5K–$684K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/26

Children's Lighthouse
Childcare
STARTUP COST
$722.5K–$4.99M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
49/0

College Nannies, Sitters and Tutors
Nanny placement, babysitting, tutoring
STARTUP COST
$105K–$158K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
191/0

Creative World School Franchising
Early childhood education centers
STARTUP COST
$2.4M–$5.2M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
16/7

Discovery Point Franchising
Childcare
STARTUP COST
$405.6K–$3.4M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
44/3

Genius Kids
Preschool, daycare, public-speaking enrichment programs
STARTUP COST
$239.9K–$619.5K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
30/4

Giggles Drop-In Childcare
Drop-in childcare, afterschool programs, summer camps
STARTUP COST
$334K–$762.6K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
6/1

Goddard Systems
Preschool/educational childcare
STARTUP COST
$653.8K–$814.5K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
509/0

Ivy Kids Systems
Childcare and early learning
STARTUP COST
$2.6M–$5.6M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
8/5

Ivybrook Academy
Preschool
STARTUP COST
$310.7K–$440.2K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
5/1

Kiddie Academy
Educational childcare
STARTUP COST
$425K–$4.2M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
256/1

Kids 'R' Kids Learning Academies
Childcare centers
STARTUP COST
$4.4M–$5.7M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
173/0

KidsPark
Hourly childcare and preschool
STARTUP COST
$261.3K–$449.5K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
18/2

KLA Schools
Preschool/childcare
STARTUP COST
$1.1M–$5.8M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
15/7

LeafSpring Schools
Educational childcare/preschool
STARTUP COST
$3.7M–$6.8M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
19/5

The Learning Experience Academy of Early Education
Preschool/educational childcare
STARTUP COST
$494.4K–$3.6M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
212/23

Lightbridge Academy
Childcare/early learning
STARTUP COST
$549.2K–$5.1M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
30/14

Montessori Kids Universe
Educational childcare
STARTUP COST
$431.3K–$933.7K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
11/0

Muse Global
Early childhood education
STARTUP COST
$432.1K–$2.2M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/1

Primrose School Franchising
Educational childcare
STARTUP COST
$637.9K–$6.4M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
405/0

Tierra Encantada
Spanish immersion daycare and preschool
STARTUP COST
$846.6K–$1.8M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/5

Twinkle Toes Nanny Agency
In-home child care
STARTUP COST
$35.4K–$68.9K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
8/2

Entertainment/ Recreation

Entertainment and recreation businesses were understandably deemed nonessential during the shutdowns. And yet, more than ever, people needed things to keep them occupied and take their minds off the world—and many of these businesses found creative ways to still meet that need, like offering take-home DIY projects and online party services.

Alamo Drafthouse Cinema
Dine-in theaters
STARTUP COST
$9.1M–$21.5M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
22/18

American Poolplayers Association
Recreational billiard leagues
STARTUP COST
$20.5K–$28.4K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
316/8

AR Workshop
DIY workshops
STARTUP COST
$71.5K–$125.7K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
142/2

Axe Monkeys
Indoor ax, knife, and spear throwing
STARTUP COST
$189.4K–$266.1K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
3/0

Blue Ox Axe Throwing
Indoor ax throwing
STARTUP COST
$94.4K–$174.5K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/2

Board & Brush Creative Studio
DIY wood-sign workshops
STARTUP COST
$62.3K–$89.4K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
231/6

City Brew Tours
Educational craft brewery tours
STARTUP COST
$78.4K–$102K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
2/9

ClimbZone Franchising
Climbing-wall family entertainment centers
STARTUP COST
$1.9M–$3M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
2/1

Color Me Mine Enterprises
Paint-your-own-ceramics studios
STARTUP COST
$165.95K–$228K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
130/9

Complete Weddings + Events
Photography, DJ, video, and photo-booth services
STARTUP COST
$31.95K–$87.3K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
186/2

Cruise Planners
Travel agencies
STARTUP COST
$2.3K–$23.6K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
3,061/1

Ctrl V
Virtual reality arcades
STARTUP COST
$142.9K–$233.3K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
18/1

DivaDance
Adult dance classes and parties
STARTUP COST
$41.1K–$57.6K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
16/2

Dream Vacations
Travel agencies
STARTUP COST
$1.8K–$20.3K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
1,432/0

Elite Events & Tickets
Event planner, ticket brokerage, and travel agency
STARTUP COST
$80.6K–$144.1K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
3/1

Escapology
Escape rooms
STARTUP COST
$144K–$681K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
50/4

Expedia CruiseShipCenters
Retail travel agencies
STARTUP COST
$155.9K–$275.9K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
259/1

Freedom Boat Club
Membership boat clubs
STARTUP COST
$149.2K–$458.7K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
209/23

Funtopia
Wall-climbing and family entertainment facilities
STARTUP COST
$685.2K–$2M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
9/5

GameTruck Licensing
Mobile video-game theaters
STARTUP COST
$156.6K–$342.7K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
64/3

HaliMac
Ax throwing
STARTUP COST
$130.97K–$213.7K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/3

Kampgrounds of America
Campgrounds and RV Parks
STARTUP COST
$26.8K–$4.4M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
484/31

Launch Franchising
Family entertainment centers
STARTUP COST
$1.1M-$2.8M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
27/3

Nailed It DIY
DIY studios
STARTUP COST
$61.5K-$139K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
17/0

Painting with a Twist
Paint-and-sip studios
STARTUP COST
$118.5K-$285.5K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
298/3

Paniq Room
Escape rooms
STARTUP COST
$200K-$350K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
8/5

Pinot's Palette
Paint-and-sip studios
STARTUP COST
$96.8K-$246.7K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
131/3

Pinspiration
DIY studios
STARTUP COST
$38K-$185.5K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
13/1

The Rustic Brush
DIY studios
STARTUP COST
$63.3K-$94.5K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
18/3

Safari Nation
Indoor bounce houses and playgrounds
STARTUP COST
$255.5K-$746.5K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/2

SailTime
Membership boat clubs
STARTUP COST
$81.7K-$159.95K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
27/1

Sky Zone
Trampoline parks/entertainment centers
STARTUP COST
$1.3M-$2.8M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
201/9

Stumpy's Hatchet House
Hatchet-throwing venues
STARTUP COST
$260.5K-$383.5K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
10/1

Thrillz High Flying Adventure Park
Family adventure parks
STARTUP COST
$2M-$2.97M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/1

Urban Air Adventure Park
Adventure parks
STARTUP COST
$2.9M-$4.6M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
132/2

urbanChef Franchising
Cooking classes
STARTUP COST
$175.2K-$313.7K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/1

Wine & Design
Paint-and-sip studios
STARTUP COST
$69.95K-$221.2K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
74/1

Yogi Bear's Jellystone Park Camp-Resorts
Family camping resorts
STARTUP COST
$62K-$3M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
81/0

Fitness

When the pandemic hit, many fitness franchises were able to quickly pivot and offer classes to their customers online. Nevertheless, many people were eager to get back into the gym when restrictions began to be lifted, and with health more top-of-mind than ever, this already strong category should only see more growth going forward.

Ageless Fitness
Fitness programs for seniors
STARTUP COST
$64.2K-$118.2K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/1

Air Aerial Fitness
Aerial fitness training
STARTUP COST
$86K-$176K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
7/1

AKT Franchise
Fitness studios
STARTUP COST
$332.5K-$499.5K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
6/1

Alkalign Studios
Group fitness classes, streaming fitness classes, nutrition coaching
STARTUP COST
$173.3K-$521K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
2/2

Anytime Fitness
Fitness centers
STARTUP COST
$76.7K-$521.4K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
4,510/10

Athletic Republic
Sports performance training
STARTUP COST
$236K-$482K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
43/1

Baby Boot Camp
Prenatal and postpartum fitness and nutrition
STARTUP COST
$6.1K-$10.2K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
63/0

The Barre Code
Barre fitness classes
STARTUP COST
$198.5K-$418.8K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
35/5

Blink Fitness
Health and fitness centers
STARTUP COST
$606.8K-$2.1M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
11/96

Bodytek Fitness
Gyms
STARTUP COST
$249.6K-$384.5K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
2/4

Brooklyn Fitboxing USA
Boxing and kickboxing group fitness programs
STARTUP COST
$150K-$261.2K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
114/2

Burn Boot Camp
Women's fitness centers
STARTUP COST
$150.3K-$406.5K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
260/4

The Camp Transformation Center
Fitness/weight-loss services
STARTUP COST
$167K-$326.5K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
98/10

Cityrow Franchise
Rowing and strength training
STARTUP COST
$253K-$460K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
6/2

CKO Kickboxing
Kickboxing fitness classes
STARTUP COST
$117.8K–$383.2K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
87/0

Club Pilates Franchise
Reformer Pilates classes
STARTUP COST
$167.97K–$280.4K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
562/1

Core Progression Elite Personal Training
Personal and group training, wellness services
STARTUP COST
$170.5K–$460K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
4/2

Crunch Franchise
Fitness centers
STARTUP COST
$255.5K–$2.3M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
255/25

CycleBar
Indoor cycling classes
STARTUP COST
$319.2K–$497.2K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
196/0

Discover Strength
Personalized strength training
STARTUP COST
$271.3K–$481K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/5

Eat The Frog Fitness
Fitness studios
STARTUP COST
$560K–$722K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
21/1

EverybodyFights
Fitness facilities
STARTUP COST
$85.5K–$1.9M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
3/4

The Exercise Coach
Personal training
STARTUP COST
$106.1K–$298.5K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
67/2

F45 Training
Fitness studios
STARTUP COST
$227K–$315K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
1,045/0

Fit Body Boot Camp
Indoor fitness boot camps
STARTUP COST
$151.1K–$213.1K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
455/1

Fit4Mom
Prenatal and postpartum fitness and wellness programs
STARTUP COST
$6.9K–$26.4K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
317/1

Fitness Together
Personal training
STARTUP COST
$143.6K–$258.1K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
142/1

FitPro Franchising
Fitness and nutrition programs
STARTUP COST
$131.1K–$207.6K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/1

Gold's Gym
Health and fitness centers
STARTUP COST
$2.2M–$5M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
581/140

GYMGUYZ
Mobile personal training
STARTUP COST
$56.1K–$121.7K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
218/22

Hard Exercise Works
Boot camp fitness programs
STARTUP COST
$126.3K–$476.9K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
17/1

Hardcore Fitness Boot Camp
Group training
STARTUP COST
$285.2K–$621.8K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
9/6

Honor Yoga
Yoga, meditation, teacher training, retreats
STARTUP COST
$199.97K–$299.6K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
10/1

Iron Legion Franchise
Strength training and fitness programs
STARTUP COST
$107.6K–$171.6K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/1

ISI Elite Training
Athletic-based fitness programs
STARTUP COST
$173.3K–$370.6K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
1/6

Jabz Franchising
Boxing studios for women
STARTUP COST
$147.2K–$242.3K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
16/3

Jazzercise
Group fitness classes, conventions, apparel, and accessories
STARTUP COST
$2.4K–$17.2K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
8,560/2

Just You Fitness
Personal training
STARTUP COST
$16K–$29.4K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
4/1

Last Real Gym
Gyms
STARTUP COST
$412.6K–$797.4K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/1

Legends Boxing
Boxing fitness programs
STARTUP COST
$289.5K–$524.1K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
5/0

The Max Challenge
10-week fitness and nutrition programs
STARTUP COST
$150.8K–$349.3K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
70/0

Mayweather Boxing + Fitness
Boxing group fitness
STARTUP COST
$199.6K–$598K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/1

Moms on the Run
Fitness programs for women
STARTUP COST
$6.2K–$13.5K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
43/7

MyFitness Butler
Mobile personal training
STARTUP COST
$56.6K–$84K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/1

9Round
Kickboxing fitness circuit-training centers
STARTUP COST
$99.7K–$143.1K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
790/7

On The Marc Training
Mobile fitness training
STARTUP COST
$72.9K–$90.5K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/1

Orangetheory Fitness
Group personal training
STARTUP COST
$576K-$1.5M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
1,369/16

Outlaw FitCamp Fitness Studios
Functional interval training fitness studios
STARTUP COST
$191K-$305.5K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/3

Oxygen Yoga & Fitness
Yoga and fitness classes
STARTUP COST
$245K-$390K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
51/0

Physique 57
Barre fitness classes
STARTUP COST
$272K-$603.6K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/6

PickUp USA Fitness
Basketball-focused fitness clubs
STARTUP COST
$407.3K-$999.1K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
6/1

Planet Fitness
Fitness clubs
STARTUP COST
$1.1M-$4.2M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
1,779/80

Pure Barre
Barre fitness classes and apparel
STARTUP COST
$198.7K-$446.3K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
545/7

Pure Physique
Fitness and wellness centers
STARTUP COST
$125.1K-$184.9K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/1

Red Effect International Franchise
Infrared fitness studios
STARTUP COST
$149.5K-$1M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
5/3

Regymen Fitness
Fitness studios
STARTUP COST
$402K-$865K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
1/4

Retro Fitness
Health clubs
STARTUP COST
$939.3K-$1.6M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
140/0

Row House
Indoor rowing classes
STARTUP COST
$257.7K-$400.8K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
54/3

Sasquatch Strength
Group functional training
STARTUP COST
$125.8K-$199.7K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/3

Self Made Training Facility
Private personal training and supplement sales
STARTUP COST
$263.98K-$725.7K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
15/1

Send Me A Trainer
In-home personal training
STARTUP COST
$49.1K-$84.8K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
3/0

Snap Fitness
24-hour fitness centers
STARTUP COST
$153.98K-$529.9K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
1,300/38

StretchLab
Assisted stretching classes and related therapy services
STARTUP COST
$169.3K-$248.1K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
64/0

Stride
Fitness studios
STARTUP COST
$233.9K-$493K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
1/1

Sudore Wellness
Group interval training
STARTUP COST
$230K-$437.5K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/1

Tapout Fitness
Fitness and martial arts
STARTUP COST
$139.7K-$695.6K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
24/3

The8Block Fitness Studio
Fitness studios with smoothie bar and recovery services
STARTUP COST
$150.4K-$307.4K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/1

30 Minute Hit
Kickboxing circuit-training programs for women
STARTUP COST
$100.6K-$165.5K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
62/0

Title Boxing Club
Boxing and kickboxing fitness classes, personal training, apparel
STARTUP COST
$160.5K-$519.6K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
185/2

Tough Mudder Bootcamp
High intensity interval training studios
STARTUP COST
$377.7K-$560K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
6/0

TruFusion
Group fitness studios
STARTUP COST
$899.7K-$3.1M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
9/2

UFC Gym
Boxing, kickboxing, Brazilian jiu jitsu, high-intensity interval training, and group fitness classes
STARTUP COST
$199K-$4.2M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
127/14

Workout Anytime 24/7
24-hour health clubs
STARTUP COST
$555.5K-$996.4K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
173/1

YogaSix
Yoga studios
STARTUP COST
$283.3K-$452.8K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
34/0

Health

Being healthy has become more important than ever, so this small but growing category probably looks more appealing than ever to prospective franchisees. And there's something here for everyone, from traditional health services to more alternative offerings like acupuncture, cryotherapy, IV therapy, and cannabis.

ApexNetwork Physical Therapy
Physical therapy
STARTUP COST
$148.4K-$344.4K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
25/46

BeBalanced Hormone Weight Loss Centers
Hormone-based weight-loss and wellness services
STARTUP COST
$155.7K-$208.5K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
22/1

Discover CBD
Hemp-derived CBD products
STARTUP COST
$79.3K-$161.5K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
8/5

Dr. Fulmes Rejuvenation Techniques
Neuromuscular training
STARTUP COST
$34.6K-$48K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/1

Eufloria Franchising
CBD/THC products and accessories; virtual doctor consultations
STARTUP COST
$97.2K-$292.6K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/2

Franny's Franchising
CBD products and accessories
STARTUP COST
$138.1K-$252.2K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/3

4ever Young
Preventative health, wellness, and aesthetic services
STARTUP COST
$237.9K-$398.4K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/2

Fyzical Therapy & Balance Centers
Physical therapy, balance and vestibular therapy, preventive wellness services
STARTUP COST
$148.8K-$819K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
388/19

Good Feet Worldwide
Arch supports, related products
STARTUP COST
$123.8K-$229.3K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
128/13

HealthSource Chiropractic
Chiropractic, rehabilitation, massage, nutrition, and wellness services
STARTUP COST
$58.5K-$383.3K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
172/0

Home Care for the 21st Century
Home health care and hospice care
STARTUP COST
$85.8K-$203K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/0

The Hydration Room
Vitamin IV and injection therapy
STARTUP COST
$92.6K-$166.6K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
2/9

iCryo
Cryotherapy, wellness, and pain management services
STARTUP COST
$239.4K-$591.8K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
3/1

The Joint
Chiropractic services
STARTUP COST
$182.7K-$368.5K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
419/55

Lice Clinics of America
Lice-treatment services and products
STARTUP COST
$68K-$104.5K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
209/1

Miracle-Ear
Hearing aids
STARTUP COST
$119K-$352.5K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
1,417/54

Mobility City Holdings
Wheelchair and mobility scooter repair, cleaning, rentals, and sales
STARTUP COST
$121.2K-$233.6K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
10/1

Mobility Plus
Mobility scooters, ramps, stair lifts
STARTUP COST
$97.8K-$149.5K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
24/1

Modern Acupuncture
Acupuncture
STARTUP COST
$258.4K-$666.8K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
51/0

My Eyelab
Eye care and eyewear
STARTUP COST
$407.5K-$585.5K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
22/45

100% Chiropractic
Chiropractic services, massage therapy, nutritional supplements
STARTUP COST
$129.8K-$663.3K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
37/2

101 Mobility
Mobility and accessibility equipment sales and services
STARTUP COST
$118.3K-$216.6K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
168/2

Pearle Vision
Eye care and eyewear
STARTUP COST
$77.7K-$620.5K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
418/107

Perspire Sauna Studio
Infrared sauna studios
STARTUP COST
$318.4K-$440.7K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
5/3

Pharmabox
Over-the-counter pharmaceutical products vending
STARTUP COST
$195.7K-$216.8K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/47

Physical Therapy Now Franchise
Physical therapy
STARTUP COST
$150.1K-$205.1K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
24/4

Profile by Sanford
Weight-loss and wellness services
STARTUP COST
$445K-$699.5K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
131/30

Relax The Back
Products for relief/prevention of back and neck pain
STARTUP COST
$219.7K-$391.3K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
90/2

Restore Hyper Wellness + Cryotherapy
Wellness services
STARTUP COST
$373.3K-$596.5K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
18/7

Results Inc. Weight Loss Centers
Weight-loss coaching and products
STARTUP COST
$101.7K-$207.4K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/2

The Salt Suite
Salt therapy
STARTUP COST
$187.7K-$307.6K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
6/0

Structural Elements
Orthopedic wellness services
STARTUP COST
$295K-$559.4K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
2/1

Titan Medical Center
Medical rejuvenation therapy and weight-loss centers
STARTUP COST
$160.2K-$229.4K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/1

Transcend Hospice
Hospice agencies
STARTUP COST
$77.2K-$114.8K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/10

True Rest Float Spa
Floatation therapy
STARTUP COST
$359.9K-$778.8K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
36/6

Unity Rd.
Retail cannabis dispensaries
STARTUP COST
$325.3K-$1.1M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/2

Vegan Fine Foods
Vegan health and beauty stores/cafés/vitamin and supplement stores
STARTUP COST
$95.9K-$458.5K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/1

Home Improvement

As shelter-in-place orders had people spending more time in their homes, many turned to home improvement, repair, and remodeling projects to keep themselves busy. Most home improvement stores and service business were able to stay open during this time, adjusting their services to maintain proper social distancing and sanitation, with some even pivoting to virtual consultations.

ABC Seamless
Seamless siding, soffit, fascia, gutters, windows, roofing
STARTUP COST
$86K-$268.5K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
89/7

Access Garage Doors
Garage door sales, installation, and repairs
STARTUP COST
$34.2K-$101.3K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/1

Ace Handyman Services
Residential and commercial repairs, maintenance, and improvements
STARTUP COST
$93.3K-$137.5K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
115/7

Ace Hardware
Hardware and home-improvement stores
STARTUP COST
$286K-$2.1M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
5,179/133

Aladdin Doors Franchising
Garage-door installation and repairs
STARTUP COST
$32.4K-$99.95K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
43/2

America's Color Consultants
Paint color consulting
STARTUP COST
$13.1K-$43.1K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
2/3

Andy OnCall
Handyman services
STARTUP COST
$48.2K-$62.1K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
30/0

Apex Energy Solutions
Replacement windows
STARTUP COST
$98.9K-$197.5K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
14/5

Archadeck Outdoor Living
Outdoor living space design and construction
STARTUP COST
$38.8K-$125K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
46/1

Bloomin' Blinds
Window covering sales, installation, and repairs
STARTUP COST
$62.6K-$137.4K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
64/0

Budget Blinds
Window coverings, window film, rugs, accessories
STARTUP COST
$125.3K-$254.3K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
'1,256/0

CertaPro Painters
Residential and commercial painting
STARTUP COST
$133.3K-$169.5K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
359/0

Christmas Decor
Holiday and event lighting
STARTUP COST
$19.6K-$62.3K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
259/0

Closet & Storage Concepts/ More Space Place
Residential/commercial closet and storage systems; Murphy beds
STARTUP COST
$95.7K-$494.1K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
37/3

Closet Factory
Custom closet and storage systems
STARTUP COST
$208.5K-$356K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
67/10

Closets By Design Franchising
Custom closet and home/office organization systems
STARTUP COST
$152K-$428K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
62/6

Color World House Painting
Residential/commercial painting, repairs, gutter installation, power washing, holiday lighting
STARTUP COST
$72.3K-$143.2K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
24/1

Concrete Craft
Decorative concrete coatings
STARTUP COST
$135.3K-$227.1K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
58/0

Decorating Den Interiors
Interior decorating services and products
STARTUP COST
$43.7K-$70.3K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
250/0

Dr. Auto & Casa
Home and auto handyman services
STARTUP COST
$45K-$60K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
58/1

DreamMaker Bath & Kitchen
Kitchen, bath, and interior remodeling
STARTUP COST
$142.6K-$364.6K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
36/0

EatGatherLove
Kitchen refacing and remodeling
STARTUP COST
$99.8K-$269.8K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
8/0

Five Star Bath Solutions
Bathroom remodeling
STARTUP COST
$75.5K-$141.1
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
46/1

Five Star Painting
Residential and commercial painting
STARTUP COST
$69.7K-$179.3K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
181/0

Floor Coverings International
Flooring
STARTUP COST
$154.2K-$222.7K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
157/0

Footprints Floors
Flooring installation and restoration
STARTUP COST
$65.5K-$91.6K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
14/8

Fresh Coat
Residential and commercial painting
STARTUP COST
$53.9K-$76.8K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
162/0

Furniture Medic
Furniture and wood restoration, repair, and refinishing
STARTUP COST
$80.8K-$90.1K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
338/0

GarageExperts
Garage cabinets, floor coatings, organization products
STARTUP COST
$51.4K-$143.99K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
90/0

Get A Grip Franchising
Countertop, cabinet, tub, tile, and shower resurfacing; fiberglass repair
STARTUP COST
$43.6K-$92.7K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
23/1

Glass Doctor
Auto/residential/commercial glass installation, repair, and replacement
STARTUP COST
$127.3K-$265.5K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
172/0

The Glass Guru
Window and glass restoration, repair, and replacement
STARTUP COST
$72.8K-$179.5K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
76/0

Gotcha Covered
Window treatments
STARTUP COST
$75.7K-$93.9K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
93/0

Granite Garage Floors
Garage floor coatings
STARTUP COST
$128.2K-$236.9K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
10/1

GreenLight Mobility
Home modifications for the disabled and aging
STARTUP COST
$85.6K-$123.3K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/1

Handyman Connection
Home repairs, remodeling
STARTUP COST
$99.7K-$152.9K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
61/0

Handyman Pro
Handyman services
STARTUP COST
$90.6K-$138K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
1/0

HandyPro International
Handyman and home-modification services
STARTUP COST
$70.6K-$128.6K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
13/1

Home Technology Handyman
Smart home and electrical contracting services
STARTUP COST
$11.97K-$43.9K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
3/1

Home Technology Pros
Smart home and electrical contracting services
STARTUP COST
$42.9K-$73.3K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
4/1

The Honey Do Service
Handyman/home-improvement services
STARTUP COST
$65.7K-$95.9K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
12/1

Imeca
Lumber and hardware stores
STARTUP COST
$365.7K-$458.9K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/17

Kitchen Solvers
Kitchen and bath remodeling and design
STARTUP COST
$91.6K-$116.7K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
44/0

Kitchen Tune-Up
Residential and commercial kitchen and bath remodeling
STARTUP COST
$94.97K-$129.1K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
198/0

Kitchen Wise
Kitchen pantry and bathroom organization
STARTUP COST
$89.99K-$135K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
2/1

Made in the Shade Blinds and More
Window coverings
STARTUP COST
$53.4K-$61K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
102/1

Metal Supermarkets
Metal stores
STARTUP COST
$216.5K-$403K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
82/9

Miracle Method Surface Refinishing
Kitchen and bathroom surface refinishing
STARTUP COST
$84.5K-$145K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
153/1

Mr. Appliance
Residential and commercial appliance installation and repairs
STARTUP COST
$60.8K-$139.5K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
268/0

Mr. Handyman
Residential and commercial repair, maintenance, and improvement services
STARTUP COST
$117.5K-$149.1K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
231/0

Mr. Sandless/Dr. DecknFence
Interior and exterior sandless wood refinishing
STARTUP COST
$26.8K–$87.4K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
225/9

N-Hance Wood Refinishing
Wood cabinet and floor refinishing
STARTUP COST
$52.4K–$168.7K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
590/0

Ocean Exteriors
Roofing, exterior coating, vinyl windows, paving
STARTUP COST
$76.9K–$91.4K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/1

Outdoor Lighting Perspectives
Residential, holiday, and hospitality lighting
STARTUP COST
$130K–$133.1K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
59/1

Painter1
Painting
STARTUP COST
$58.9K–$121.5K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
19/0

The Patch Boys
Drywall repair
STARTUP COST
$47.8K–$75.3K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
95/0

PatchMaster
Drywall repair
STARTUP COST
$27.95K–$49.8K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
42/10

Paul Ryan Windows
Window and door sales and installation
STARTUP COST
$91.9K–$181.9K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/1

Pet Door USA
Pet door sales and installation
STARTUP COST
$22.95K–$27.9K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/3

Precision Door Service
Residential garage door repair, installation, and service
STARTUP COST
$71.3K–$314.96K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
98/0

Premier Pools & Spas
Residential pool construction
STARTUP COST
$38K–$97.5K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
46/0

Pro-Lift Garage Doors
Garage-door installation and repairs
STARTUP COST
$90.6K–$138K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
23/0

ProSource Wholesale
Wholesale kitchen, bath, and flooring products
STARTUP COST
$635.3K–$641.6K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
144/3

Re-Bath
Bathroom remodeling
STARTUP COST
$139.9K–$308K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
89/3

Refresh Renovations
Residential renovations
STARTUP COST
$128.9K–$189.98K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
66/0

RenuKrete
Concrete flooring installation, treatment, repair, and restoration
STARTUP COST
$85.7K–$177.7K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/2

Screenmobile
Mobile window and door screening
STARTUP COST
$91.98K–$183.9K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
129/1

ShelfGenie Franchise Systems
Custom pull-out shelving for cabinets and pantries
STARTUP COST
$45.1K–$95K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
143/46

Space2Sleep
Custom wall beds and cabinetry
STARTUP COST
$29.4K–$59K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/1

Spray-Net
Exterior spray painting
STARTUP COST
$99.3K–$132.5K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
47/0

Superior Fence & Rail
Fence sales and installation
STARTUP COST
$88K–$196.5K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
11/6

Surface Specialists
Bathtub repair and refinishing, tub liners, bath remodeling
STARTUP COST
$43.2K–$56K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
48/0

Tailored Living
Home organization products and services
STARTUP COST
$156.4K–$296.3K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
185/0

360 Painting
Residential and commercial painting
STARTUP COST
$90.5K–$132.5K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
133/0

UBuildIt Holdings
Construction consulting
STARTUP COST
$113.5K–$223.8K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
59/15

USA Insulation
Home insulation and energy-efficient products
STARTUP COST
$149.8K–$270K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
38/1

Window World
Replacement windows, doors, siding, and other exterior remodeling products
STARTUP COST
$177.4K–$457.3K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
201/0

Wow 1 Day Painting
One-day residential and commercial painting
STARTUP COST
$67K–$129.5K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
52/0

Pets

Americans spent an estimated $75 billion on their furry friends last year, according to the American Pet Products Association, and while spending in other areas has decreased, people are still willing to sacrifice for their pets. Plus, most pet stores qualified as “essential businesses” during the shutdowns, and other businesses like doggy daycares stayed open to provide care for medical workers’ pets.

Always Faithful Dog Training
Dog training
STARTUP COST
$42.5K–$65.6K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
15/1

The Ark Pet Spa & Hotel
Pet boarding, daycare, grooming, and products
STARTUP COST
$438.8K–$1.8M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/6

Aussie Pet Mobile
Mobile pet grooming
STARTUP COST
$151.2K–$159.5K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
279/0

Ben's Barketplace
Pet health-food stores
STARTUP COST
$178.6K–$350.6K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
1/2

Camp Bow Wow
Dog daycare, boarding, training, grooming
STARTUP COST
$718.5K–$1.5M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
169/11

Camp Run-A-Mutt
Dog daycare and boarding
STARTUP COST
$264.1K–$589.9K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
12/1

Central Bark
Dog dayare
STARTUP COST
$421.3K–$586.7K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
25/1

Dee-O-Gee
Pet supplies and services
STARTUP COST
$157.1K–$555K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
5/0

The Dog Stop
Dog care services and products
STARTUP COST
$259.5K–$675.3K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
19/6

Dogtopia
Dog daycare, boarding, and spa services
STARTUP COST
$668.3K–$1.4M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
119/12

Dog Training Elite Franchising
Dog training
STARTUP COST
$79.7K–$261.4K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
3/0

EarthWise Pet
Pet food and supplies, grooming, self-wash, training, and walking
STARTUP COST
$230.5K–$565.5K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
55/3

easyvetclinic
Walk-in veterinary clinics
STARTUP COST
$169K–$288K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
6/0

Fetch! Pet Care
Pet-sitting, dog-walking
STARTUP COST
$64.5K–$83.7K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
70/1

The Healthy Animal
Health food for dogs and cats
STARTUP COST
$101.7K–$177.7K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
2/0

Hounds Town USA
Dog daycare, pet boarding, pet grooming
STARTUP COST
$263.8K–$422.5K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
7/2

Husse
Pet-product delivery
STARTUP COST
$21K–$107.5K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
539/1

In Home Pet Services
Pet-sitting, dog-walking
STARTUP COST
$9.2K–$35.1K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
14/1

Instinct Dog Training
Dog training
STARTUP COST
$344.6K–$588.8K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
1/1

Jemelli
Dog-food delivery
STARTUP COST
$34.3K–$43.9K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/1

K9 Resorts Luxury Pet Hotel
Luxury dog daycare and boarding
STARTUP COST
$968.7K–$1.8M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
9/2

Leader of the Pack Canine Institute
Dog training, boarding, daycare, grooming, retail
STARTUP COST
$341.7K–$647.3K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/1

Mutts Canine Cantina
Dog parks with bars and grills
STARTUP COST
$957.2K–$1.4M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/2

Paw & Order
Dog training
STARTUP COST
$25.1K–$32.8K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/1

Paws Pet Care
Pet sitting, dog walking
STARTUP COST
$29.6K–$72.5K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
2/1

Petland
Pets, pet supplies, boarding, daycare, grooming
STARTUP COST
$290.5K–$1.1M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
215/17

petNmind
Natural pet food and supplies; dog self-wash
STARTUP COST
$61.2K–$294K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/1

Pet Passages
Pet funeral and cremation services and products
STARTUP COST
$40.5K–$385K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
5/2

Pets Are Inn
Pet care in private homes
STARTUP COST
$59.95K–$85.2K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
15/0

Pet Supplies Plus
Retail pet supplies and services
STARTUP COST
$440.6K–$1.3M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
261/222

Pet Wants
Natural pet-food stores/delivery
STARTUP COST
$59.8K–$202K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
124/0

Preppy Pet
Pet daycare, boarding, grooming
STARTUP COST
$105.95K–$258.2K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
22/1

Salty Paws
Dog ice cream shops
STARTUP COST
$99.3K–$175.7K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/2

Scenthound
Dog grooming
STARTUP COST
$205.4K–$378.4K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/4

Sit Means Sit Dog Training
Dog training
STARTUP COST
$49.8K–$145.9K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
137/0

Wag N' Wash Natural Pet Food & Grooming
Pet food and supplies, grooming, self-wash, bakery
STARTUP COST
$425.1K–$789.4K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
13/5

Wild Birds Unlimited
Bird-feeding supplies and nature gift items
STARTUP COST
$150.8K–$260.99K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
341/0

Woofie's
Dog walking, pet sitting, mobile pet grooming
STARTUP COST
$122.5K–$190.5K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
3/1

Zoom Room
Indoor dog training and socialization, pet products
STARTUP COST
$168.3K–$358.8K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
8/3

Restoration

Restoration service businesses have long had the reputation of being recession-proof, and they stand to prove that now. Since disasters don't stop occuring no matter the circumstances, these were obviously deemed essential businesses, and many found their services in even higher demand than usual during the shutdowns.

AdvantaClean
Restoration
STARTUP COST
$113.1K–$244.95K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
227/0

American Veterans Restoration
Water, fire, and mold remediation
STARTUP COST
$80.3K–$151.9K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/1

Bio-One
Crime-scene and trauma-scene cleaning
STARTUP COST
$80.98K–$127.5K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
88/0

Certified Restoration DryCleaning Network
Restoration of textiles and electronics
STARTUP COST
$63.7K–$508.9K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
150/1

Delta Restoration Services
Insurance/disaster restoration
STARTUP COST
$129.7K–$269.5K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
38/1

DKI
Property restoration
STARTUP COST
$22.1K–$94.8K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
305/0

Duraclean
Carpet and upholstery cleaning, disaster restoration, mold remediation
STARTUP COST
$79.6K–$129.9K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
262/9

911 Restoration
Residential and commercial property restoration
STARTUP COST
$70.1K–$226.9K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
227/3

1-800-Packouts
Building contents packing, cleaning, storage, and restoration
STARTUP COST
$69.5K–$234K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
97/0

1-800 Water Damage
Restoration
STARTUP COST
$70.8K–$211.5K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
89/7

Paul Davis Restoration
Insurance restoration
STARTUP COST
$186.4K–$510.7K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
251/0

PuroClean
Property damage restoration and remediation
STARTUP COST
$72.8K–$192.6K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
285/0

Rainbow International Restoration
Indoor cleaning and restoration
STARTUP COST
$172.2K–$278.6K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
419/0

Restoration 1
Water, fire, smoke, and mold restoration
STARTUP COST
$79.1K–$183.4K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
201/0

Service Team of Professionals (STOP)
Water/fire restoration, mold remediation
STARTUP COST
$78.6K–$138.5K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
34/0

ServiceMaster Clean/ ServiceMaster Restore
Commercial/residential cleaning, disaster restoration
STARTUP COST
$93.7K–$294.4K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
4,919/10

Servpro
Fire, water, and other damage cleanup and restoration
STARTUP COST
$160.1K–$213.95K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
1,715/0

Spaulding Decon
Crime-scene, meth-lab, and hoarding cleanup; mold remediation; house buying
STARTUP COST
$122.7K–$139.2K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
18/5

Steamatic
Insurance/disaster restoration, cleaning, mold remediation, air quality control
STARTUP COST
$114.4K–$195.6K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
184/0

Storm Guard Roofing & Construction
Roofing, exterior restoration
STARTUP COST
$180.4K–$305.1K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
35/1

The Next Step

BREAKING A FEW EGGS

Founders can give their companies a lot of charm and personality—but is that always a good thing? It's the question facing Eggs Up Grill, a quirky breakfast spot that now has private equity owners, a CEO from TGI Fridays, a mandate to grow, and a delicate balance to strike.

by CLINT CARTER

After the papers had been signed and the hands shaken, Skip Corn turned to his partner, Chris Skodras. "I don't want to go cry in front of my wife," Corn said in his distinct Southern drawl. "But I can cry in front of you."

And he did. So did Skodras. "We cried every day for six months," says Corn, 68. "To hand your baby off to somebody—it's a traumatic experience."

Over more than a decade, these two friends had built a 32-unit franchise called Eggs Up Grill, based in South Carolina. They wanted their restaurants to have small-town charm, so they ran the company with a small-town ethos. Everything was done with love and gut instinct. They answered the phones; they solved franchisees' problems. They insisted that every franchisee also work in their restaurant so customers could come and shake the owner's hand. And now Skodras and Corn had gone and sold the majority of their company to a private equity group, the kind of buyer that's often demonized for slash-and-burn, profit-at-all-costs tactics.

Tears were understandable.

But so far, at least, Eggs Up is not looking like a private equity horror story. Instead, it's looking like something far less dramatic, but a lot more common and instructive. It's a tale of what happens when a company becomes too big for its founders and more experienced operators come in to wrestle with its full potential. The private equity group that bought Eggs Up Grill is called WJ Partners, and it has some experience in this game. It acquired Pure Barre in 2012 and eventually sold the fitness studio to bigger investors; by the time WJ fully exited in 2018, Pure Barre had exploded from 96 to more than 500 locations.

So if you live in the Southeast but haven't heard of Eggs Up Grill—well, you're about to. Shortly after the acquisition in 2018, the new owners installed a team of franchise veterans led by CEO Ricky Richardson, the former president of TGI Fridays. Eggs Up has already scaled to 40-plus locations and announced aggressive plans to reach 100 by mid-2022.

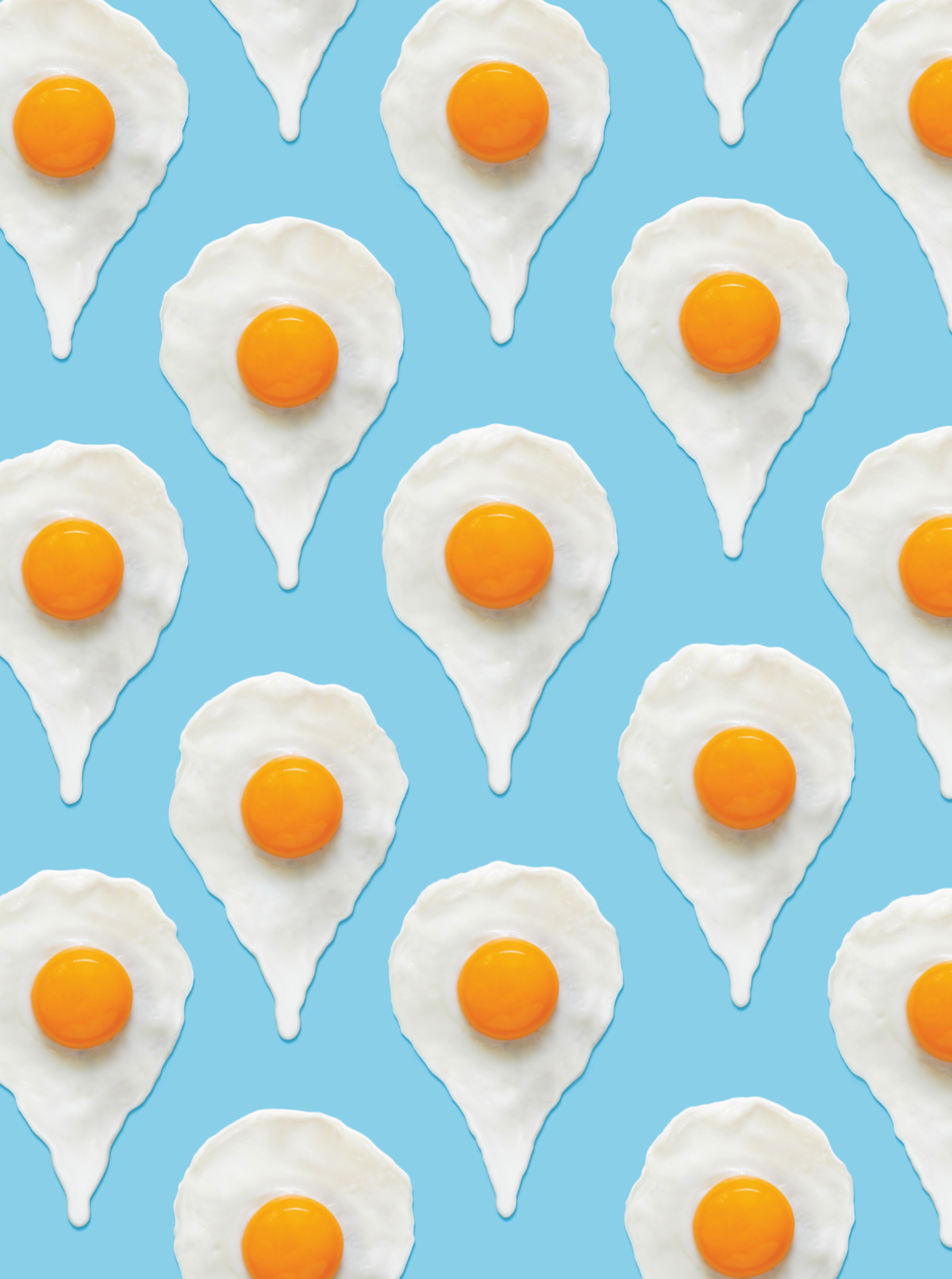
As it grows, Eggs Up will face a predictable question: How much can this growing company retain its authenticity? But that may not be the right way to look at it. Here's another question that, in the end, might really be more important: How much of that authenticity was holding the company back?

Because the thing is, sometimes too much charm can be bad for business.

REWIND A FEW DECADES, and Eggs Up never looked like the kind of company on a path to private equity. Chris Skodras opened the first one himself in 1986, in Rhode Island. More than a decade later, he moved to South Carolina and brought his diner with him—reopening Eggs Up in Pawleys Island, S.C., just south of Myrtle Beach. It built a loyal following of families and beachgoers, and in 2005, Skodras decided to give franchising a shot.

That's how he got talking to Skip Corn. The two men attended the same Friday morning Bible-study group, and Corn brought his kids and grandkids to Eggs Up every

Illustrations Alvaro Dominguez



Sunday after church. Corn had just spent a career in management for the PGA Tour and was reinventing himself as a business consultant. In 2005, he signed a one-year contract with Eggs Up.

The duo became fast pals, and business thrived. “It was a friendship made in heaven, quite frankly,” says Corn. “He knew I was gonna do my job, and I knew he was gonna do his.” In time, Corn’s yearlong contract evolved into a 50-50 partnership. Skodras handled day-to-day operations; Corn took on accounting, marketing, compliance, and franchise sales.

There’s a story Corn likes to tell to illustrate Eggs Up’s franchisee-acquisition process—and, for that matter, the business’s entire ethos. One day, a guy named Michael McNeal calls up. He’s a UPS driver looking to start his own business. He already has approval for an SBA loan, so Corn drives seven and a half hours to meet McNeal near his home in Albany, Ga.

“I said, ‘Michael, what do you want to accomplish?’” Corn recalls. Before he could answer, the prospective franchisee’s wife cut in: “We want Michael to coach [his son’s] baseball team.”

Corn’s eyes lit up. Eggs Up Grill wasn’t looking for franchisees with restaurateur ambitions. It wanted regular folks like McNeal, who wanted to spend time with their kids. “We focused on character, morals, and ethics,” says Corn. “And we really felt like the Lord was bringing us good people.”

Eggs Up grew slowly and steadily like this, signing new franchisees whose hearts passed the purity test. Many franchisees were drawn in by the brand’s guidelines: The restaurant would never open past lunch—its hours were 6 A.M. to 2 P.M. And franchisees needed to work in their store, meeting customers face-to-face. “Chris and I both knew we were never going to be gigantic doing it that way,” says Corn. “But we sure found incredible people.”

Still, the strategy also risked alienating incredible people.

One of them was Drew Hampton, a local who already was a multi-unit franchisee of Groucho’s Deli. He was a happy Eggs Up customer. The staff was unusually friendly; even the bussers were chatty. “They paid attention to the customer, and people are drawn to that,” he says. So he called Eggs Up and asked to become a franchisee, and in 2014, he opened the brand’s 11th store.

The place was an instant hit, with 600 to 700 customers visiting every Saturday and Sunday. Hampton was eager to open a second store—but Skodras and Corn weren’t interested. “If you want to open a second or third store, they’re not going to be successful,” he recalls them saying, “because you’re not going to be there.”

“I don’t want to own just one restaurant!” Hampton replied. “I want to own several and be able to scale something.”

At the time, Eggs Up had a strict rule. The on-site manager (who was usually the franchisee) had to own at least 10 percent of the franchise. Hampton could open a second location...but someone else would have to own 10 percent and work the floor. He didn’t want that.

This kind of friction isn’t uncommon in founder-run franchise systems, says Benjamin Lawrence, Ph.D., a professor of franchise entrepreneurship at Georgia State University. “The thing about founders is that they have a very different relationship to the brand,” he says. “They’re fundamentally interested in the brand as a reflection of their self-identity.”

It was true: Corn and Skodras valued personal relationships as much as growth. Over the years, Corn was contacted by several multi-unit operators looking to buy multiple locations, but he turned them down. “They don’t really know us, and we don’t really know them,” he reasoned.

In the end, Hampton relented. He found a partner and opened his second Eggs Up Grill as a part owner. On opening day, he says, nobody from corporate showed up. “They created a great brand,” he says. “But to take it to the next level, they needed help.”

Eventually, Skodras and Corn would agree—which is how they got to private equity.

OVER THE YEARS, private equity has taken a serious interest in franchising. Investment groups have acquired Buffalo Wild Wings, Ruby Tuesday, and the Texas chain Whataburger.

“Private equity likes franchising because they only have to invest limited amounts of capital for a high return,” says Lawrence, the Georgia State professor. Franchisees, of course, are the ones funding their locations, as well as managing employees.

For investors looking to scale fast, a company like Eggs Up Grill makes a decent proposition. It’s more nimble than breakfast titans like IHOP and Denny’s, and its restaurants require only about half the square footage. (Both IHOP and Denny’s are in the process of rolling out smaller concepts.) And because Eggs Up Grill offers limited hours of operation, serving breakfast and lunch crowds only, food and labor costs are lower.

But success is never guaranteed. Following a bad private equity deal in 2006, Quiznos lost 90 percent of its stores. And in 2010, private equity tried to scale Washington State’s Papa Murphy’s too fast. The plan backfired, and stores shut down.

“I’m not saying private equity is bad,” says Lawrence. “It can improve the system or get rid of low performers. But it does change the nature of the relationship.” When the

“[The original owners] just didn’t have the infrastructure to be able to grow the brand like it was capable of. They were more interested in quality than quantity.”

strategy becomes hyperfocused on growth, decisions can become aggressive or risky.

But risk is relative. It's a question of what you're comparing it against. And in the case of Eggs Up, nonaggression was starting to look risky, too.

Skodras and Corn wanted to keep their organization lean and personal. For years, it was just the two of them, and even when they started growing, the corporate team never had more than five people, which meant nobody had assistants. They didn't even have voicemail systems. "We answered the phone ourselves," Corn says. But as they reached 20-plus locations, that tiny corporate team was stretched thin—and franchisees noticed. Sure, they could reach Skodras or Corn directly, but it could take days to actually get their attention.

"They just didn't have the infrastructure to be able to grow the brand like it was capable of," says franchisee Scott Johnson. "They were more interested in quality than quantity."

Around 2015, private equity firms started reaching out to Eggs Up. Generally, Skodras and Corn declined the meetings. They knew they were stretched thin, and they didn't think they could do what these firms were proposing with five employees.

Then WJ Partners came along. It's also based in South Carolina and had the personal connection Eggs Up valued: Corn knew Craig Wall, whose son, Benjamin Wall, is a founding partner. Through a friend, Corn met with Wall and his wife, Jaime, who's also a WJ partner. "I was talking to people I knew, trusted, and felt comfortable with," he says. Corn was also comforted by the fact that WJ Partners uses its own money; it doesn't work with outside investors who might pressure it to break promises.

The Eggs Up deal took nine months to negotiate. Corn sat down with everybody at WJ Partners, "even people who weren't going to be involved," and pressed upon them the values of the company. He felt heard. And eventually, Skodras and Corn were ready to sign—and cry. Their baby was now officially someone else's (though they retained a vested interest in the company, with no official roles).

The news came as a shock to many. "When I found out, I was very excited. WJ Partners has a solid background in scaling concepts," says Hampton, the franchisee who had to give up equity in his second location.

The reality, he says, is that Eggs Up is easier to operate with private equity at the helm. In part, that's because the new owners saw the chain very differently than the old owners. This wasn't just a place driven by love and gut instinct anymore. Now it was a business meant to scale.

AFTER THE SALE, WJ looked for a new leader to grow the company. It found that in Ricky Richardson, who had spent 20 years at TGI Fridays—including three as president. He learned a lot there but also saw what can happen when a brand loses clarity in its vision. It's a problem for many legacy concepts and resulted in TGI Fridays closing 58 stores between 2014 and 2016.

"It's hard to be all things to all people," says Richardson. "The risk there is you end up diluting what you really stand for." And a diluted brand is easy to attack. "What historically may have been indirect competitors end up being direct competitors," he says. "You're not as focused as you were in the past, so people can carve off little pieces of you."

This is why he saw so much potential in a little breakfast brand. "What's so appealing about Eggs Up Grill is the level of authenticity that comes with it," Richardson says. He talks a lot about authenticity. It's a little ironic, given the transformation he is tasked with leading, but it's clearly germane to Eggs Up's messaging: We may be scaling, it seems to say, but we're still the local guys.

"That connection is really differentiating and compelling for a guest," Richardson says.

There's also a difference between authenticity and, well, inefficiencies created by authentic founders. Since joining the company in July 2018, Richardson has made fast work of plugging those holes.

For example, the once-tiny corporate team is now a lot bigger. In the past, franchisees might have waited two days to hear back from someone. "Now if I call, somebody will answer in 30 seconds," franchisee Hampton says. "They give you support on marketing, site selection, P&Ls—they look out for the bottom line." Plus, he says, there's no emotion involved. "It's just business."

Richardson also tightened up costs. Eggs Up used to have 72 menu items; now it has 55. He eliminated poor-performing dishes like tuna and egg salad and negotiated better deals with vendors.

Last year, he also opened a training facility and new restaurant prototype in Spartanburg, S.C., not far from Eggs Up headquarters. The store demonstrates a refreshed, contemporary look, and it has already rolled out new, Instagram-worthy items: a shrimp and grits omelet, baked peaches and cream pancakes.

To ensure consistency, Richardson created a team of franchise consultants, who visit each store a few times each quarter to check food quality and ascertain how servers, managers, and bussers interact with guests and with the franchisee. "It's nice when they stop by," says franchisee Rob Johnson, who works alongside his brother, Scott. "It doesn't feel like an inspection or anything hostile."

But there's no doubt about the purpose of the visits. The corporate office wants to ramp up profits and sell more stores. "We're projecting 13 restaurants opening this year, which, comparatively, is a 34 percent growth rate," says Todd Owen, the company's new VP of franchise development. "We actually opened five in January."

> ***"It's hard to be all things to all people. The risk there is you end up diluting what you really stand for. What historically may have been indirect competitors end up being direct competitors."***

Owen, who previously helped Qdoba Mexican Eats expand from 60 to 600 locations, says he was lured in by Eggs Up's strong market position under WJ Partners. It's well-funded, franchisees are stoked about the brand, and Richardson has stacked the new executive team with industry veterans.

Results are already visible. Recently, Eggs Up signed a 10-store multi-unit deal with a Wendy's franchisee. "We want to be one of the big dogs," says Owen. "But we're not just wishing; we're getting there."

FOR NOW, Eggs Up will limit its growth to the Southeast. "I look at it like we can't afford to make one mistake," says Owen. Because if Eggs Up Grill becomes just another anonymous place to buy bacon and pancakes, what does it really have to offer?

The new challenge, then, is to figure out which parts of the old regime can help this new regime grow.

Corn has no regrets about selling. He likes the new changes and understands the value of having a big corporate office to handle the day-to-day operations. "Now instead of calling Skip for 50 percent of the answers and Chris for 50 percent of the answers, you can call one of 10 people and get somebody who's an expert in that field," he says. In a way, that's what the two partners always wanted: better support for franchisees.

And unlike the old owners, these new owners are very supportive of multi-unit ownership. That's been great news to some of Eggs Up's most ambitious franchisees. Scott and Rob Johnson are planning to open a third Eggs Up. Hampton already did so—and he may keep going.

"I was probably not going to do any more stores," he says. "But then the new group bought them. We're just now getting ready to take off and watch this concept grow."

Clint Carter is a writer based in New York.

Franchise Success

BUILDING A FAMILY'S FUTURE

After his corporate career, a father wanted to set up his family for generations to come. Now he and his daughter run a Real Property Management franchise—together. **by STEPHANIE SCHOMER**

Tayla Duncan and her father, Billy, are building a business to last.

In 2012, Billy Duncan retired from a decades-long career at Dow Chemical. Six months later, he knew he hated retirement—and that he had to get back into the business game. But this time, he wanted to build his own operation, something that could create generational wealth for his family.

So in 2014, he opened a Real Property Management franchise in Zachary, La. Now, at 65, he runs it with his 28-year-old daughter, Tayla Duncan. Together they manage more than 200 residential properties. The family affair has been a learning experience—but one they've navigated together, keeping an eye on the future.

Billy, what was so tough about retirement for you?

Billy: I'd been going 150 miles per hour in the global purchasing world, where we had $10 billion in annual spend. It was hard to go from that to zero.

When you decided to reenter the workforce, why did you explore franchising?

Billy: We wouldn't have to start from scratch. Franchising gives you the model, process, and training. And Real Property Management rose to the top for us because it didn't require major investment in equipment or number of employees. We visited the franchise management office, met the team, met with who would be supporting us, and spoke to a number of franchisees who really reassured us about the ability to create a profitable franchise.

When you first opened, what were some of the early challenges?

Billy: You open the doors and have zero properties and the phones aren't ringing. So you go out, shake hands, get your online marketing platform in place, and network. Plus, when we were starting out, we were paying a premium to have our books managed by outside vendors. Tayla said, "I can save us a few thousand dollars a month and do this myself."

What's changed since?

Tayla: We've developed a really strong online marketing strategy, and the majority of our clients find us through Google, where we have really positive reviews. As a result, we've attracted a lot of overseas partners who need management on the ground.

Billy: One of Real Property Management's strengths is its online portal. We can easily communicate with our overseas property owners and it becomes very hands-off for them—what investors call mailbox money. For us, the more difficult owners are the ones that are local, looking over your shoulder.

What do you do about tricky clients?

Billy: Our core values are respect for people, and integrity. If we have a property owner who's being disrespectful, do you walk away? Or do you try to work with that owner and come to a better understanding? Those are tough decisions, and you have to decide whether to make them based on values or bottom line.

How do you balance your relationship as father and daughter and partners?

Billy: There's no off switch. We do business 24-7.

Tayla: Our family is the foundation of the company, and we bring that relationship into our business as we grow. It actually helps us stand out.

Do you tell your clients that you're related?

Billy: It's a great selling point! We're working to achieve generational wealth. And Tayla, she gets no pass because she's my daughter. The bar is set higher for her.

How will responsibilities shift in the years to come? Billy, do you think you'll ever retire again?

Billy: No, but I want to get out of Tayla's way. I don't ever want to lose her because this business isn't giving her enough opportunities. I can support her from a distance but really let her put her fingerprint on the business.

Tayla: The legacy part of this is what first attracted me to it. I hope our business stays in our family forever. I don't have kids, but someday I want to pass it down to them—and then, to their kids.

Photograph Juliana Sohn

Franchise Success

THE POWER OF PERSONAL GROWTH

SpeedPro president and CEO **Larry Oberly** learned to lead by making mistakes.

by STEPHANIE SCHOMER

PHOTOGRAPH COURTESY OF SPEEDPRO

When Larry Oberly entered the franchise world 29 years ago, he wasn't a great leader—and he's the first to admit it. But with nearly three decades of experience across such brands as Baskin-Robbins, RE/MAX, and the sign and graphics printing company SpeedPro, which he joined as CEO in 2017, he has learned that leadership is more about accessibility than strict processes. Now he listens—to his staff, to his 130 franchisees, and to his customers—in order to build sustainable growth and spot fresh opportunities for the $74 million business.

When you joined SpeedPro, what were some of the first changes you made as CEO?
I saw a chance to build a better onboarding program for our franchisees. We created an intensive program starting with one week of business training, which covers everything from maximizing our POS system to financial management to sales and marketing. From there, we pair new owners with a "buddy studio," a nearby location where they can go and sell the products and services. Then we provide another week of production training. And when they open their doors, we provide on-site support.

What did training look like before?
Just a week's training and some online courses. What we have now is something I wish I'd had when I was a franchisee at Baskin-Robbins—especially the financial part. Having someone really help you understand how this business can and should make money is invaluable.

How much has your time as a franchisee influenced the way you work as a franchisor?
My entire leadership style changed at Baskin-Robbins. I owned two stores in the '90s and started it as a sideline business—I was working full-time under a union shop in the airline industry, and I was not a kind guy. But when you own a business, you realize how easily you can lose your team members if you do the wrong thing. At my first store, I had an exceptional manager who one day left her clean coffee mug on the counter instead of putting it in the back. I'm embarrassed by this, but I left a note on it that said, "The next time this is left here, I'm throwing it out." Almost immediately, I realized it was a mistake, one I never forgot. I was making myself vulnerable. It taught me to never be trivial or give people reasons to question what kind of person you are.

So how would you describe your leadership style today?
I really feel like I'm a servant leader. I have what I call a "no door" policy—I don't want to be the bottleneck in the company, and I want my team to feel comfortable interrupting me if they need a fast decision in order to take action. Don't be the guy who keeps progress from happening.

In addition to being a Baskin-Robbins franchisee, you spent nearly two decades in the corporate office of RE/MAX. SpeedPro's services and customer base are very different from both of those businesses'. How did you get up to speed on this kind of client?
Reading. And listening. I read about eight trade magazines regularly, and that makes it easy to understand developing trends and where business shifts are headed. You can build strategies around that. And last year, we did our first set of town hall meetings with franchisees. Listening to our owners—the folks talking to our customers every day—gave us a lot of ideas for initiatives that launched last year and more this year. From new marketing and sales initiatives such as targeting commercial interior designers as customers, we're finding better ways to own our space and deliver the best service.

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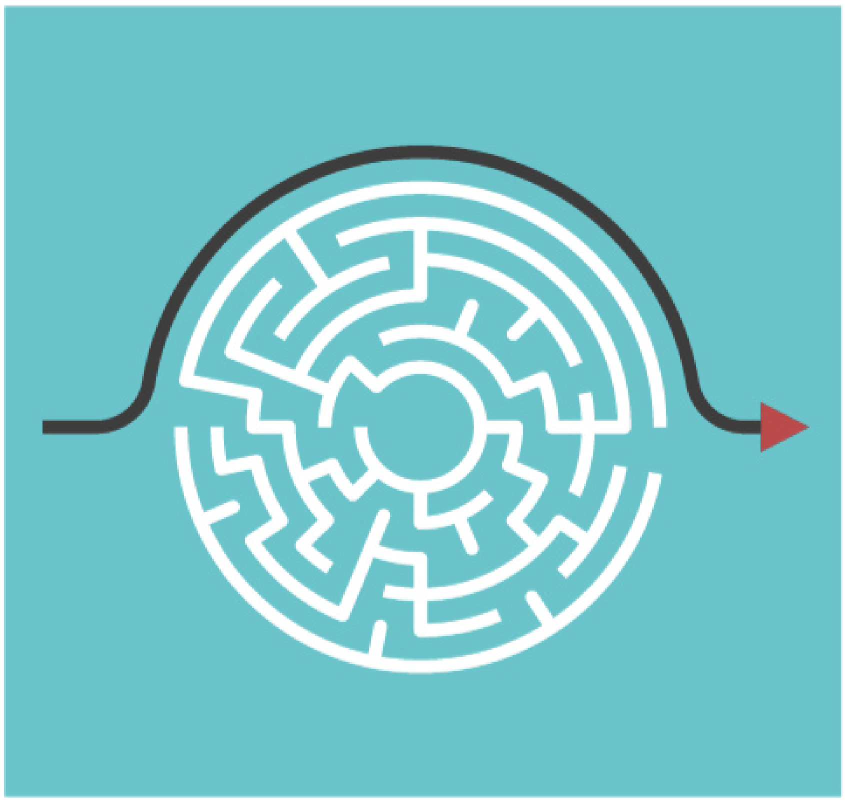

DON'T SAY IT'S IMPOSSIBLE

If you think something is impossible, it will become impossible. It's time to think differently.

by JASON FEIFER

"This is impossible."

We've all said those words recently. I sure have—about managing my increasingly needy children, or fitting deep work into fragmented days, or just finding a moment of peace in a constantly noisy house.

In fact, no joke: I'm three sentences into writing this column and I have already been interrupted twice, moved locations three times, and am now blasting white noise next to my head so I can concentrate. Productivity just feels… *impossible*.

But stop right there. Do not use that word again, no matter how tempting it is. Because when we say something is impossible, we do ourselves real harm. *Impossible* should be banned from our vocabulary.

To appreciate what I mean, consider life in the early 1800s.

Back then, scientists were experimenting with a radical idea: *surgery without pain*. What if patients could somehow be numbed, or made to fall asleep, so that they didn't experience the agony of being sliced open and repaired? It would be a triumph of humanity, and it would revolutionize medicine.

This was slow work, as you might imagine. There was a lot of trial and error, and many skeptics. One naysayer was Alfred Velpeau, a French surgeon. "The abolishment of pain in surgery is a chimera," he said in 1839. "It is absurd to go on seeking it today. 'Knife' and 'pain' are two words in surgery that must forever be associated in the consciousness of the patient."

In other words, he said it was impossible.

Velpeau was wrong, of course. But he was also harmful—because according to medical historians, people like Velpeau actually slowed down progress. "We suggest that the most likely explanation for the delay in the discovery of anesthesia was the belief that it did not, could not, exist," write the authors of a fascinating book called *The Wondrous Story of Anesthesia*. "If it did not exist, then a search for this dragon would be fruitless."

This observation really struck me, because the logic of it is terrifying. Consider this:

1. If we say something is impossible, then we stop pursuing it.
2. If we stop pursuing something, then it never gets accomplished.
3. If something never gets accomplished, then the naysayers were right: It was impossible.

It's a self-fulfilling prophecy. The phrase "This is impossible" creates impossibilities.

But are we actually surrounded by impossibilities? We are not—and entrepreneurs are the evidence of that! Entrepreneurs are always told that things are impossible. *Nobody will want that! That'll never work! You'll never succeed!* We've heard it all. Then we've gone and done it anyway. Years ago, I told an old boss that I wanted to become editor in chief of a magazine. *Impossible,* he said. *Find another goal.* Imagine if I'd believed him. It would have become true.

Our world is full of the once-impossible. Our tools, our technology, our modern-day lives—all these things were beyond someone's imagination. Don't forget that. I wrote the words you are reading right now on a device that once seemed impossible to build.

We are living in difficult times, and it's easy and natural to feel overwhelmed. It's easy to say, "This is impossible," and to see doors transform into walls. But I know that entrepreneurs can think differently. We cannot listen to the naysayers, and we certainly cannot become the naysayers.

Entrepreneurs are built for progress—and that means we're needed now more than ever. Just look around. There's a lot to be done. There's a lot that can be accomplished

So much is possible. We're already proof.

Jason Feifer is the editor in chief of Entrepreneur.

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