ENTREPRENEUR'S STARTUPS
START YOUR OWN BUSINESS
SUMMER 2018

Entrepreneur's
startups®

START YOUR OWN BUSINESS

New Business Ideas
P.16

How to Beat Big Competitors
P.10

Inventors: Wham-O Wants You!
P.36

Why Poke Bars Are Booming
P.66

The Guide to Bootstrapping
P.22

Power Up Your Emails
P.18

Hottest Franchises to Buy
P.49

Spend Time Like You Spend Money
P.80

$4.99
82>
0 09281 02471 2
Summer 2018
DISPLAY UNTIL 9/17/18

CONTENTS

FEATURES

SUMMER 2018

pg. 30
Unlikey cashmere kings Diederik Rijsemus (*left*) and Matt Scanlan.

PHOTOGRAPH COURTESY OF NAADAM CASHMERE

CONTENTS

pg. 28
Fridababy's queen of snot, CEO Chelsea Hirschhorn.

DEPARTMENTS

PHOTOGRAPH BY JEFF OLSON

PROTECTED

IN THE FACE OF THE UNEXPECTED

Customized business insurance for more peace of mind

As a small business owner, you know firsthand that each day can bring its challenges. With over 30 coverage options for customized insurance, we can build a policy that's tailored for your business—from a full line of Commercial Auto insurance to General Liability, Workers' Compensation, Business Owners policies, and more. Because when your unique business needs are covered, you can focus on what matters most—running your business.

ProgressiveCommercial.com

PROGRESSIVE® COMMERCIAL

Progressive Casualty Ins. Co. & affiliates. Business and Workers' Compensation coverage provided and serviced by affiliated and third-party insurers.

Entrepreneur

Vol. 33, No. 2. ***Entrepreneur's Startups*** (ISSN 1533-743x) is published by **Entrepreneur Media Inc.**, 18061 Fitch, Irvine, California 92614. **Entrepreneur Media Inc.** (*"Entrepreneur"*) considers its sources reliable and verifies as much data as possible, although reporting inaccuracies can occur; consequently, readers using this information do so at their own risk. Each business opportunity and/or investment inherently contains certain risks, and it is suggested that the prospective investors consult their attorneys and/or accountants. ***Entrepreneur's Startups*** is distributed with the understanding that the publisher is not rendering legal services or financial advice. Although persons and companies mentioned herein are believed to be reputable, neither ***Entrepreneur*** nor any of its employees accept any responsibility whatsoever for their activities. ***Entrepreneur's Startups*** is printed in the USA, and all rights are reserved.

KUMON

FRANCHISE

LOW-COST FRANCHISE AMAZING REWARDS

CHOOSE KUMON TO FULFILL YOUR DREAMS OF OWNING A SMALL BUSINESS.

Kumon is the after-school learning center where kids can start as young as 3 and stay through completion of the program–at calculus and Shakespeare. If you value academic excellence, find satisfaction in helping kids long term, and enjoy being part of a community, you'll find everything you're looking for when you open a Kumon Center.

RANKED #2 FRANCHISE
UNDER $100K

Entrepreneur FRANCHISE 500 TOP LOW-COST FRANCHISE 2018

Entrepreneur **magazine has ranked us the #2 Top Low-Cost Franchise under $100K. Our franchise fee is only $1,000!**

We've been awarded the honor of being *Entrepreneur*'s #1 Tutoring Franchise 17 years in a row, earning us the "Best of the Best" ranking.

With $19K in incentives, we are *the* education franchise to consider!

Talk with us today about opening your own business!

CALL 888.627.2115
EMAIL Franchise@Kumon.com
TEXT KumonBiz to 63975
VISIT KumonFranchise.com

For information on enrolling your child in Kumon, please visit Kumon.com

Vuori founder Joe Kudla.

WHO'S YOUR AUDIENCE?

A men's yoga brand learns it needs to be flexible.

BY BOYD FARROW

PHOTOGRAPH BY MARK TESI

In the fall of 2008, after years of beating himself up playing football and lacrosse, Joe Kudla took up yoga. But he couldn't find much to wear. "Out of 17 million people doing yoga, six million were men—the fastest-growing demographic," says the 40-year-old Kudla. "Yet there was not one brand targeting that market."

Vuori's yoga apparel for men became a casual fitness clothing smash.

It was a weird contrast to, say, surfing, an activity for which Kudla says four million surfers are served by 50 clothing brands. So Kudla did some napkin math, borrowed $300,000 from family, friends, and the bank, and, in spring 2015, launched the startup Vuori ("mountain" in Finnish) to produce men's yoga clothes–moisture-wicking, quick-drying tops, shorts, and pants.

"Our plan was to create clothes to move and sweat in, but styled for everyday life, like Lululemon and others had done for women," Kudla explains. "We were the only one entering a growing niche. Textbook marketing, right?"

Wrong. Though Vuori's gear won plaudits from specialist yoga retailers, sales were slow. Soon he was burning through cash.

Kudla needed to figure out why his assumptions about his customers were so off base. So he wrote a questionnaire and sent it to every person who had ever bought from Vuori's website. Among dozens of questions, such as what denim brands they favored and what activities they enjoyed, he asked them to list the occasions for which they wore Vuori. What came back shocked him. Customers weren't really using Vuori for yoga. "Running, which we'd never even thought about, was the top activity," he says. Yoga was far down the list.

Kudla organized focus groups of ex-colleagues, friends, and people he'd grab in the gym, and the results were the same. "Our 'pivot or die' moment was when we realized that while female consumers might want to identify as yogis, men really don't," he says. Even if they're doing yoga regularly. "Men identify as surfer guys or CrossFit guys, for which yoga is just another tool used to supplement their overall fitness regimen."

He'd misunderstood the retail aspect, too: Most guys, it turns out, don't want to hang out at a yoga studio. "They get in and they get out; they don't stick around," Kudla says.

All this forced Kudla to learn a valuable entrepreneurial lesson: "I realized I had been making assumptions about the potential customers," he says. Now he had to reassess Vuori's entire strategy. People liked the product, but tying it so closely to one activity was limiting its potential market. "I thought, *What we really should be doing is making great lifestyle clothing and letting the customers choose where they want to wear the stuff*."

That's why, although it has not ditched a single product, Vuori is no longer a yoga brand. Since the end of 2015, it has been making what it calls "activewear, designed with West Coast daily life in mind." It celebrates versatility, categorizing its clothing as "lounge," "travel," and "training."

The new strategy seems to be working. Vuori's retailers range from REI to surf shops, running outlets, and fitness clubs. A second store in Manhattan Beach, Calif., opened this summer, and Nordstrom now carries the line. The company has 20 employees and is anticipating 125 percent sales growth this year. Next year, revenues should climb to between $30 million and $50 million.

What's more, this past spring Vuori branched out beyond men and launched women's wear–tops, bottoms, and shorts–inspired by customers who said their wives and girlfriends were raiding their wardrobes. It's another surprise discovery the brand is happily leaning into. Although Kudla now proceeds with hard-earned caution.

"It's just a few items," he says. "We're not Lululemon."

PHOTOGRAPHS COURTESY OF VUORI

LEAP OVER YOUR MAJOR COMPETITORS

With the right mix of speed, timing, and guts, smart founders can profit hugely from their gigantic rivals' misfortune.

BY KRIS FRIESWICK

Daniel Miller is at a disadvantage. As the cofounder of Empowered Staffing, a boutique recruitment firm in Evanston, Ill., he has to go head-to-head with giant rivals who have greater name recognition and a bigger media presence—not to mention resources that his tiny team of seven will never be able to match. To keep his pipeline filled, he has to get creative. When Miller kept seeing the same jobs being posted by one big rival over and over again, he decided to find out why.

Illustration Viktor Koen

Own a Fast Growing Franchise in an Exploding Industry

Invest in Pet Nutrition
& Invest in Yourself

Great Territories Available!

Fresh · Local
PET WANTS®
Delivered
NUTRITION YOU CAN TRUST

Call us today at (866) 407-8390
Or learn more at PetWantsBusiness.com

After some sleuthing, he discovered that his rival was having problems. It was assigning inexperienced recruiters, who, Miller says, weren't getting adequate training, to large client accounts. As a result, the candidate selection was consistently missing the mark, causing the job searches to drag on and on.

Miller smelled an opportunity. To find out who his rival's client was, he copied the language from the job posting, googled the exact words, and found the listing on the client's in-house career site–verbatim, which was part of the problem. (Good recruiters, Miller says, know how to tweak job descriptions to attract the right talent.) He reached out directly.

"I said, 'I know you guys are working with this firm,'" Miller recalls. "'I'd love to have a chance to work with you. You don't pay us until you make the hire. Compare our candidates to theirs, and if you like ours better, let us have a chance to fill more positions.'"

The pitch worked, and Empowered won the client's business. Miller went on to poach a number of large clients this way, including one that boosted his company's revenue by more than $500,000 in a single year.

PHOTO ILLUSTRATION BY ISTOCKPHOTO.COM/NOMADSOUL1

"IF COMPETITORS AREN'T SERVING–OR CAN'T SERVE–CUSTOMERS WELL, YOU'RE ON THE SIDE OF ANGELS IF YOU CAN."

FEEL LIKE PROFITING from a competitor's woes is slightly devious? "That's capitalism," says Rita Gunther McGrath, strategy consultant, professor at Columbia Business School, and author of *The End of Competitive Advantage*. "It's smart. If your competitors aren't serving–or can't serve–customers well, you're on the side of the angels if you can."

The key, it seems, is to present yourself as a solution to the problem your competitor created. Companies big and small pull off the trick, and entrepreneurs at all levels can benefit from studying their tactics. Sometimes it's purely psychological. Last year, for example, as Uber upset consumers with a series of scandals, Lyft got a boost by presenting itself as the nicer company. Other times, it's by acting as the hero. When a major music label sued wedding videographers for using unlicensed music in videos posted online, the licensing company Musicbed offered free music to anyone who wanted to keep those videos on the web.

In some cases, the most vulnerable companies are the biggest ones; after all, they're more likely to overlook a particular kind of consumer's needs. In January, for example, Bank of America announced that it would begin charging some customers $12 a month for its previously free checking accounts, a move expected to hit low-income customers particularly hard. That set Andrei Cherny, cofounder and CEO of the 3-year-old online bank Aspiration, into motion.

TOP 5 REASONS

TO OWN A PUROCLEAN RESTORATION FRANCHISE

1 **VIRTUALLY RECESSION PROOF**
$204 Billion Property & Casualty Insurance Claims

About 1 in 15 insured homes have a claim each year
(ISO®, a Verisk Analytics® company)

2 **VERY HIGH MARGINS**
With 3rd Party Payments

$$$

$204,000,000,000 Property & Casualty Market
(2016 AM Best Data)

3 **NATIONAL ACCOUNT WORK**
*With **Top** Insurance Carriers*

1 in 250 insured homes have a property damage claim caused by fire damage
(ISO®, a Verisk Analytics® company)

4 **LARGEST TERRITORIES IN THE INDUSTRY**
Unlimited Potential

1 in 55 insured homes have a property damage claim caused by water damage
(ISO®, a Verisk Analytics® company)

5 **FINANCING AVAILABLE**
For Over 50% Total Investment

VET★FRAN®
Are you a veteran?
Ask us about our PuroVet discount program.

Entrepreneur FRANCHISE 500 RANKED 2018

PuroClean™
The Paramedics of Property Damage

Contact us today! (855) 503-4242

He launched a Valentine's Day-themed promotion called "Break Up with Bank of America," offering to pay $12 a month to any Bank of America customers who opened one of Aspiration's free online, high-interest checking or savings accounts. The company's flow of former customers to Aspiration jumped 25 percent.

"We're using this moment to capture the public's attention, to say that you don't have to be satisfied with a financial institution that profits the most when you do the worst," Cherny says. "It's less about taking advantage of competitors' stumbles and more telling people what we're about."

"COMPANIES THINK THEIR OBJECTIVE IS TO KILL THE COMPETITION, THAT IT'S THE PATH TO PROFITABILITY. THAT'S NOT THE OBJECTIVE. IT'S TO SUCCEED."

That's also how Marina Miller saw her tactic. She founded the eco-friendly baby-gear seller PeuroBaby and was handed a big opportunity when the high-end baby-gear store Giggle went bankrupt in 2017. She offered to honor Giggle gift cards—which were technically worthless—if the customer opened a registry on her site. (The amount honored, up to $200, would be based on how much merchandise was purchased from the registry.) Her announcement was covered in the *New York Post* and attracted 200 verified registries, worth more than $200,000 in potential sales. Even eight months later, Miller still gets 10 to 20 inquiries a week about the program. In addition, she acquired 250 new customers who were eager to shop but didn't need a registry.

The idea of honoring another brand's gift cards may sound prohibitively expensive, but PeuroBaby's promotion has proven surprisingly cost-effective. "We are out of pocket a total of $1,000," Miller says. "But that has more than been made up by the registry sales." Although the small online store, which launched in January 2017, isn't yet profitable, Miller says this program is going to get her there faster.

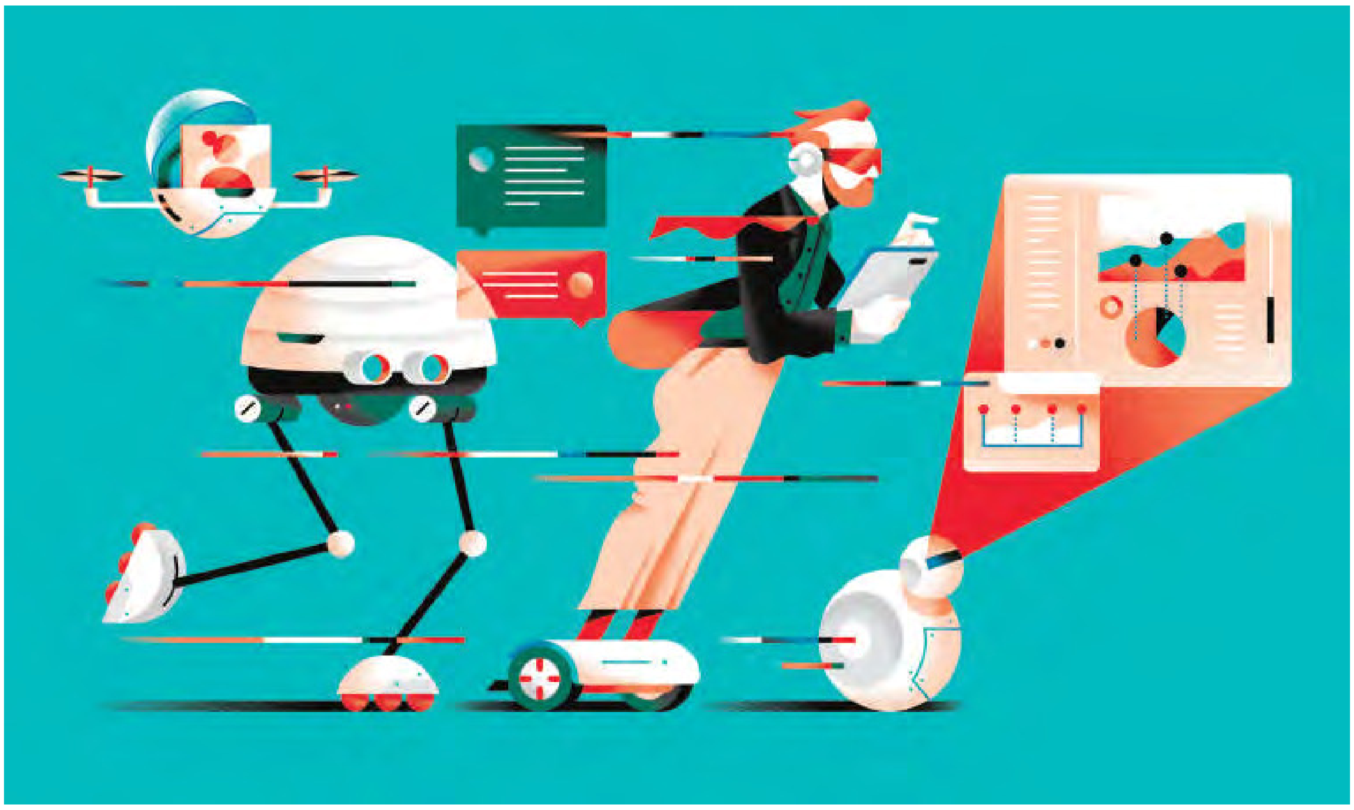
Still, while taking advantage of a competitor's missteps seems like an obvious way to boost your revenue, tread carefully, says Mark Chussil, an adjunct instructor at the University of Portland and the founder of consulting firm Advanced Competitive Strategies. "It's tempting to say, 'Obviously, these people are doing a lousy job, or they wouldn't be in trouble,'" he says. "It's also a little dangerous. You can say, 'I would never make those mistakes.' But we should remember that a lot of companies have gone bankrupt—not just small ones, but big ones. They weren't being run by idiots, and they weren't being run by people who wanted to fail."

He advises that before you jump into the breach and gobble up the business from your stumbling competitor, make sure that the challenges that befell it aren't about to whack you as well. "You need to make sure their problems are not indicative of larger problems in the industry as a whole," he warns.

Founders also need to remember that while it's easy to point out competitors' flaws, as banking startup Aspiration is doing, you also make yourself a target. "A lot of companies think their objective is to kill the competition, that it's the path to profitability," Chussil says. "That is not the objective. Your objective is to succeed. If we think about our rivals as our enemies and we think it's OK if they're suffering, we can help them along with suffering by taking advantage. I think it's corrosive [to the industry]."

It's also important, McGrath echoes, to know the difference between spotting a problem and creating one for your own benefit. "It's one thing if a business gets themselves into trouble," she says, "and quite another if you spark them to get into trouble by poaching key talent, infringing on intellectual property, or starting a rumor. That's on the dark side of that line."

For Daniel Miller's part, he isn't losing any sleep over his recruiting firm's continued success. "Most of my competitors are very large corporations that have hundreds, if not thousands, of clients," he says. "When we acquire one, they usually have not been getting the results they need from another firm, so I do not feel guilty winning over that business." That's great for his bottom line: Since Miller started strategically identifying competitors' weak spots back in 2015, his revenue has grown more than 30 percent each year.



FREE BUSINESS IDEAS

Entrepreneurs always need more—more help, more time, more insight. So we asked: What's the one product you wish someone would create to help your business? Now maybe someone (you?) will make it.

1 EMAIL 911
"Spending too much time on your email is toxic, but we all do it. The joke is that 'achieved inbox zero' could be carved on someone's tombstone, and it hits a little close to home. Rather than trying to banish email, though, or hoping to replace it with some other tool, I wish someone would simply build a smarter inbox—one that ingests emails and the important stuff in them, organizes conversations, and marries them to projects, chats, files, to-dos, and events in an intelligent way."
—GREG COHN, cofounder and CEO, Burner

2 DO-GOOD DATABASE
"I would love to see someone create a thorough database and rating system for social-good products. Ideally, this would be searchable through the scanning of bar codes on products. Many have attempted versions of this but have fallen short of market adoption. This would help those brands in the social-good space gain more visibility."
—Kohl Crecelius, cofounder and CEO, Known Supply

3 ASSISTANT UPGRADE
"I'm going to call it 'Siri for business.' Imagine if there were an app that would let you ask for business advice 24 hours a day, for free. We have access to countless resources but constantly have to navigate several outlets of information. Having a digital mentor at your fingertips to evaluate multiple situations and consolidate everything into one perfect answer would be a dream. You could ask anything, from scaling advice to HR recommendations and beyond. This could definitely alleviate some sleepless nights."
—Lana Hansen, chief growth officer, Ban.do

4 PRODUCT PREDICTOR
"I'd pay handsomely for a product marketing TARDIS: a time machine that would allow us to zip forward in time to see if a newly conceived product will be successful or a flop, and the lessons learned in getting there. Then we could streamline our go-to-market strategies. But then again, the trials and tribulations of product development are part of the fun and challenge, right?"
—Suzanne Miglucci, CEO and president, Charles & Colvard

5 HAPPINESS TRACKER
"Are people happy? Satisfied with their work? Overwhelmed? Stressed? As leaders, we 'manage by walking around,' launch surveys, and look to our HR team for some measure of employee morale, but I wish we had a better sense of spirits in real time. The Smart Empathy App, as I'd call it, would give an instant read on how people are feeling. The ultimate goal would be for us to make quicker, smarter, more empathetic decisions that considered employee happiness as a real business metric. If we detected a problem, we would be able to respond more quickly."
—Harry West, CEO, Frog

6 SOCIAL GROUPS
"As an online furniture brand, we need to reach potential clients in a targeted way. Facebook and Instagram are so large now, the social media message-delivery system is inundated with content. I want to inspire people visually, in an industry-focused way. On Instagram, you can follow a hashtag like #interiordesign, but people can post anything, whether it's related or not. We need a new social platform with image recognition technology to group content in a meaningful way."
—Christiane Lemieux, founder and CEO, The Inside

Illustration Michele Marconi

MAKE YOUR EMAIL SIGNATURE MATTER

The email signature can be a powerful marketing tool—but it can quickly become an irritating vehicle of self-promotion. What's the right balance?

BY BLAIRE BRIODY

Two years ago, Alaia Williams used a run-of-the-mill email signature: title, company, phone number. But as a business systems strategist, she wondered if she was overlooking an obvious opportunity. So she started adding to her signature, piece by piece.

She placed social media icons to link to her Facebook, Twitter, and LinkedIn accounts. She added a sign-up for her mailing list. She even threw in a head shot and info on her product line. The results? Her followers and opt-in rates immediately increased. "I'm getting inquiries and referrals from people who don't even know me well," she says. Williams' instinct was spot-on, it turns out. Email signatures are no longer just an afterthought; they're a valuable marketing opportunity. That's because they typically come from a trusted source (or at least a professional acquaintance), and because getting a work email is a fundamentally different experience than, say, watching TV or scrolling through Twitter.

"When we read emails, we're in work mode," says Rich Hanna, a marketing professor at Babson College and the lead author of *Email Marketing in a Digital World*. "We're engaged in reading material related to what we're doing, and we pay more attention to the signature."

Email marketing firms like HubSpot, Sigstr, and Wise-Stamp offer services to help companies manage their employees' email signatures and weave marketing messages into them. "Brands are realizing there's this untapped marketing channel," says Bryan Wade, CEO at Sigstr. "An organization with 100 employees is sending millions of emails a day. That's a lot of interactions."

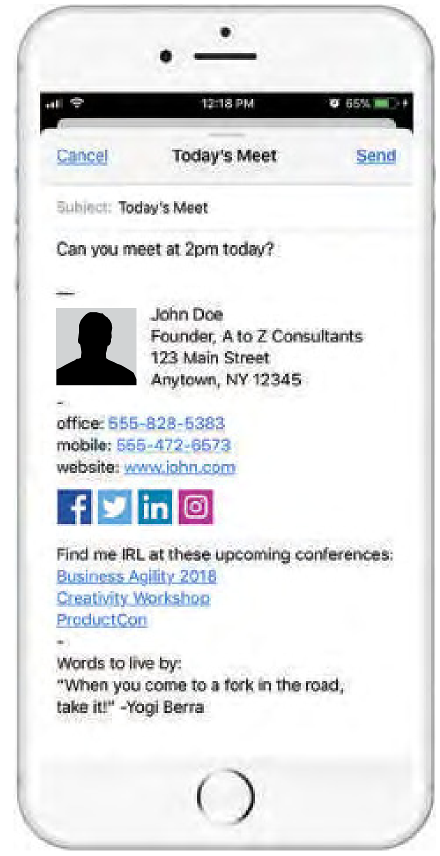
But how much is too much? According to a recent survey by Ipsos for *Entrepreneur*, more than half of U.S. adults don't use an email signature at all—which means signing off with a long list of current projects and your next three speaking engagements can easily cross the line into "annoying" territory for plenty of recipients. The takeaway? Everything in moderation.

Choose one item to highlight.
Think of it like a 30-second elevator pitch, Hanna says. People have difficulty remembering more than one thing, so highlight a product you're known for, a recent award, or your company's mission. "The info should make you stand out," Hanna says. "Everything else is a distraction."

Add color.
A study by EyeQuant and Sigstr tracked where the eye goes in the first six seconds of looking at an email. If a signature had a colorful name, phone number, or image, people looked there first. Social media icons, as Williams found, can do double duty, drawing attention and inciting action.

Include a photo.
A book cover, a head shot, or a banner with call-to-action text like "Sign up here" drives more engagement than mere links. According to the Sigstr eye-tracking study, head shots draw the most attention. "The human eye will look at a face longer than anything else," Wade says. Just make sure the image is sized properly to get through spam filters.

Skip the inspirational quote.
You may love the Dalai Lama, but that doesn't mean his wisdom belongs in your email. According to Hanna, it could be useful if it builds the brand's identity, but "you have to believe it," he says. "If you're just putting it there to put it there, people see through it."



The Fastest Way to Annoy People

What do people really not want to see in your email signature? Below, a ranking of the **12 MOST IRRITATING ITEMS,** according to a survey of 1,006 adults conducted by Ipsos for *Entrepreneur*. As we said, a little goes a long way. A lot? Well, you've been warned.

1. Home address
2. Award you've won
3. Home phone number
4. Facebook link
5. Instagram handle
6. Head shot
7. Twitter handle
8. Personal website link
9. Cellphone number
10. Higher-education degrees
11. Blog link
12. Inspirational quote or mantra

WHEN YOUR STAFF KNOWS BETTER

How Redfin CEO Glenn Kelman discovered that his vision for the company was not the one his employees or customers saw.

BY JASON FEIFER

Glenn Kelman thought of himself as a software guy. He loves software. He cofounded a company called Plumtree Software. "When I applied for a passport or had to fill out my tax forms, I wrote down that I was a software entrepreneur," he says.

So when he became CEO of a real estate startup called Redfin, he had a natural direction: "I wanted to solve every real estate problem with software."

This would create a years-long crisis for the company. And for Kelman, it would come to highlight an often-unspoken business challenge: Entrepreneurship means exploring unknown paths, and sometimes that leads an entrepreneur somewhere different from where they started. The result can challenge not just their business philosophies but also their very sense of identity. A company's future may end up riding on what happens next.

To Kelman's credit, Redfin did start with software. In 2004, it was the first to put local real estate listings onto a searchable map for consumers to use. But then Redfin decided to become a real estate brokerage, too—building a service in which someone could search for, view virtually, and then actually buy a home through the website. The company's software was designed to allow a broker to do everything a broker does, but remotely. And it confused the hell out of customers.

"The level of dissatisfaction in those early days was intense," he says. People would call Redfin, asking for someone to give them in-person tours of homes like a normal real estate agent would. But Kelman said no. "That would involve sending a human being and a car out to the property," he says, "and we weren't willing to do that, because I thought of myself as a software entrepreneur." The way he saw it, his software should be all a customer really needs.

Eventually, some employees began pushing back. One asked him to call customers and explain why Redfin was only a "software company." The demand stopped Kelman cold. "I thought about all those people," he says. "I knew what they wanted. It seemed perverse for me not to give it to them just because of what I had in mind."

In 2006, Kelman decided to treat Redfin like a true brokerage—and so began hiring dozens of agents. But that sparked a culture clash: Redfin's engineers didn't like being at a real estate company, and the agents didn't think they were at a software company. The two sides had no shared language or understanding. And this created the true moment of reckoning. Kelman's identity crisis had become a company-wide crisis. He'd have to resolve it all.

He started by telling both sides: The word *they* is banned.

"I used to hear it all the time. Our software engineers would say *they*"—as in, the real estate agents—"don't use our software because *they* just don't get it," Kelman says. "And I would start by saying, 'Why don't you say *we* aren't using our own software?' And the agents would do the same thing. '*They* built that software without ever knowing how a real deal closes.' And I would say, '*We* built that software.'"

Slowly, this new thinking sunk in. The two sides worked together, collecting data on how the agents engage with consumers, and then adjusting the software to make the sales process more efficient. Revenue rose, Redfin expanded nationwide, and in 2017 it went public. It last reported $370 million in annual revenue, and now it employs more than 1,000 agents.

Today Kelman no longer thinks of himself as a software entrepreneur—or, for that matter, as a real estate entrepreneur. "I think of myself as someone who's trying to make things better," he says. That's a mission everyone on his team can relate to.

PHOTOGRAPH BY ISTOCKPHOTO.COM/BYMURATDENIZ

NO MONEY? NO PROBLEM

Bootstrappers know: With enough resourcefulness, there is always a path around any obstacle. Six entrepreneurs share the brilliant, crazy, inventive ways they took their companies from pennies to profit.

Reporting by JASON FEIFER, JOE KEOHANE, STEPHANIE SCHOMER, AND AMY WILKINSON

Strapped for cash? You're not alone. The business press may make it seem like every startup rakes in millions from VC firms, but in reality, many more entrepreneurs build without any cash infusion. And that often makes them smarter and scrappier.

"The idea of bootstrapping is positive in the sense that it forces you to sell before you build," says Patrick FitzGerald, a lecturer at the Wharton School and a serial entrepreneur. He sees an increasing number of his students bootstrapping–some to keep control of their company vision, and others because they're buried in business-school debt and can't fathom taking on another loan. He sympathizes. "I myself have always bootstrapped," FitzGerald says. "My parents are teachers, so I've never had the luxury of not bootstrapping."

On the following pages, we talk to entrepreneurs who figured out how to make it work, finding creative and, at times, hilarious ways to grow their business. Whether you're self-funded or not, take note: There's plenty to learn from a bootstrapper.

JASON BOCKMAN

COFOUNDER Strange Donuts
LESSON LEARNED Engage in your community before you launch.

JASON BOCKMAN wanted to open a doughnut shop in St. Louis–but not just any doughnut shop. "We wanted to have fun and attract people who were into the same stuff we were into: wrestling, cartoons, whatever," he says. Lenders were less than enamored by this countercultural doughnut shop idea; 13 turned them down.

So Bockman got creative. "We had a Pog tournament," he says. They gathered a bunch of '90s fad items, publicized the hell out of the event, and attracted 200 locals to compete–and try the doughnuts–for a small fee. "We were just testing the market," he says. "But it was a

Illustration Alvaro Dominguez

crazy success."

Six eclectic events followed, including a wrestling night, beer tastings, and a party commemorating the cult TV show *V: The Final Battle*. These established Strange Donuts' offbeat identity, and raised $20,000. A subsequent Kickstarter campaign brought in another $12,000, and then they finally got a small-business loan—from a bank whose executives happened to be at one of their parties. Strange Donuts opened its doors in October 2013, and they now have two locations as well as a franchise in Mexico City. These days lenders call them to offer loans. "Crazy how it works," Bockman says with a laugh.

JANE LU

FOUNDER and CEO Showpo
LESSON LEARNED Don't fold after the first failure.

AT AGE 24, Jane Lu took the entrepreneurial leap. She quit her corporate job, traveled, and pursued her side hustle. But it flopped, leaving her $60,000 in debt. She didn't want to admit that to her parents, whom she lived with. They're Chinese immigrants who moved to Australia to make sure their only daughter had more opportunity. So instead of disappointing them, she lied and said she was working at Ernst & Young. Secretly, however, she was starting a fresh entrepreneurial endeavor: a small retail brand called Showpo.

She built a website, bought inventory on consignment, and eventually paid store rent with credit cards. "I would get up early in the morning, put on my suit, have breakfast with my parents, carry my laptop bag, and ride the bus into the city with my mom," Lu says. She kept it up for 18 months before telling her parents about Showpo—which by then was a successful, fast-growing operation. And she cushioned the news. "I told them, 'I'm going to pay off your mortgage, and I bought you a car,'" she says. "They couldn't believe it." Today Showpo ships to 80 countries and projects $100 million in sales by 2020.

ANTHONY BYRNE

COFOUNDER and CEO Product2Market
LESSON LEARNED Fake it till you make it (in many ways).

ANTHONY BYRNE launched his Dublin-based sales-lead-generation company back in 2010—"probably the worst time in the history of the world to start a company," he admits. But despite a low cash flow, his team made it work. They bought furniture from companies in liquidation and sourced office supplies... creatively. "We'd set meetings with companies we didn't even want business with," Byrne says, "purely because we could fill our bags with pens and stationery."

This scrappiness prepared them for a game-changing moment. Microsoft wanted to hire them for a project but first wanted to conduct a site visit to make sure they had the manpower to handle the contract. Truth be told, they didn't. But that didn't stop them. "We ushered friends, family, and neighbors into the office to try and make us look twice the size," Byrne says. It worked. "Microsoft was the first blue-chip tech company to give us a contract." Product2Market now has a staff of 125 and works with brands like Twitter and Zendesk. "It wasn't at all pretty," Byrne says, "but it got us to the next level."

ARION LONG

FOUNDER and CEO ▸ Femly
LESSON LEARNED ▸ Investors aren't the only ones with money.

INVESTORS weren't taking Arion Long's calls, and she suspected she knew why: Less than 1 percent of venture capital goes to black female founders. As she looked for ways to fund her line of organic feminine hygiene products, she entered a local pitch competition–and won.

Similar competitions happen across the country, so she thought, *If I'm really good, I'll get the check!* But she lost the next five. To improve, she studied the speaking styles of Steve Jobs and Gary Vaynerchuk. But the aha moment came when she considered her audience: "It's not easy navigating the tech sector, talking about periods to a bunch of white men. They had to understand why this was important."

She'd been opening her pitch with a personal story about a cervical tumor. Now she asked, "Who knows what a condom is made of?" They all did. Then: "Who knows what tampons are made of?" They didn't–so she talked about the chemicals in most tampons, and her organic, compostable solution.

Since 2016, she's entered 30 competitions and won half, earning $100,000 in cash and prizes, a lot of press, and intros to investors. "Though," she says, "nothing's moved forward yet."

ERIK HUBERMAN

FOUNDER and CEO ▸ Hawke Media
LESSON LEARNED ▸ Tell the story others want to hear.

ERIK HUBERMAN runs a fast-growing marketing agency in Los Angeles, which offers itself as an outsourced CMO: It shapes a brand's messaging, and has done so for giants like Verizon Wireless and eHarmony. Back in 2011, when he was bootstrapping a very different company, he learned a valuable lesson about pitching that he still taps today. At the time, he'd launched a subscription service for men's T-shirts called Swag of the Month but was having trouble

BOOTSTRAPPING 101

No one ever called bootstrapping glamorous.
Patrick FitzGerald, a lecturer at Wharton, shares some brutal tips.

1 Have awkward conversations.
"Before you spend time and money building a product or service, make sure people want it. Have awkward conversations with your target customers. If people are excited, then sell your organs and build the thing."

2 Forget the 9 to 5.
"It's a common mistake to take on a full-time job while you're bootstrapping. There goes 50 percent of your day. It's a recipe for failure."

3 Call Mom and Dad.
"Move in with your parents. I did it. I went from making six figures as an attorney to living in my mom's house for six months. It was humbling, but I saved a ridiculous amount of money. And Mom cooked!"

4 Sell your crap.
"It's tough, but sell your stuff. Your car. Things you have around the house. Get an early $5,000, $10,000 in the bank. It's not exciting, but it works."

5 Ask for a deal.
"Barter for whatever you can. A good example is, a lot of law firms will push out the payment to the future. If you need contracts set up but can't pay them for eight months, many will say yes. Always ask."

getting press for it. A friend pointed out how easily companies get tech-blog coverage when they raise money, which seemed nuts. "It's a funny thing to praise people for–taking out a loan, essentially," Huberman says.

But it gave him an idea. He wrote to TechCrunch and claimed he'd raised $100,000 (from what was really his dad's holding company). "I knew no one would look it up. I got a call within 30 minutes." A post went up within hours, and Swag of the Month earned 600 new subscribers. He has never again misled the press, but he learned a priceless lesson. "Give outlets the headline they want," he says. "I learned how to pitch stories. It helped me learn the entire press machine."

CHRISTINA STEMBEL

FOUNDER and CEO ➡ Farmgirl Flowers
LESSON LEARNED ➡ Even DIY marketing produces useful data.

CHRISTINA STEMBEL'S schedule was nothing short of grueling when she launched her flower-delivery service in San Francisco. "I'd hit the flower market at 3 A.M., pick the flowers, drive home, unload my SUV, and fill buckets of water from my bathtub," she says. "I'd build all the bouquets before the couriers started coming at 9 A.M."

That was just to fulfill orders–the basic stuff of business. But it's what she did next that really set her up for success. She'd create extra bouquets and deliver them for free to city coffee shops along with a stack of 50 business cards. "I'd go back every week and count how many business cards were left," she says. If most were gone, she'd found a shop that attracted her kind of customer–and was worth filling with more flowers. If not, she'd find another shop to replace it.

This went on for a year, and it was well worth it: "All the initial chatter about the company, all the inquiries, was because of those coffee shops. It was the cheapest thing I could have done."

Fridababy CEO Chelsea Hirschhorn.

HOW TRAVEL TURNS INTO PROFIT

How Fridababy went from a three-person team with $10,000 in the bank to a baby-care brand sold in 30,000 stores.

BY JOE KEOHANE

Chelsea Hirschhorn was in a bind. Her infant-products company, Fridababy, was profitable. But for the business to grow, she needed more products. The problem was, she had no design experience, no R&D staff, no money, and no time.

Like we said: a bind.

She hadn't started as an entrepreneur. In law school she did a stint with the New York Mets. Then she was a bankruptcy attorney during the recession. After that, she moved to south Florida and landed a gig with the Miami Marlins.

One night in 2013, while Hirschhorn was pregnant with her first child, a neighbor told her about a product she was importing from Sweden, the NoseFrida. It was "an oral nasal aspirator"–that is, a tube parents use to suck snot out of their babies' congested noses. The neighbor wanted to see if Hirschhorn was interested in the business. She was not.

Then her son was born. He became congested, and Hirschhorn tried the NoseFrida. "I was like, *This is amazing*," she says. Her neighbor, it turns out, had something valuable: a practical tool for an unpleasant childcare scenario no one talks about but everyone deals with.

Hirschhorn signed on as CEO, renamed the company Fridababy, and grew the product for two years–selling to enthusiastic retailers, parents, and pediatricians. But she and her partner saw the business differently. The partner wanted to pocket the profits; Hirschhorn wanted to invest in growth. "It was such an unsexy, un-innovated category," she says.

Yes, you could get baby toothbrushes and nail clippers and conventional nasal aspirators, but they hadn't been updated in decades. "These are products that all parents are registering for," she says, and no one was paying any attention to them.

So Hirschhorn bought out her partner. From there she needed "a really quick-and-dirty way to expand the portfolio with no resources."

She found the solution close to home, using her own life as an R&D lab. Every time her infant son did something gross or unexpected, she'd dream up a product to deal with it. When her son kept spitting out medicine, Hirschhorn created MediFrida–a pacifier with a syringe attached to deliver medicine. When he resisted having his teeth brushed, she came up with a three-sided toothbrush that could do in one stroke what conventional brushes do in three. "It was inspired by the way veterinarians brush dog teeth," she says, laughing.

Then she had an aha moment: American inventors are squeamish about creating "products you're using at 3 in the morning when you're elbow-deep in shit." But Europeans were more open-minded. So Hirschhorn began attending baby trade shows in Europe, looking for products that fit her niche. When she found one, she'd license it, tweak it, and bring it to the U.S., leveraging the distribution she'd garnered with the NoseFrida.

"There were times when I was cutting prototypes on my desk from scratch," she says. "I would take an existing product, Scotch-tape things together, and send it to a factory."

The approach worked. She added 18 new products and tripled sales in three years. Today Fridababy's wares–which she calls the "grossest products you'll ever love"–are in more than 30,000 stores, along with a robust online business. And customers and pediatricians love them.

"We have a lot of credibility in the snot space," she says. Then she laughs. "It's alarming to me, the evolution of my professional career."

PHOTOGRAPH BY JEFF OLSON

OPPORTUNITY

PHOTOGRAPHS COURTESY OF NAADAM CASHMERE

S EVERYWHERE

In 2012, **Matt Scanlan** (*left*) and **Diederik Rijsemus** (*right*) got stranded in the Mongolian desert while on vacation. When they left a month later, they had a wild story, lifelong friends, and the seed of an idea that in a few short years would turn the cashmere business upside down.

by ADAM LAUKHUF

ON A CLEAR DAY IN JUNE 2015,

Matt Scanlan loaded $2.5 million in Mongolian tögrögs into 32 plastic bags, stuffed them into the back of a Toyota Land Cruiser, and lit out into the desert.

Scanlan, the then-26-year-old cofounder and CEO of Naadam Cashmere, was headed to Bayankhongor province, one of the most remote regions in the world, located deep in the Outer Mongolian Gobi desert. Each year around the same time, the nomadic goatherds in the area gather in a local village to sell their yield, which consists of some of the finest cashmere there is.

Leaving from the Mongolian capital of Ulaanbaatar, Scanlan spent the next two days off-roading across unforgiving desert terrain with the bags of money piled so high in the back, the driver could hardly see out the rear window.

When he arrived, it was with a bold, risky plan, years in the making. When he left, he and his colleagues had 100 tons of cashmere, packed into a dozen tractor trailers, and the firm foundations of a socially conscious, sustainably sourced, ingeniously constructed clothing business that's now on track to gross $45 million in its third full year.

And like many great entrepreneurial adventures, it all started with a phone call, a dive bar, a good friend, and some dumb luck.

SCANLAN WAS A few years out of NYU in 2012 when he quit his job as a qualitative analyst at a small venture capital firm in Manhattan. "It was way over my head," he says. "Compared to a real analyst, I was an idiot. I was faking it. So I left, not really sure what I wanted to do. And that's when Diederik called."

Diederik Rijsemus, a Dutch friend, was heading to Mongolia with a backpack. They first met during Scanlan's brief tenure at Dickinson College before, as Scanlan puts it, "they politely asked me to leave the institution and not come back." (Ditto a certain elite boarding school: "I was always mischievous as a kid and more interested in knowing what the rules were so I knew how to break them," he says—a mentality that would come in handy later.) By the end of the week, the two were sharing a bunk at a $20-per-night hostel in Ulaanbaatar. Soon after, they were out at a bar and hit it off with some locals named Ishee and Bodio, who extended an invitation to join them on a trip to the countryside the next morning.

"We assumed that meant, like, going out to Connecticut for the weekend," Scanlan says, laughing. "We didn't bring clothes or food. We thought we'd be back that night." Instead, they drove off-road for 20 hours straight until the truck broke down in the middle of the night. "After a few hours, a couple guys with motorcycles rode by and picked us up, and we drove for what felt like another three hours."

The journey finally ended deep in the Outer Mongolian Gobi, with nothing around for miles but a yurt belonging to a herder named Dash and his family, who came out to greet the visitors with a bottle of goat's-milk vodka. "We spent the night hanging out with these guys and had an amazing time. They were rowdy and so much fun," Scanlan says. "When we woke up in the morning, we asked the two gentlemen who drove us out there how we'd be getting home. They told us they were planning to stay for a month."

Scanlan and Rijsemus gradually came to accept the situation. They slept on the floor, living off meat from the tiny stove in Dash's yurt, and learned how to ride motorcycles in the desert, milk and herd goats, and perform a few Mongolian wrestling moves. "By the last quarter of the trip, we had all become good friends," Scanlan says. "We started asking a lot of questions about how they lived. And we came away with some really hard facts."

"SCANLAN AND RIJSEMUS SAW A WAY TO HELP THE HERDERS AND ALSO CREATE A VIABLE BUSINESS."

Chief among them: While Mongolian goatherds produce some of the world's most sought-after cashmere, it's exceedingly tough out there. The million or so nomadic herders—who make up a third of Mongolia's population—must survive long, punishing winters with temperatures of minus-40 degrees, relentless winds, and massive snowfalls, with only the food they'd stored up over the summer. That harsh climate is actually part of what allows goats to grow their high-quality undercoats—the longer and thinner the fibers, the more money they fetch at market. But as global temperatures rise, the quality of yields appears to be diminishing.

Meanwhile, the worldwide demand for Mongolian cashmere has been skyrocketing. That would seem like a good thing, but in reality

Naadam is helping struggling cashmere goatherding families in Mongolia get a better cut of the raw fiber from their goats—and lead more sustainable lives.

it has created a host of new problems. From 1993 to 2016, Mongolia's livestock numbers, which includes cashmere goats, grew from 23 million to 71.5 million, leading to the degradation of the native grasslands on which the animals feed and trapping the herders in what many fear is a vicious cycle. Bigger herds lead to undernourished goats, which yield coarser, less desirable hairs, which bring lower prices, which force producers to breed even bigger herds to make up for it, which increases the pressure on the grasslands.

Even more threatening is a mysterious periodic weather phenomenon known as a *dzud*, which causes severe summer droughts followed by even harsher winters. When one struck in 2010, nine million animals died, and a *dzud* in 2016 took out a million more, wreaking havoc on a population that already lives on the edge.

"We saw how hard it was for this family and how much they cared about their animals," Scanlan says. "And so by the time we left, we felt like we needed to find a way to give back for this experience—a month of them feeding us and clothing us and not asking for anything."

So Scanlan and Rijsemus decided to repay the favor. First, they went around and raised money from family and friends to fund veterinary programs for the herders. Then, to see if they could support the cause but also build a business for themselves, they launched a Kickstarter campaign in 2013 with an initial goal of $20,000, selling Mongolian-made cashmere sweaters with a piece of the proceeds going to efforts to aid the herders. They called the project Naadam, meaning "games," a traditional festival in Mongolia. It wound up generating more than $100,000.

"We didn't know what we were doing at that point," remembers Scanlan. "We took all these orders and then we were like, 'Oh, shit; we have to make some sweaters.'" They sourced the sweaters from a manufacturer in Mongolia and eventually sent a thousand orders out from Scanlan's apartment in the West Village, where Rijsemus had been living on the couch. "The boxes were stacked to the ceiling, and we were sleeping on the floor for a week filling orders," Scanlan says.

They barely broke even, which meant there wasn't much to send to Mongolia. But the experience showed them that people seemed to care about the plight of herders and wanted ethically sourced cashmere. The problem was, as Scanlan puts it, "we had only 50 percent of the puzzle." For the other 50 percent, they'd have to head back to the desert.

SCANLAN AND RIJSEMUS RETURNED to Mongolia the next summer to check on the progress of their nonprofit work. The news was not good. "We met with more families, talked to more people. They were saying, 'Thanks, but actually, it's not changing anything. There's no real impact.'"

It was the time of year when local traders begin arriving in the region to purchase huge loads of cashmere. And Scanlan noticed that the traders were engaging in what amounts to price-fixing: deciding as a group beforehand not to pay herders more than, say,

$20 a kilo for their yield. The traders would then sell that same kilo to a broker for $50. The broker handled the exporting and shipping and unloaded it to a mill for $70.

"So it's worth $70, but the herder gets $20. The more we understood the supply chain, the more we thought, *This is bullshit*," Scanlan says. "The herder doesn't have the information to negotiate, or any leverage whatsoever. They have to sell their material. It's been happening like this for a thousand years. That was the other 50 percent of the puzzle."

Scanlan and Rijsemus saw a way to help the herders and also create a viable business. By cutting out the middleman and going directly to the herders for raw fibers, Naadam could produce its own sweaters at dramatically lower costs. Instead of $20 per kilo, they'd offer herders $32 or $38, which would have a far greater impact on their quality of life than any veterinary program could on its own. At that price, Naadam would have its pick of the highest-quality material. And if Naadam controlled the processing, shipping, and manufacturing, it could remove several more layers of markup and deliver a superior product at a better price than any competitor could—boosting the herders' bottom line while actually turning a profit for themselves. They'd then sink a portion of those returns back into nonprofit efforts like veterinary services and grassland management.

"I thought that if we could actually pull it off, why wouldn't someone want to buy the end result—a lower-priced, higher-value brand that helps people and doesn't screw everybody along the way?" Scanlan recalls.

They spent most of the next year scraping together capital and figuring out logistics. "We had to put up some serious collateral and take really high interest rates," Scanlan says. "It was hard money to raise." They managed to secure a $2.5 million loan, and they lined up a designer to come aboard as a cofounder in the event the scheme worked. Scanlan would be the face of the company. Rijsemus, who Scanlan describes as "the other half of my brain," would be COO.

Scanlan had the $2.5 million wired to Mongolia and returned to the desert in 2015. The first order of business was to put some of that cash into an envelope and slip it to the mayor who runs the cashmere auction. "We rigged the auction in favor of the herders," Scanlan says. "He was getting paid off to do the opposite."

When the meeting opened, the traders were sitting at tables in the front of the hall, and the herders were standing in back. "Our guy gets up, and he's telling them what's happening, and all of a sudden every single trader in the place turns around and stares at me. I have my sunglasses on, trying to hide in back, and they're all looking at me like, *What the hell?*" Scanlan says. The mayor got up to confirm the price: The herders were about to get a major raise. "We go to our spot, and all the herders start coming to us, lining up with their bags of cashmere, and we have a scale and are sorting on the spot. And we do this process from 6 A.M. to 12 A.M. every day for three weeks until we're out of money. Herders from all over the region started flooding in."

The material was cleaned and shipped to mills in Inner Mongolia and Italy to be spun into yarn. Back in New York, Scanlan and Rijsemus got to work putting together a clothing line, an effort spearheaded by their new designer and partner, Hadas Saar, the former head of global knitwear at the apparel conglomerate Li & Fung. "Early on, we thought we could just go to J.Crew and buy a sweater we liked and send it over to a manufacturer and have someone copy it," Scanlan says. "But it's hard to make a sweater."

Diederik Rijsemus inspects raw cashmere in Mongolia.

Saar also covered for Scanlan's most glaring weakness as the head of a fast-rising clothing company. "I don't really like clothing," he admits. "I haven't bought a new piece of clothing in probably two or three years. Most of mine has holes. I would wear the same thing every day if I could. So the design and the fashion stuff I leave to Hadas."

WITHIN JUST A FEW SHORT MONTHS, Naadam was able to raise another $6.5 million and build out a website. It launched in September 2015 with an inventory of classic sweaters, hoodies, scarves, hats, and gloves that sell for a fraction of the cost of comparable garments from luxury labels like Loro Piana and Brunello Cucinelli.

Naadam took in $1.3 million in its first four months and $7.5 million the following year, becoming profitable in just its second full year. For 2018, Scanlan projects revenues to hit $45 million—and grow to $82 million by 2019.

While roughly 68 percent of revenue comes from Naadam's direct-to-consumer digital platforms—which offer higher margins—the company has been careful to spread its risk across multiple channels. It created a fashion-forward wholesale line, Studio by Naadam, which it sells to major department stores like Saks Fifth Avenue, Nordstrom, Barneys, Bloomingdale's, and Selfridges. But it also produces pieces for those same companies to sell under their house brands. That way the cash flow from the latter pays for the production of the former, meaning Naadam isn't out a pile of money at the start of every season.

In 2017 Naadam also quietly launched an off-price label called Project, which it sells through discount retailers like T.J. Maxx, Nordstrom Rack, and Saks Off 5th. "They're huge orders of 50,000 or 60,000 pieces at a time," Scanlan says. That, too, "spits off cash to fund the rest of the business."

Meanwhile, Naadam's nonprofit arm, now run by old friends Ishee and Bodio, is flourishing. Among its many efforts, the company manages the Gobi Revival Fund, which inoculated more than one million goats in the past three years. And this summer, it invested $25,000 to build a fence long enough that it could encircle Manhattan as part of a grasslands-management project.

It's a lot to hold together—growing a successful company with so many moving parts—but Scanlan has come this far, learning as he goes.

"All we have to do is not fuck it up, honestly," he says with a laugh. "We're still figuring it out on a daily basis. But we're getting a lot better at it." S

Adam Laukhuf is a New York City-based writer and editor.

INVENTORS REJOICE!

WHAM-O IS BACK!

How one of America's most beloved toy makers has rebounded from near death—in part by tapping into the dreams of toy-making entrepreneurs everywhere.

by JOE KEOHANE

Illustration Doug Chayka

JOHN HINNEN always wanted to make things.

A born tinkerer, the son of Illinois spent the better part of his 20s designing toys and novelties in his parents' garage. He created a line of greeting cards and peddled them all around downtown Chicago in his cowboy boots. He created an elaborate child's educational toy that got good feedback but was so complicated to build that he couldn't make the economics work. He had a little wooden toy that twisted from a heart to an egg that, he says, he "thought was the next pet rock." It wasn't.

Life would go on. He married. In May of 1989, he and his wife were expecting their first child. "I had to get real," he says. He got a job at the Diamond-Star Motors plant in Bloomington. He had two more kids, bought a house by a park in Peoria. It was a happy life, though with a sacrifice: "I kind of put the dream on hold," he says.

Then he turned 50, and that unrealized dream began to gnaw at him. "I thought, *If I get to 65 or whatever and never do anything with this, it's going to be a bummer*," he says. He'd never stopped sketching ideas, but now he began in earnest—designing games and dolls, and trying to sell them to the few toy companies that accepted unsolicited ideas. For this he received an inbox full of rejection letters.

Then, in 2015, his auto plant closed. Hinnen got a good severance package, but still: Change was in the air.

One day Hinnen was watching the movie *Elf* with his kids, and during the snowball-fight sequence—when Buddy the elf turns back an ambush on his half-brother by firing off snowballs like a Gatling gun—he had an idea. Hinnen and his youngest son, Nate, took a plastic bat they'd sawed the top off of for a previous invention, took it out to the snowy park, packed it with fresh powder, and took turns swinging it at each other, unleashing "an arctic blizzard of snow crystals."

Hinnen started getting excited. If tweaked and loaded with stickier snow, here was a bat with which you could make snowballs, throw snowballs, and defend yourself against snowballs.

This was the idea he'd been waiting for. Hinnen and his son spent a year working on it, even persuading a local grocery store to let them scrape the "snow" out of their freezers so development could continue apace during the warmer months. When they got the concept down, Hinnen made a video of his son using the bat to throw a snowball some 80 feet at the back wall of a Kohl's store. "From the parking lot," Hinnen says, laughing. "This is a basement inventor thing. You do whatever you can."

They called it the Snow Slugger. The only question was to whom to submit it. And the answer came as a surprise. Through a peer, Hinnen had heard that Wham-O—"the company of my youth," as he calls it, the one that created such legendary toys as the Frisbee, the Hula Hoop, the Superball, Silly String, and the Slip 'N Slide—had recently resumed its long-discarded practice of accepting submissions from random inventors.

Hinnen had never thought to send it anything before. Why would he? The company had slid into obscurity, having spent the better part of 30 years being passed from owner to owner, its business prospects and cultural resonance ever fading. But recently it had come under a new regime, Hinnen had learned, one determined to restore its fortunes in part by tapping into the spirit of entrepreneurship that made it great to begin with.

That meant that for the first time in many years, Wham-O would lash its fate to inspired basement inventors like John Hinnen. John Hinnen, who after 30 years of nurturing a dream that never came to fruition, walked in from the Midwestern cold one day and sat down to make his pitch.

"My name is John Hinnen, and I'm a product designer from Illinois," he wrote in an email. "I'm writing for a couple of reasons..."

And lo and behold: It worked.

Todd Richards didn't expect to wind up running Wham-O.

A big, amiable guy and a talented athlete, Richards was signed as a free agent out of college by the San Francisco 49ers but quickly realized he was outclassed. So he quit and started looking for other ways to make a living in the sports business. He worked some connections and ended up in a sales role for Fleer, the trading card company. This was a golden age. "At that time in the early '90s," he says, "selling trading cards meant you were doing better than a stockbroker."

The bottom eventually dropped out of the trading card industry, and Richards landed a job with multinational toy-making behemoth Intex. He had a good run heading up sales, and then in 2002 he got a call from his former boss at Fleer. He said he had just taken over a fund that had a company that was disorganized, riddled with turnover, and just couldn't seem to get it together. He wanted Richards to come on as senior VP for sales.

"Well, what's the company?" Richards asked.

"It's Wham-O."

Richards knew Wham-O well. He grew up a few miles from its former headquarters in San Gabriel, Calif., and he and his friend used to ride their bikes over, sneak into the warehouse, and root around in the Dumpsters searching for treasure.

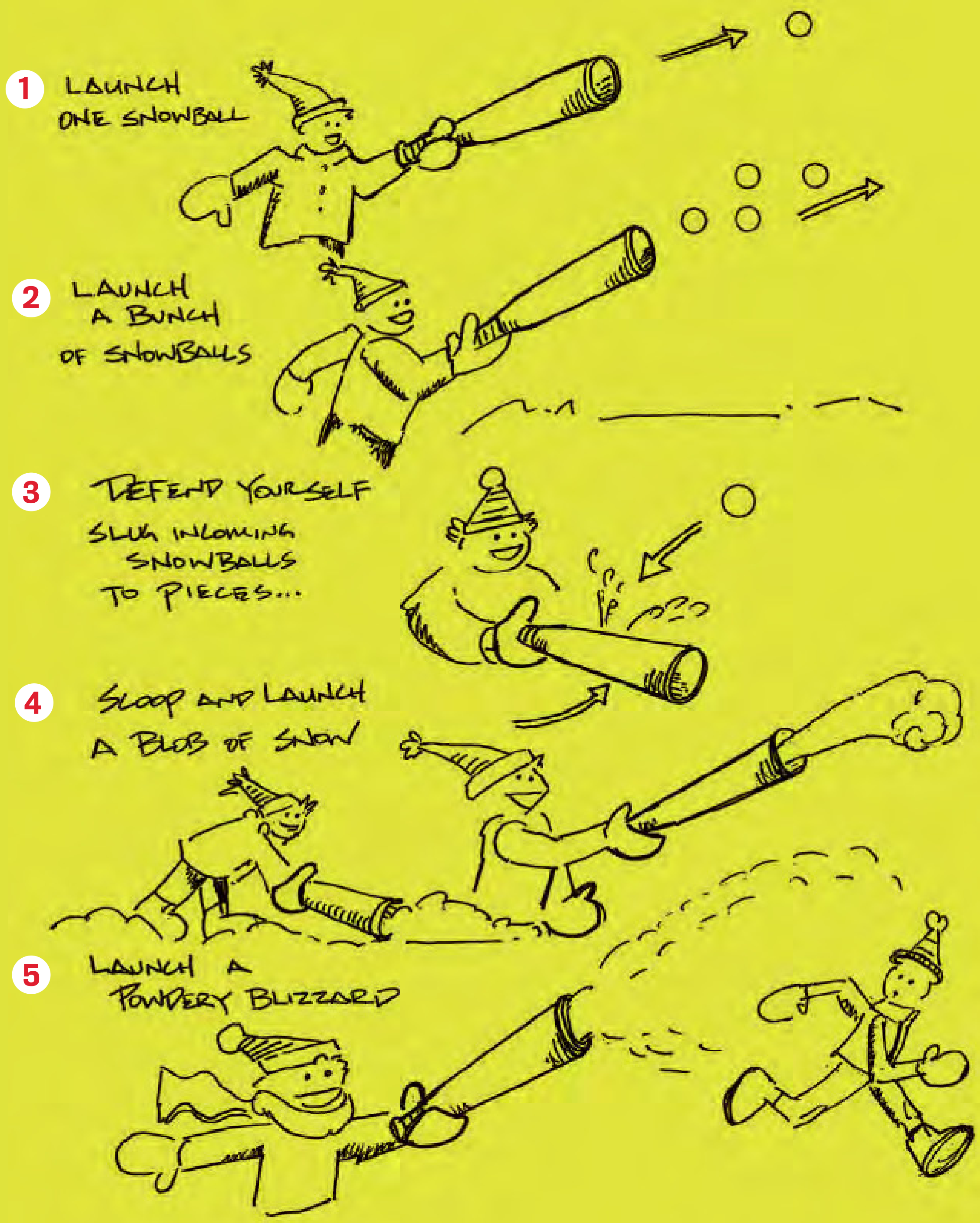
"I'm in," he said.

When Richards arrived in 2002, Wham-O had a lot of miles on it, but a lot of history, too. The company was founded in a garage in 1948 by two prankster geniuses named Richard Knerr and Arthur "Spud" Melin. They invented a wooden slingshot and named their company Wham-O after the sound its projectiles made when they hit their targets.

The years that followed have gone down in cultural history. The Frisbee in 1957. The Hula Hoop in 1958. The Slip 'N Slide in 1961. The Superball in 1965. And later, the Boogie Board, the Hacky Sack. These toys became full-on global phenomena.

The trouble began when Knerr and Melin sold the company in 1982 to toy maker Kransco, which shifted production to Mexico and laid off much of Wham-O's staff. Mattel bought Kransco in 1994 and closed Wham-O's fabled San Gabriel warehouse but also seemed unsure what to do with the storied company. The toys

SNOW SLUGGER
WAYS TO PLAY



were too random, too seasonal. Mattel couldn't build a big business around them like it had with Hot Wheels and Barbie.

So in 1997, Mattel sold Wham-O, this time to a newly constituted Wham-O group in Emmeryville, Calif. "This was a small business for Mattel, but we think we can build it into something much bigger with our more focused approach," then-CEO Mojde Esfandiari told the media.

The company had some early success but quickly stumbled. That's when, in 2002, it brought in Todd Richards. He rebuilt relationships with retailers, launched some products that fared well, and updated existing products like the Slip 'N Slide with new features. Revenue grew between 20 and 25 percent over his first two years, he says.

But then: more problems. The owners had set a time limit on funding Wham-O, and, according to Richards, some accounting missteps came to light right as the money dried up, forcing Wham-O to scramble to find new partners. It wound up with new owners, a Chinese firm called Cornerstone Overseas Investments, in 2006.

The plan then was to go big in China, with its well-known love for heritage American products. But in reality, Wham-O was in for more trouble. Richards says Cornerstone slashed marketing and moved operations to Hong Kong, leaving only the sales department in California. So he quit to go work at surf outfitter Body Glove, where the lifelong surfer would stay for a decade.

He kept an eye on Wham-O, however, and what he saw dismayed him. The new owners all but stopped introducing any new products, he says. They pulled back on the often eccentric, high-spirited marketing and promotion for which Wham-O had once been known. (Remember those Saturday-morning TV commercials?) They never built an e-commerce business, nor much of an online profile. Quality standards fell, Richards says, as the company started slapping the Wham-O name on cheap, open-market products and then sometimes failed to even deliver those shipments to retailers. Competitors ate at Wham-O's market share by churning out "flying discs" and Hula Hoop-like objects. (Only the names and specific designs of Wham-O's decidedly low-tech products are copyright protected, making them easy to knock off.)

More critically, he says, a gap had opened up. "A great strength of Wham-O as a heritage company is that kids develop a relationship with its products, and when they have kids, they buy those products for them." Wham-O has a generational continuity that makes it if not a sexy brand, then certainly an enduring one. But that decade of neglect created a disconnect. A generation of kids grew up without Wham-O. That meant their kids might, too.

All the while, business plummeted. When Cornerstone acquired Wham-O in 2006, sales were estimated at $80 million and the company had 300 staffers. By 2015, revenues had fallen a reported 75 percent, and the staff was a fraction of what it once was. "It was a complete strip-mine," Richards says. "As I watched this deterioration take place, I thought to myself, *This is just too bad. This is such an iconic name.*"

So Wham-O, what was left of it, anyway,

was sold again, this time to a group consisting of Hong Kong–based Stallion Sport and California's Intersport. And Todd Richards, erstwhile Wham-O Dumpster rifler, was tapped to come back once again, this time as president, to try to revive the fortunes of this beloved brand of his youth.

Given the company's history, you'd expect Wham-O HQ to be a madhouse, as opposed to a quiet, chilly slab of tinted glass and polished concrete, located across the street from a yogurt factory south of L.A. But here it is. When the new owners took over Wham-O, they set it here. While "Frisbee Fridays" happen in the parking lot on occasion, Richards says, and the occasional prototype is hauled into the general population for testing, the 30-strong staff here mostly spends its days working.

All to the good. Because, as Richards recounts, sitting in a blue oxford shirt and sneakers in a conference room off the lobby, this was a company in dire need of repair.

As it happens, yes, some people love Wham-O. And some haven't heard of it and can learn to love it. But there was a third group, too. They actively disliked it. And unfortunately, those people were central to Wham-O's fortunes.

That problem was buyers. Richards quickly discovered that a lot of buyers for big retail stores–the gatekeepers toy makers must win over in order to secure space on store shelves–had been burned. He recalls going into a sales meeting at a major retailer (he can't reveal which) and being told, "Todd, I've known you a long time, you've had a long history of servicing us, but my boss would fire me if I put this on the shelf." He got this response at other big chains as well.

Making matters worse, some of the gatekeepers Wham-O needed to win over also fell into the generational gap that had opened up. "I remember our first meeting at one of the big chains," Richards says. "The buyer had been hurt by not getting deliveries, and she had this new assistant. She's 24, 25, and she's like, 'Wait a minute; Frisbee is a Wham-O product?' She had no idea."

Turned off by Wham-O, or just ignorant of it, the big retailers had begun carrying competitors' products–those aforementioned flying discs and Hula Hoop-like objects. They found that the quality was good, the packaging was good, and the items sold well. So why take the chance? For a company with no e-commerce arm to speak of, and a heavy reliance on a shrinking number of brick-and-mortar stores, this was an existential problem.

So Richards' team devised a plan. They would leave the big retailers alone and instead go after midtier regional chains, which the company had ignored for years. Unlike the bigs, these operations were staffed by older buyers who knew Wham-O well. "We knocked on the door and said, 'Hi; we're Wham-O,'" Richards says. "They said, 'Really? We haven't had anyone here from Wham-O in years. Come on in.' And we started making placements all over the place."

The thinking was that if Wham-O proved itself valuable to the little chains, that could serve as proof to the big chains. And it did. After six months, Richards says, he started hearing back from those bigger corporate buyers. They said they'd seen Slip 'N Slides at Meijer stores, or Boogie Boards at Modell's. They wanted to talk. Pretty soon, Wham-O was even placing some products at Target and Walmart. "We jokingly referred to it as our Ho Chi Minh philosophy," Richards says. "Control all the villages and the city falls, right? But it's working."

With the retailers warming up, Wham-O moved on to its next critical problem: product. Wham-O's core lines are ageless. They can sell themselves if you get them in front of enough people. But the toy business runs on hits and novelty–things that have been in short supply at the company for a long time. "Wham-O was originally all about innovative new toys, and then they became an evergreen line," says Richard Gottlieb, founder and principal of Global Toy Experts, a consulting and design management firm. "But they're no longer known as a hit maker. And therefore they're less attractive to inventors."

This is a significant handicap–especially for a company looking to make a big splash. Companies, including Wham-O, maintain design departments, but a lot of the best toy ideas come from independent inventors represented by inventor agencies (Tickle Me Elmo came from outside, for instance), and in order to attract these agencies, you have to be seen as a hit maker.

"You want to be the first place an inventor goes," Gottlieb says. A place that has the vision, the relationships, the industry profile, and the marketing horsepower to take a toy to a big audience and enrich its inventor. Wham-O needs to get back to this position. Richards admits as much. "The agencies work their way down the coast," he says. "They hit Mattel. They hit this office, that office. And then by the time they end up here, it's like, 'OK, here are three items I still have left that nobody took.'"

"WE'RE LOOKING for people who have the next greatest thing."

It's certainly a problem, but to Richards, it also represented an opportunity. In the early aughts, the company hosted monthly Inventor Days, when people would line up down the block for a chance to pitch their creations. It was a continuation of the founding spirit of Wham-O, a company that was historically open to anything. Inventor Day was done away with in time–the success rate was low, and there was a certain legal hazard associated with accepting designs from people not represented by agencies. But now, all that be damned, Richards brought it back. Only online.

"We made it very clear," Richards says. "We're interested in your ideas. We're looking for people who have the next greatest thing. Bring it to us."

And so they did—dozens of them, every week, with some ideas arriving fully fleshed out, others turning up as sketches on diner napkins or scraps of notepaper, others still utterly defying understanding. They all came to Wham-O.

John Hinnen hit send on his pitch for the Snow Slugger, and it arrived in the inbox of a sharp-dressed, blunt-talking Ukrainian woman named Olyvia Pronin. She is Wham-O's head of marketing, and the point person for inventors.

Much of the heavy lifting in helping turn around Wham-O these days falls to Pronin—whose office, like the others, feels just-moved-into, heaped with catalogs, toys, newsletters, vintage marketing collateral, and promo materials for Wham-O's big 70th-anniversary push. Taped on the wall is a picture of a kid jumping a bike over another kid lying on his back on the sidewalk. It reads, "Before video games and computers."

When Pronin took the job in 2016, the brand strength of Wham-O was immediately evident to her. It had history; its products were low-tech or no-tech—which set them apart from the profusion of screen-based entertainment—and they brought people of all ages together, usually outside. But the rot inside the company was significant. When Pronin joined, the company's website looked "so bad." It would have to be rebuilt entirely. Wham-O's catalogs were "so obsolete." Those would have to be redone. There was no e-commerce site. That would have to be built, too. Wham-O didn't even sell directly on Amazon. "I know it sounds really crazy in the 21st century," she says.

Worse, there was virtually no social media presence. That also would have to be built. And the company would need to restore its profile in the industry, which had all but dissolved. That meant staking a more prominent presence at industry events and in trade publications to put Wham-O back in the minds of freelance designers and retailers alike.

And it needed customers. That, too, was complicated. Here it had a boomer-approved product, for children, and a big doughnut hole between the generations. To plug the hole, it had to win over millennials. Wham-O was in luck here. Millennials may live on social media, but they also, as a group, possess a widely remarked upon (if not mocked) nostalgia for retro products and traditions. Many belonged to kickball leagues, or Ultimate Frisbee leagues, say.

"The group that we're looking at is largely responsible for the resurgence of vinyl records," Richards says. "For us, it's ironic. There's nothing really different. This has been around forever. You just now discovered it."

If Wham-O could get millennials to engage with its products, it increased the chance that that cohort, which is starting to have kids, would buy Wham-O toys for them, thereby restoring the generational continuity the company had lost.

Pronin began by setting up social feeds on Facebook and Instagram that allowed older people to share their memories of Wham-O toys. It blew up, she says. "When we started the Facebook page, we received so many messages from people saying, 'Are you the real Wham-O? Or is this a knockoff? Do you really exist?'" Pronin recalls. People started posting memories, photos, stunt videos. "Pretty much all of our Instagram is consumer-generated content," she says.

Essentially, Wham-O had figured out how to harvest an older generation's love for its products in a way that established them as suitably, authentically retro for younger people. From there, those younger people began engaging as well, egged on by stunts like a scavenger hunt where the company hid Frisbees all over Los Angeles and laid clues on social media. The event garnered press coverage and a robust turnout. "It was crazy," Pronin says. "People were really looking for Frisbees—and I'm like, 'Come on, it's just $5.99. You can buy it!' But people loved it. I loved it."

It stood as proof that for Wham-O, success was going to be about more than just selling an item. It was about meeting an untapped demand for being outside, among people, away from your computer and your phone. And this narrative led perfectly into the company's invitation to inventors: Put pen to paper, draw up a toy that isn't another app, and send it to us. As of summer 2018, Wham-O is developing or has released six items that came from this class of basement inventor. One arrived as nothing more than a hand drawing on a piece of paper.

When Hinnen's snowball-bat submission arrived in Pronin's inbox, she considered it one of the best she'd seen. "Sometimes it's so bad—like, you can't even understand what [the inventor] is talking about," she says. But Hinnen approached it like a pro. He even sent in a prototype with a fake snowball, and the staff tested it out in the office. "It was like hitting people's heads," she says. "We all loved it."

So Pronin told Hinnen Wham-O was interested. The process would move in stages after that. An agreement was signed, and the design was sent to the Hong Kong office—which handles engineering and testing. If they liked what they saw and the numbers worked, the Snow Slugger would go to market.

This year is Wham-O's 70th anniversary, and the company has a lot of events and promotions planned. There's also a functioning e-commerce operation, an Amazon store, a better website, and more professional catalogs. According to Richards, Wham-O has nearly tripled the revenue that was projected from the previous owner. The goal is to hit $100 million by the end of its first five years. "We're way ahead of where we wanted to be," he says.

It has new toys coming out, too, including a line of indoor family games called Stay 'N Play. (In one, players strap a box full of balls to their waists and try to shimmy them out.) There's a line of Superballs with off-kilter weights inside them that cause them to bounce erratically, and Hula Hoops with LED lights. There's a new Frisbee that defies description, except to say it's sort of square-shaped and floats strangely when thrown. It was launched on Kickstarter, also a first for Wham-O. "We want people to feel a part of this, and we want them to get it as soon as we make it," Pronin says.

And then there's the Snow Slugger, officially due out in the fall. "It's like, *Pinch me*," John Hinnen says. "When I would develop toys in the past and tell people, they'd get excited, and then it's like, well—then it never happens." But this time it did. His kids are thrilled, his wife is thrilled, and Hinnen is thrilled. He's working on new designs, new ideas. He's getting involved in the startup community in Peoria. After all these years, he has arrived.

"It's taken me a long, long time to get to this point," he says. "My whole mantra is 'Never give up.'"

THE RISE OF FEMALE FRANCHISEES

Women are buying franchises at a rate far faster than men. Now the industry is asking itself: Why? And how can we keep it going?

By KRIS FRIESWICK

Illustration Magdiel Lopez

Robin Mainer was a longtime commissioned salesperson for an insurance company. But by the time she turned 51, those commissions had dried up. She needed to figure out what, as she says, she wanted to do when she grew up. Mainer and her friend and coworker Kimera Shepler decided to think hard on it and come back with a plan.

"I went home and prayed about it," Mainer says. "I said, *I want a clear direction. I'll do whatever you want, but I need a direction*."

The next day, she went to get her oil changed—not expecting it to be part of that new direction. And for a while, it wasn't. The man who checked her in took her keys and told her to sit down next to two other women in the waiting area. As they waited, a male customer came in, greeted the same man at the front desk, and told him he was in a big hurry.

"The employee asked the gentleman, 'What kind of oil do you want? Do you need wiper blades?' All this other stuff," Mainer recalls. "I asked the other ladies, 'Did he ask you those questions?' They said, 'He said the same thing to us that he said to you.'"

Mainer confronted the man. "You asked that male customer all those questions, and you didn't ask us any," she said.

The man replied, "I didn't want to have to explain it all to you."

There was an audible gasp from the women in the waiting area. "Oh, no, he didn't," said one. Then they all pounced on the hapless employee.

Mainer and her two sisters-in-outrage ended up getting their oil changed and their tires rotated for free that day. And Mainer got her direction after all. Her brother, who was in the auto industry, suggested a couple of days later that Mainer and Shepler buy an Honest-1 Auto Care. It pitches itself as a "female-friendly" auto care franchise, with child play areas, baby changing facilities, HDTVs, complimentary beverages, and other family-friendly amenities. Before her brother could even finish explaining, she was already halfway to yes.

THERE ARE A LOT of women like Mainer and Shepler in franchising these days. The numbers tell a story of rapid change: Between 2011 and 2017, female franchise ownership jumped by 83 percent, while male ownership increased by only 13 percent. That's according to FranNet, a company that matches individuals with franchise opportunities. (And yes, FranNet franchises, too.) Today, FranNet says, 26 percent of its placements are women, compared with 18 percent in 2011.

The International Franchise Association (IFA) is seeing a similar shift. Women owned 27 percent of franchise locations in 2017, it says, compared with 20.5 percent in 2007. The franchising world is eager to understand what's behind the trend so that the industry can help speed it along even further. But the answer isn't a simple one—in part because women come to franchising for so many reasons.

Many are attracted to franchising for the same reasons that men are. They like the ability to join a company that already has a successful track record. They like the fact that franchises come with a set of established operating procedures, vendors, HR policies, and other operational details that, if not done right, can be the death of the go-it-alone entrepreneur. But some experts speculate that these qualities are especially attractive to women. There's a stereotype that women are risk-averse. Psychologists have actually found that women take as many risks as men, but they tend to prioritize risk mitigation more than men do. Why take a chance on HR when you can take a chance on something else more important instead?

"THIS GENERATION OF WOMEN HAS BEEN BROUGHT UP WITH THIS UNSPOKEN EXPECTATION OF EQUALITY."

Other women see franchising as a particularly family-friendly kind of business. Shelly Sun, founder and CEO of franchisor Brightstar Group Holdings, which provides home and healthcare staffing services, hears that a lot from female franchisees. "They felt they were losing out on opportunities at work because they were trying to care for parents and children. Not that they weren't willing to work, but they couldn't do a straight 9-to-5," she says. "It was very difficult to not face a significant glass ceiling if you weren't willing to put your family to the side."

FranNet consultant and author Leslie Kuban says she hears similar things, particularly from women who come to her for help finding a good franchise opportunity. She credits social change for driving them through the door. In the past, she says, women and men were expected to have different career paths. "This generation of women has been brought up with this unspoken expectation of equality," she says. That may mean they want to run a business.

Smoothie King franchisee Tonya Brigham, 47, from Bowie, Md., fits a slightly different mold. While she built a thriving career, she wished for one that worked better with her family life. Brigham was an events and meetings producer for large associations in the Washington, D.C., area, which involved a lot of travel. "One night my 18-month-old woke up with a fever, and I had to do a cross-country trip the next day," she says. "I had to be on a flight at 9 A.M. I cried all the way across the country."

Seven years later, she finally quit that job and was a stay-at-home mom for three years before looking for her next professional challenge. Smoothie King held the promise of work-life balance—although, she admits, it took a little while to really kick in. "In the beginning, there were 16-hour days," she recalls. Some nights, her kids would do homework and nap in the back room while she worked. "But now I'm three miles away from home, not 3,000 miles away. All day long, I'm swapping between businesswoman and Mommy. It's just a much better quality of life."

IT'S NOT ALL good news. Women still represent just more than a quarter of total franchise ownership. Many say they were driven to it by bad experiences in the general workforce—or, like Mainer, encountering sexism as a consumer. And once women get into franchising, they very frequently come up against a barrier: difficulty securing loans.

This problem was referenced by every single woman interviewed for this story. Banks, they say, still make it tough for females on the whole to build businesses as large as those of their male counterparts. For Mainer, the problem emerged before she had met with Honest-1 executives to discuss buying a franchise. "One bank officer told us that little boys grow up in a garage and little girls don't," Mainer recalls. "When I asked if he wasn't loaning me money because I was a woman, he said yes."

Mainer was fortunate; the "female-friendly" Honest-1 was well-equipped to handle the problem. Honest-1 corporate stepped in to help Mainer and her friend secure funding from a bank that had loaned money to other Honest-1 franchisees, and they opened their first facility in Lewisville, Tex., in January 2017. The company told them to expect to make $750,000 in revenues in their first year; they did $1.3 million.

They're already making plans to open more locations.

And that bank that turned them down because they were women?

"They've already called us asking about being part of location number two," says Mainer.

It's hard to know exactly how this problem gets resolved, or how often it stymies potential female franchisees. But this much is clear: Even when women get funding, they receive smaller loans for their franchises than men do. Yet even that stat is problematic. Bill Manger, associate administrator for the office of capital access at the Small Business Administration (SBA), says, "It's possible that women may have historically opened businesses that don't require as much capital as those opened by men."

It's a kind of chicken-and-egg situation—are small loans causing women to open low-capital franchises, or do women gravitate toward such franchises because they know it's easier for them to get smaller loans?

That issue seems to be resolving itself as more women become franchisees, albeit slowly. The average SBA loan given to a female franchisee acting as the sole owner has risen from an average size of $463,944 in 2013 to $568,475 in 2017, an increase of roughly 22.5 percent. For male franchisees, over the same period, that number has gone from $689,387 to $729,093, a 5.76 percent increase. In other words, the women are catching up with the men.

OF COURSE, not every female franchisee's story contains an element of work-life balance, sexual harassment, or glass ceilings. Sometimes it's simply the power of the brand. Cassidi Brown, a 26-year-old Forney, Tex., resident and married mother of two, is about to open her first Coolgreens franchise, a fast-casual chain restaurant featuring fresh ingredients. Why? Because she has just always wanted to own a Coolgreens.

She fell in love with the concept the first time she visited one. But the company wasn't franchising, so she set out to start her own restaurant. "I tried to build my own similar concept from the ground up," she says. "Everything I did, I was comparing it to Coolgreens." In mid-2017, the day she was planning to file the paperwork to start her company, her best friend called and told her that Coolgreens just announced it was going to start franchising. She stopped what she was doing and reached out to her beloved brand.

But no matter *why* women enter the industry, the rate that they're entering is raising an especially intriguing question: How will franchising be different as the genders even out?

AS IT TURNS OUT, we don't need to wait for an answer; many industry vets say they're already seeing a difference. Gigi Schweikert, president and COO of Lightbridge Academy, an early-childhood-education daycare franchise, says that women owners change the way a franchisor needs to do business. Women, she says, tend to be more collaborative and will share ideas more freely than male owners typically will. Franchisors need to be able to accommodate that style.

They'll also need to be ready with answers. "One thing that's refreshing with the amount of women we have as franchisees is that they're not afraid to pick up the phone and say, 'How do we do this?'" Schweikert says. "We're able to smoke out a lot of potential problems because they ask a lot of questions."

Courtney Sinelli, executive vice president of Which Wich Superior Sandwiches (cofounded with her husband, Jeff Sinelli), has noticed another plus. Female franchisees "look at their businesses from various angles, rather than just being driven by one aspect of the business, like profit," she says. "They're good at looking at how a particular issue affects the brand from, say, a PR and marketing perspective. They look at how decisions affect all areas of their business. That is a huge positive for owners."

In fact, says Sun from the IFA, it's a huge positive for all.

"In my perspective, I think women tend to be better managers, leaders, and inspirers of talent," Sun says. "Every business needs employees to scale. In a small-business environment, where it feels like family, women tend to create that dynamic to get the most of their people. They make them feel cared for. People root for that leader, including her employees."

Brigham, the Smoothie King franchisee, says she feels that all the time. "The people I hire are from my community," she says. "I love it when my employees tell me they've never had a boss make them feel so important." Though if trends continue, there may indeed be many more bosses like her. ■

FRANCHISE

ON TREND

OUR TOP 10 FRANCHISE CATEGORIES OF 2018

PHOTOGRAPH BY SHUTTERSTOCK/ARTHIMEDES

BY TRACY STAPP HEROLD

What types of franchises are thriving right now? The ones that give customers what they need (like employment and health services), what they want (entertainment and beauty), and what they didn't even know they wanted until just a minute ago (acupuncture and poke bowls). From emerging industries to those that just keep going strong, we've picked the 10 franchise categories we believe are shining brightest in 2018.

As you read through this list, keep in mind that it is not intended as a recommendation of any particular franchise. Before jumping into a trending business—or any other opportunity—it's vital that you do your due diligence. Carefully review the company's legal documents, consult with an attorney and an accountant, and talk to current and former franchisees to find out whether the franchise is right for you before you invest.

CONTENTS

ASIAN FOOD

For evidence that the American palate has evolved, look no further than the Asian food category. You'll find concepts that never would have been franchised 20 years ago, inspired by a wide variety of cultures and cuisines, including sushi and the latest culinary craze, poke.

The Flame Broiler
Chicken, beef, and tofu rice bowls
STARTUP COST
$256.7K-$408.5K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
190/0

Ginger Sushi Boutique
Sushi
STARTUP COST
$270.8K-$381.2K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
140/0

Gyu-Kaku Japanese BBQ Restaurant
Japanese barbecue restaurants
STARTUP COST
$785.3K-$2.1M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
702/20

HuHot Mongolian Grills
Mongolian grill restaurants
STARTUP COST
$984K-$1.2M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
49/12

Keo Asian Cuisine
Asian restaurants
STARTUP COST
$221K-$425K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/2

Komotodo Sushi Burrito
Burrito-style sushi
STARTUP COST
$167.7K-$438.5K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/1

L&L Hawaiian Barbecue
Asian-American food
STARTUP COST
$133.7K-$527K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
184/0

LemonShark Poké
Poke
STARTUP COST
$232.9K-$473.7K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
3/3

Maki-Mee
Sushi
STARTUP COST
$251.1K-$356.99K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/2

Pho Hoa
Vietnamese food
STARTUP COST
$158K-$295.9K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
65/10

The Poke Company
Poke
STARTUP COST
$280K-$365K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/1

Pokéworks
Poke
STARTUP COST
$250K-$850.5K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
7/12

Samurai Sam's Teriyaki Grill
Japanese food
STARTUP COST
$106.3K-$432.1K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
23/2


LemonShark Poké

PHOTOGRAPH COURTESY OF LEMONSHARK POKÉ

Sriracha House
Asian fusion food

STARTUP COST
$222.3K-$402K

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/1

Sushi Runner
Sushi and Thai food

STARTUP COST
$268.4K-$362.9K

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/2

Teriyaki Madness
Asian food

STARTUP COST
$270.7K-$651.4K

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
45/1

Thai Express
Thai food

STARTUP COST
$330.4K-$731.7K

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
302/0

BEAUTY/ GROOMING SERVICES

They say beauty is in the eye of the beholder. Maybe that's the reason for the sudden surge in franchises offering lash and brow services. Other beauty and grooming services, like hair care, waxing, and skin care, continue to grow as well.

Amazing Lash Studio
Eyelash-extension salons

STARTUP COST
$270.4K-$584.2K

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
181/0

BeRaediant
Facial aesthetics, anti-aging and skin-rejuvenation services

STARTUP COST
$83.1K-$243.5K

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/1

Camille Albane Franchising
Upscale hair and beauty salons

STARTUP COST
$245.9K-$424.8K

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
270/0

Cookie Cutters Haircuts for Kids
Children's hair salons

STARTUP COST
$100K-$260K

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
42/1

Cost Cutters Family Hair Care
Family hair salons

STARTUP COST
$139.4K-$290.2K

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
382/236

Deka Lash
Eyelash extensions

STARTUP COST
$199.5K-$359.9K

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
20/4

Face. Brow & Beauty Bar
Makeup, eyebrow shaping and microblading, body waxing, facials, eyelash extensions

STARTUP COST
$106K-$231.7K

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/1

Fantastic Sams Cut & Color
Hair salons

STARTUP COST
$145.4K-$317K

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
1,045/3

First Choice Haircutters
Family hair salons

STARTUP COST
$168.9K-$282.6K

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
197/210

Flirty Girl Lash Studio
Eyelash extensions and brow services

STARTUP COST
$147.4K-$259.95K

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/2

Great Clips
Hair salons

STARTUP COST
$136.9K-$258.3K

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
4,285/0

Hammer & Nails - Grooming Shop for Guys
Men's grooming services

STARTUP COST
$246.7K-$599.9K

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
1/1

Hand and Stone Massage and Facial Spa
Massage and spa services

STARTUP COST
$480.5K-$583.6K

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
325/1

In-Symmetry Spa
Massages, acupuncture, facials, waxing

STARTUP COST
$128.5K-$285.7K

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/1

Island Society
Spray tanning

STARTUP COST
$39.7K-$191.4K

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/2

J'adore
Eyebrow microblading, scalp micropigmentation, semipermanent makeup, aesthetics

STARTUP COST
$81.3K-$106.4K

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/1

The Lash Lounge
Eyelash extensions, cosmetic products, apparel, accessories

STARTUP COST
$147.6K-$297.5K

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
11/3

LaVida Massage
Massages, skin care

STARTUP COST
$284.8K-$476.4K

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
57/0

LunchboxWax
Body waxing

STARTUP COST
$172.1K-$395.9K

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
30/3

Massage Envy
Massage therapy, stretch therapy, skin care, facials

STARTUP COST
$434.8K-$1M

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
1,189/0

Massage Heights
Therapeutic massage, facials

STARTUP COST
$430.1K-$637.4K

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
144/5

MassageLuXe
Therapeutic massage, facials, waxing
STARTUP COST
$399.2K-$550.6K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
42/5

My Salon Suite/Salon Plaza
Salon suites
STARTUP COST
$371.2K-$959.3K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
40/24

Namaste Nail Sanctuary
Nail salons
STARTUP COST
$220.6K-$470.3K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/0

Nikita Hair
Hair salons
STARTUP COST
$162.3K-$268.6K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/1

Palm Beach Tan
Tanning
STARTUP COST
$479K-$789.1K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
257/189

The Palms Tanning Resort
Tanning
STARTUP COST
$489.8K-$517K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/4

Phenix Salon Suites Franchising
Salon suites
STARTUP COST
$293.2K-$965.8K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
199/3

Pigtails & Crewcuts
Children's hair salons
STARTUP COST
$93.8K-$205.3K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
49/1

Roosters Men's Grooming Centers
Men's grooming services and products
STARTUP COST
$173.8K-$303.4K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
85/0

Amazing Lash Studio

Salons by JC
Salon suites
STARTUP COST
$545.6K-$1.1M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
72/10

Salon Studios Beauty Mall
Salon suites
STARTUP COST
$274K-$786K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
2/6

Seva Beauty
Eyebrow shaping, eyelash extensions, facials, tinting, makeup, spa services and products
STARTUP COST
$114.7K-$301K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
180/0

Sharkey's Cuts For Kids
Children's hair salons
STARTUP COST
$124.9K-$151.99K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
53/1

Sirius Day Spa Franchising
Spa services
STARTUP COST
$477.95K-$698.8K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
1/1

Snip-Its
Children's hair salons, party services
STARTUP COST
$129.98K-$239.4K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
62/2

spa810 Laser, Skin & Massage
Laser hair removal, facials, skin care, massage, body contouring
STARTUP COST
$556.2K-$920.7K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
20/0

Spavia Day Spa
Massage, skin-care, and spa services
STARTUP COST
$273K-$596.1K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
21/1

Sport Clips
Men's sports-themed hair salons
STARTUP COST
$189.3K-$354.5K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
1,638/54

Sugaring NYC
Sugaring hair removal
STARTUP COST
$118.7K-$200.6K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/5

Supercuts
Hair salons
STARTUP COST
$144.3K-$296.9K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
1,721/944

Tan Republic
Tanning, sunless tanning, skin-care products
STARTUP COST
$96K-$388.5K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
63/1

VIP Laser
Laser hair removal, facial aesthetics, anti-aging and skin rejuvenation services, injectables
STARTUP COST
$151.1K-$362.1K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/1

V's Barbershop Franchise
Upscale men's barbershops
STARTUP COST
$195.2K-$363.3K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
33/1

Waxing the City
Facial and body waxing
STARTUP COST
$108.2K-$491.4K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
75/1

PHOTOGRAPH COURTESY OF AMAZING LASH STUDIO

The Woodhouse Spas
Spa services and treatments; bath, body, and wellness products

STARTUP COST
$597.4K-$793.7K

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
48/4

YeloSpa
Massage, skin care, sleep therapy, facials

STARTUP COST
$438.3K-$1.2M

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/1

CHILDREN'S ENRICHMENT

From coding to cooking and swimming to science, there's an enrichment franchise for just about every interest under the sun. And with parents more than willing to pay for their kids to learn (and have fun doing it), it's no surprise this has become one of the fastest-growing franchise categories.

Abrakadoodle
Art-education programs

STARTUP COST
$37.9K-$80.6K

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
397/2

Amazing Athletes
Educational sports programs

STARTUP COST
$30.9K-$43.9K

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
96/0

Aqua-Tots Swim Schools
Swimming lessons

STARTUP COST
$493.2K-$1M

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
72/1

Bach to Rock
Music schools

STARTUP COST
$340.5K-$507.5K

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
17/6

Bear Paddle Swim School
Child swimming lessons

STARTUP COST
$1.5M-$2.1M

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/10

Bricks 4 Kidz
Lego-engineering classes, camps, parties

STARTUP COST
$34.3K-$52.8K

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
631/0

British Swim School USA
Swimming lessons for ages 3 months and older

STARTUP COST
$92.2K-$179K

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
103/0

Challenge Island
Educational enrichment programs

STARTUP COST
$47.6K-$62.5K

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
54/3

Chef It Up!/Chef It Up 2 Go!
Allergy-friendly cooking parties, classes, and events

STARTUP COST
$36.1K-$95.7K

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
10/4

CodeFu
Computer-science enrichment programs

STARTUP COST
$40K-$64K

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/1

Code Ninjas
Computer-coding learning centers

STARTUP COST
$109.5K-$210.5K

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/1

the Coder School
Coding classes for ages 7 to 18

STARTUP COST
$65.3K-$150.7K

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
17/3

Color It In
Art supply stores; children's art workshops and parties

STARTUP COST
$83.4K-$141.5K

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/1

CompuChild
STEAM classes

STARTUP COST
$18.3K-$33K

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
29/1

ConfidentLee
Confidence-building courses for children and adults

STARTUP COST
$7.1K-$17.1K

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/1

D-BAT Academies
Indoor baseball and softball training, batting cages, merchandise

STARTUP COST
$315.2K-$611.6K

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
49/0

Drama Kids International
After-school drama classes and summer camps

STARTUP COST
$28.8K-$49.5K

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
233/0

Engineering for Kids
STEM activities

STARTUP COST
$27.3K-$93.7K

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
171/1

Flour Power Kids Cooking Studios
Children's cooking classes, parties, and camps; adult cooking classes

STARTUP COST
$131.7K-$241.7K

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
5/0

Fun Bus Fitness Fun on Wheels
Mobile children's fitness and entertainment

STARTUP COST
$140.5K-$171.8K

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
25/1

Genius Kids
Preschool, daycare, public-speaking enrichment programs

STARTUP COST
$239.9K-$619.5K

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
25/8

Goldfish Swim School Franchising
Infant and child swimming lessons

STARTUP COST
$1.3M-$3M

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
64/1

HappyFeet Legends International
Soccer programs for ages 2 to 18

STARTUP COST
$22.5K-$29.4K

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
116/3

Hi-Five Sports Franchising
Youth sports programs

STARTUP COST
$29.2K-$567.5K

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
9/4

High Touch-High Tech
Science enrichment activities for schools/parties

STARTUP COST
$62.8K-$69K

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
29/4

Ho Math Chess Tutoring Center
After-school math, chess, and puzzle learning programs

STARTUP COST
$2.5K-$31.6K

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
13/1

iCode Computer Science School for Kids
Computer programming, robotics, and creative arts training for ages 8 to 17

STARTUP COST
$240K-$343K

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/1

IDEA Lab International Franchise
STEAM enrichment classes, camps, and parties

STARTUP COST
$60.2K-$281K

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
8/3

i9 Sports
Youth sports leagues, camps, and clinics

STARTUP COST
$59.9K-$69.9K

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
128/1

JumpBunch
Mobile children's sports and fitness programs
STARTUP COST
$45.8K-$59.3K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
43/0

Kidokinetics
Mobile children's physical education programs
STARTUP COST
$42.9K-$57K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
5/10

Kids Can CAD
Technology education programs for grades 3 through 12
STARTUP COST
$38.4K-$45.7K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/1

KidzArt
Art-education programs, products, and services
STARTUP COST
$21.5K-$34.1K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
64/0

Kidz On The Go
Mobile children's fitness programs
STARTUP COST
$100K-$125K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
2/2

Kinderdance International
Children's dance, gymnastics, fitness, and yoga programs
STARTUP COST
$17.95K-$46.1K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
134/2

LearningRx
Learning enhancement, cognitive training, reading training
STARTUP COST
$83.5K-$198K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
70/1

The Little Gym International
Development/fitness programs
STARTUP COST
$181.5K-$428.5K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
389/0

Little Kickers
Preschool soccer programs
STARTUP COST
$23.2K-$34.6K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
278/2

Little Medical School
Healthcare-themed after-school and summer-camp programs
STARTUP COST
$36.4K-$53.2K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
36/3

Mad Science Group
Science education and entertainment programs
STARTUP COST
$74.8K-$109.5K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
141/0

Mighty Kicks
Mobile soccer programs for ages 2 to 12
STARTUP COST
$10.2K-$16.2K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
34/1

My Gym Children's Fitness Center
Early-learning/fitness programs
STARTUP COST
$36.8K-$249.7K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
503/0

Nutty Scientists
Science enrichment and entertainment programs
STARTUP COST
$50.7K-$263.1K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
271/5

NZone Sports of America
Sports leagues and programs for ages 2 to 18
STARTUP COST
$41.1K-$56.1K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
37/0

One River School of Art & Design
Art classes and camps for all ages
STARTUP COST
$204.8K-$296K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
1/2

One Sports Nation
Youth sports leagues
STARTUP COST
$42.2K-$89.6K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
21/1


School of Rock

PHOTOGRAPH COURTESY OF SCHOOL OF ROCK

Parisi Speed School
Youth sports performance training

STARTUP COST
$67.8K-$167.8K

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
95/0

Parker-Anderson Enrichment
Enrichment programs

STARTUP COST
$37.4K-$109.5K

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
14/1

Professor Egghead
Science and engineering classes, camps, and parties for ages 4 to 10

STARTUP COST
$22.3K-$34.5K

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
8/0

RedLine Athletics Franchising
Youth athletic training centers

STARTUP COST
$188.3K-$270.5K

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
11/1

RoboThink
STEM programs

STARTUP COST
$40.7K-$110.5K

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
11/2

SafeSplash Swim School
Child and adult swimming lessons, parties, summer camps

STARTUP COST
$39K-$866K

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
115/18

School of Rock
Music education

STARTUP COST
$136.9K-$339.1K

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
179/30

Skyhawks Sports & Supertots Sports Academy
Sports camps and programs

STARTUP COST
$25.8K-$58.4K

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
62/63

Snapology
STEM education programs

STARTUP COST
$34.5K-$185K

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
37/1

Soccer Shots Franchising
Soccer programs for ages 2 to 8

STARTUP COST
$41K-$53.95K

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
183/8

STEM For Kids
Engineering, computer programming, and robotics programs for ages 4 to 14

STARTUP COST
$19.9K-$48.7K

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
32/5

SwimLabs Swim School
Child and adult swimming lessons

STARTUP COST
$494.5K-$1.2M

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
11/0

Taste Buds Kitchen
Cooking events for children and adults

STARTUP COST
$206.6K-$360.2K

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
8/1

TGA Premier Junior Golf
Youth golf programs

STARTUP COST
$21.5K-$62.8K

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
55/2

TGA Premier Sports
Youth sports programs

STARTUP COST
$29.8K-$68.2K

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
13/1

TGA Premier Youth Tennis
Youth tennis programs

STARTUP COST
$21.5K-$62.8K

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
43/1

Tippi Toes
Children's dance classes

STARTUP COST
$52K-$62.5K

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
32/0

Tumbles
Children's fitness and STEAM classes

STARTUP COST
$258.2K-$337.5K

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
8/0

Tutu School
Children's ballet schools

STARTUP COST
$68.3K-$135.2K

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
27/3

Young Rembrandts Franchise
Drawing classes for ages 3 to 12

STARTUP COST
$41.3K-$48.1K

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
105/0

ENTERTAINMENT/ RECREATION

Some franchises just want to have fun—or at least they want their customers to. While kids and families are often the target audience for these types of businesses, entertainment activities aimed strictly at adults, like paint-and-sips and escape rooms, have gained popularity in recent years.

Adventure Kids Playcare
Child-care/entertainment centers

STARTUP COST
$344.3K-$589K

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
9/4

AirTime International Franchise
Trampoline parks/entertainment centers

STARTUP COST
$1.3M-$1.99M

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
4/2

American Poolplayers Association
Recreational billiard leagues

STARTUP COST
$20.8K-$28.6K

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
320/4

Board & Brush Creative Studio
DIY wood-sign workshops

STARTUP COST
$62.3K-$89.4K

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
124/7

Bottle & Bottega
Paint-and-sip studios

STARTUP COST
$97.8K-$162.3K

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
24/2

FRANCHISE

centertec
Virtual-reality entertainment centers
STARTUP COST
$597.8K-$1.8M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/1

ClimbZone Franchising
Climbing-wall family entertainment centers
STARTUP COST
$1.9M-$2.99M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/1

Color Me Mine Enterprises
Paint-your-own-ceramics studios
STARTUP COST
$146.1K-$193.8K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
131/10

Complete Weddings + Events
Photography, DJ, video, and photo-booth services
STARTUP COST
$26.4K-$48.7K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
194/2

the Coop Franchise Group
Play and party spaces
STARTUP COST
$130.5K-$283.5K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
4/1

Cruise Planners
Travel agencies
STARTUP COST
$2.1K-$22.9K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
2,564/1

Ctrl V
Virtual-reality arcades
STARTUP COST
$151.1K-$248.1K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
13/1

DivaDance
Adult dance classes and parties
STARTUP COST
$28.5K-$42.5K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
1/2

Dream Vacations
Travel agencies
STARTUP COST
$3.2K-$21.9K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
1,119/0

Expedia CruiseShipCenters
Retail travel agencies
STARTUP COST
$167.4K-$264.4K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
221/1

Freedom Boat Club
Membership boat clubs
STARTUP COST
$144.2K-$193.7K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
121/19

Fun Fieldz
Mobile sports-themed parties and events
STARTUP COST
$29.8K-$50.1K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/1

Funtopia
Indoor playgrounds
STARTUP COST
$627.1K-$1.3M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
4/4

GameTruck Licensing
Mobile video-game theaters
STARTUP COST
$146.6K-$311.2K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
69/0

Kampgrounds of America
Campgrounds and RV parks
STARTUP COST
$210.95K-$4.5M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
465/30

Launch Trampoline Park
Trampoline parks/entertainment centers
STARTUP COST
$1.1M-$2.2M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
11/2

Luv 2 Play
Indoor playgrounds
STARTUP COST
$288.5K-$1.1M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
6/1

Monkey Joe's Parties & Play
Family entertainment centers
STARTUP COST
$918.1K-$1.5M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
49/0

Nailed It Franchising
DIY studios
STARTUP COST
$90.6K-$188.5K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/2

Painting with a Twist
Paint-and-sip studios
STARTUP COST
$89.3K-$188.3K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
285/4

Paniq Room
Escape rooms
STARTUP COST
$164.9K-$264.9K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
1/8

Pinot's Palette
Paint-and-sip studios
STARTUP COST
$63.4K-$204.2K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
135/4

RentMotoped
Motorized-bicycle rentals
STARTUP COST
$180.2K-$223.8K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/0

Rockin' Jump
Indoor trampoline arenas and party spaces
STARTUP COST
$1.4M-$2.9M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
38/4


Wine & Design

SailTime Group
Membership boat clubs
STARTUP COST
$70.7K-$151.95K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
26/1

Share My Coach Franchise
Rental management of privately owned RVs
STARTUP COST
$62.8K-$84.2K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
6/1

Silvercloud Trailer Events
Mobile photo booth and bar services using vintage-style trailers
STARTUP COST
$138.7K-$204K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/1

Sky Zone
Trampoline playing courts
STARTUP COST
$1.3M-$2.7M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
180/1

Sugar Plum Parties
Birthday party venues
STARTUP COST
$89.9K-$149.9K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
2/1

PHOTOGRAPH BY ANNA ROUTH/WINE & DESIGN

Urban Air Adventure Park
Trampoline parks/entertainment centers

STARTUP COST
$1.5M-$2.2M

TOTAL UNITS (FRANCHISED/CO.-OWNED)
23/5

Wine & Design
Paint-and-sip studios

STARTUP COST
$52.8K-$105K

TOTAL UNITS (FRANCHISED/CO.-OWNED)
71/1

X-Golf Franchise
Indoor golf simulators

STARTUP COST
$400K-$900K

TOTAL UNITS (FRANCHISED/CO.-OWNED)
9/0

Yogi Bear's Jellystone Park Camp-Resorts
Family camping resorts

STARTUP COST
$52K-$3M

TOTAL UNITS (FRANCHISED/CO.-OWNED)
85/0

FITNESS

Even as it continues to grow year after year, the fitness industry is slimming down. Giant gyms are giving way to small studios and even mobile, in-home training. That means more affordable opportunities, too. More than a quarter of these franchises can be started for less than $100,000.

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
$89.4K-$677.8K

TOTAL UNITS (FRANCHISED/CO.-OWNED)
3,969/38

Atlas Fitness
24-hour fitness centers

STARTUP COST
$184.2K-$707.5K

TOTAL UNITS (FRANCHISED/CO.-OWNED)
0/1

Baby Boot Camp
Prenatal and postpartum fitness and nutrition

STARTUP COST
$5.1K-$12.7K

TOTAL UNITS (FRANCHISED/CO.-OWNED)
90/1

Blink Fitness
Health and fitness centers

STARTUP COST
$637K-$2.1M

TOTAL UNITS (FRANCHISED/CO.-OWNED)
0/55

Bodytek Fitness
Gyms

STARTUP COST
$222.6K-$373K

TOTAL UNITS (FRANCHISED/CO.-OWNED)
0/3

Body Therapeutix
Outdoor fitness centers

STARTUP COST
$44.1K-$90.7K

TOTAL UNITS (FRANCHISED/CO.-OWNED)
0/1

Burn Boot Camp
Women's fitness centers

STARTUP COST
$105.6K-$168.9K

TOTAL UNITS (FRANCHISED/CO.-OWNED)
71/4

The Camp Transformation Center
Fitness/weight-loss services

STARTUP COST
$181K-$326.5K

TOTAL UNITS (FRANCHISED/CO.-OWNED)
66/19

CKO Kickboxing
Kickboxing fitness classes

STARTUP COST
$112.99K-$378.4K

TOTAL UNITS (FRANCHISED/CO.-OWNED)
74/1

Club Pilates Franchise
Reformer Pilates classes

STARTUP COST
$220.3K-$310.7K

TOTAL UNITS (FRANCHISED/CO.-OWNED)
353/0

Crunch Franchise
Fitness centers

STARTUP COST
$304.5K-$2.1M

TOTAL UNITS (FRANCHISED/CO.-OWNED)
167/17

CycleBar
Indoor cycling classes

STARTUP COST
$251.9K-$489.2K

TOTAL UNITS (FRANCHISED/CO.-OWNED)
130/0

Epic Hybrid Training
Fitness centers

STARTUP COST
$64.7K-$142.3K

TOTAL UNITS (FRANCHISED/CO.-OWNED)
2/2

ETF Fitness
Fitness studios

STARTUP COST
$241.5K-$567.5K

TOTAL UNITS (FRANCHISED/CO.-OWNED)
0/3

F45 Training
Fitness studios

STARTUP COST
$210K-$289K

TOTAL UNITS (FRANCHISED/CO.-OWNED)
611/2

Fit Body Boot Camp
Indoor fitness boot camps

STARTUP COST
$37.7K-$87.5K

TOTAL UNITS (FRANCHISED/CO.-OWNED)
405/0

Fit36
Group fitness training

STARTUP COST
$161.9K-$278.95K

TOTAL UNITS (FRANCHISED/CO.-OWNED)
12/0

Fit4Mom
Prenatal and postpartum fitness and wellness programs

STARTUP COST
$6.2K-$23.7K

TOTAL UNITS (FRANCHISED/CO.-OWNED)
259/1

Fitness Together
Personal training
STARTUP COST
$147K-$192.4K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
144/0

Gold's Gym
HEALTH AND FITNESS CENTERS STARTUP COST
$2.2M-$5M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
571/148

GymGuyz
Mobile personal training
STARTUP COST
$56.7K-$220.8K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
167/4

Hard Exercise Works
Fitness programs
STARTUP COST
$126.7K-$457.6K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
17/1

Honor Yoga
Yoga and meditation classes
STARTUP COST
$116.7K-$205.6K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
5/4

iLoveKickboxing
Kickboxing fitness classes
STARTUP COST
$157.9K-$398.5K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
208/6

Iron Tribe Fitness
Group personal-training gyms
STARTUP COST
$300K-$433.5K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
30/8

Jazzercise
Group fitness classes, conventions, apparel, and accessories
STARTUP COST
$3.7K-$32.8K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
9,077/2


Jazzercise

Just You Fitness
Personal training
STARTUP COST
$26K-$39.4K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
3/1

Legacy Fit
Group interval-training classes
STARTUP COST
$207.7K-$381.5K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
2/1

Live 2 B Healthy Senior Fitness
Exercise programs for seniors
STARTUP COST
$37.7K-$48.1K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
35/0

The Max Challenge
10-week fitness and nutrition programs
STARTUP COST
$131.9K-$280.6K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
54/1

9Round
Kickboxing circuit-training programs
STARTUP COST
$87.2K-$128.8K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
657/7

Ninjakour
Obstacle-course and gymastics training and exercise facilities
STARTUP COST
$272.3K-$445.6K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/1

Orangetheory Fitness
Group personal training

STARTUP COST
$488.4K-$994.4K

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
714/17

PickUp USA Fitness
Basketball-focused fitness clubs

STARTUP COST
$337.3K-$794.1K

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
5/0

Planet Fitness
Fitness clubs

STARTUP COST
$857.1K-$4.2M

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
1,353/58

Polestar Pilates Studio Franchise
Pilates studios

STARTUP COST
$121.8K-$196.95K

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
6/2

Pure Barre
Barre fitness classes and apparel

STARTUP COST
$168.1K-$300.7K

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
454/13

Retro Fitness
Health clubs

STARTUP COST
$941.4K-$1.9M

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
148/0

Row House Franchise
Indoor rowing classes

STARTUP COST
$231.6K-$353.8K

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
2/1

Self Made Training Facility
Private personal training and supplement sales

STARTUP COST
$179K-$435.7K

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
8/4

Shred415
Fitness studios

STARTUP COST
$440.3K-$959.2K

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/9

Snap Fitness
24-hour fitness centers

STARTUP COST
$148.8K-$462.8K

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
1,376/34

StretchLab Franchise
Stretching classes and related therapy services

STARTUP COST
$153.1K-$223.5K

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
3/0

Sudore Wellness
Group interval training

STARTUP COST
$355.2K-$745K

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/1

Tapout Fitness
Fitness and martial arts

STARTUP COST
$83.6K-$597.5K

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
6/2

Title Boxing Club
Boxing and kickboxing fitness classes, personal training, apparel

STARTUP COST
$162.8K-$423.1K

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
161/2

TruFusion
Group fitness studios

STARTUP COST
$687.4K-$1.3M

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
1/2

UFC Gym
Fitness, boxing, kickboxing, and MMA classes

STARTUP COST
$295.1K-$4.9M

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
123/11

Workout Anytime 24/7
24-hour health clubs

STARTUP COST
$449.8K-$865.5K

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
129/1

The Zoo Health Club
Fitness centers

STARTUP COST
$71.1K-$415.5K

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
22/0

FROZEN DESSERTS

There's no denying the appeal of all things cool, sweet, and creamy. While frozen-yogurt franchises that survived the saturation of the market a few years back are still going strong, the trend today is toward more indulgent treats like frozen custard and gelato.

Bahama Buck's
Shaved ice, fruit smoothies

STARTUP COST
$233.3K-$770.5K

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
104/4

Baskin-Robbins
Ice cream, frozen yogurt, frozen beverages

STARTUP COST
$93.6K-$401.8K

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
7,982/0

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

STARTUP COST
$156.4K-$486K

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
557/29

Bruster's Real Ice Cream
Ice cream, frozen yogurt, ices, sherbets

STARTUP COST
$270.2K-$1.3M

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
195/2

Carvel Ice Cream
Ice cream, ice-cream cakes

STARTUP COST
$250.6K-$415.5K

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
398/0

Cold Stone Creamery
Ice cream, sorbet

STARTUP COST
$50.2K-$467.5K

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
1,238/10

Creamistry
Ice cream

STARTUP COST
$224.5K-$576.5K

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
50/2

Culver Franchising System
Frozen custard, specialty burgers

STARTUP COST
$1.8M-$4.3M

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
623/8

Dairy Queen
Ice cream, burgers, chicken

STARTUP COST
$1.1M-$1.9M

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
6,905/2

Dippin' Dots Franchising
Specialty ice cream, frozen yogurt, ices, sorbet

STARTUP COST
$112.2K-$366.95K

TOTAL UNITs
(FRANCHISED/CO.-OWNED)
212/1

Freddy's Frozen Custard & Steakburgers
Frozen custard, steakburgers, hot dogs

STARTUP COST
$592.8K-$1.99M

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
249/18

Happy & Healthy Products
Frozen fruit bars

STARTUP COST
$50.1K-$92.6K

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
52/0

Happy Cow Frozen Yogurt
Frozen yogurt

STARTUP COST
$210.4K-$392.5K

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/2

Freddy's Frozen Custard & Steakburgers

Kona Ice
Shaved-ice trucks

STARTUP COST
$120.2K-$143K

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
894/14

Kremo Ice Cream
Ice cream

STARTUP COST
$180.9K-$273.5K

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/1

Marble Slab Creamery
Ice cream, frozen yogurt, baked goods

STARTUP COST
$293.1K-$376.1K

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
335/0

Morano Gelato Franchise
Gelato, espresso, granita

STARTUP COST
$301.2K-$533.7K

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
2/1

Paciugo Gelato Caffe
Gelato, pastries, beverages

STARTUP COST
$103.5K-$455K

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
32/4

Popbar
Gelato, sorbetto, and frozen yogurt on a stick

STARTUP COST
$217K-$458.4K

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
28/1

Red Mango - Cafe & Juice Bar
Frozen yogurt, smoothies, juices, wraps

STARTUP COST
$193.5K-$466K

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
315/0

Reis & Irvy's
Frozen-yogurt vending machines

STARTUP COST
$160.95K-$593.9K

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/3

Rita's Italian Ice
Italian ice, frozen custard

STARTUP COST
$150.5K-$440.9K

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
605/0

Stricklands Frozen Custard
Frozen custard, ice cream, yogurt, sorbet

STARTUP COST
$188.5K-$315K

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
4/0

Sub Zero Franchise
Ice cream, Italian ice, frozen yogurt, custard

STARTUP COST
$239.5K-$484.5K

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
49/3

sweetFrog Premium Frozen Yogurt
Self-serve frozen yogurt

STARTUP COST
$221K-$439.5K

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
200/71

Yogurtland Franchising
Self-serve frozen yogurt

STARTUP COST
$309.3K-$702K

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
316/12

Yogurt Mountain
Frozen yogurt, ice cream, gelato, custard, sorbet, Italian ice

STARTUP COST
$247.99K-$470.3K

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
25/12

PHOTOGRAPH COURTESY OF FREDDY'S FROZEN CUSTARD & STEAKBURGERS

HEALTH SERVICES

Whatever the political future may hold for healthcare, it's clear the franchise world believes it will continue to mean big business for years to come. And now in addition to traditional medical services, we're seeing more alternative therapies, like acupuncture and cryotherapy, venture into franchising.

American Family Care
Urgent-care centers

STARTUP COST
$821K-$1.3M

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
119/66

ApexNetwork Physical Therapy
Physical therapy

STARTUP COST
$165.7K-$352K

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
29/32

BeBalanced Hormone Weight Loss Centers
Hormone-based weight-loss and wellness services

STARTUP COST
$122.4K-$176.7K

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
18/1

The Biostation
Medical spas

STARTUP COST
$302.7K-$779.4K

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/1

CellsNowMD
Medical spas

STARTUP COST
$549.6K-$864.4K

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/1

Chill Cryosauna
Cryotherapy

STARTUP COST
$75K-$250K

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
1/1

CryoNow
Cryotherapy, massage, ozone steam sauna treatments

STARTUP COST
$122.7K-$197.9K

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/1

Dentalvana
Dental care

STARTUP COST
$222.6K-$740.9K

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/1

East West
Family healthcare centers

STARTUP COST
$139.8K-$206.4K

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/1

First Care Franchises
Family medical care and urgent-care clinics

STARTUP COST
$567.6K-$786.9K

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/7

First Choice Pediatrics
Pediatric primary medical care

STARTUP COST
$479.9K-$653.1K

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/6

Flawless Icon
Medical spas

STARTUP COST
$131.4K-$193.2K

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/1

Fyzical Therapy & Balance Centers
Physical therapy, balance and vestibular therapy, preventive wellness services

STARTUP COST
$82.3K-$390K

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
252/17

Glace Cryotherapy
Whole-body cryotherapy

STARTUP COST
$124.7K-$202.5K

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
1/1

HealthSource
Chiropractic, rehabilitation, nutrition, and wellness services

STARTUP COST
$60.6K-$250.7K

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
264/0

The Joint
Chiropractic services

STARTUP COST
$211.4K-$339.9K

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
337/47

Lice Clinics of America
Lice-treatment clinics

STARTUP COST
$64.6K-$104.5K

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
193/1

Lice Squad.com
Head-lice-removal services and products

STARTUP COST
$25.8K-$95.5K

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
16/19

Lifeologie Franchising
Mental-health therapy services

STARTUP COST
$15K-$85K

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
3/3

Medi-Weightloss Franchising USA
Medical weight-loss and wellness programs

STARTUP COST
$215.3K-$417.8K

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
86/12

Miracle Leaf
Health centers providing medical marijuana cards

STARTUP COST
$78.3K-$93.3K

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/1

Modern Acupuncture
Acupuncture

STARTUP COST
$193.8K-$349K

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
1/0


Modern Acupuncture

PHOTOGRAPH BY EVERARDO KEEME/MODERN ACUPUNCTURE

FRANCHISE

My Eyelab
Eye care and eyewear

STARTUP COST
$248.1K-$495.1K

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/75

OrthoNow
Orthopedic and sports-medicine urgent-care centers

STARTUP COST
$491.3K-$990K

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
5/1

Pearle Vision
Eye care and eyewear

STARTUP COST
$400.3K-$605.2K

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
421/102

Perspire Sauna Studio
Infrared sauna studios

STARTUP COST
$218.5K-$304.3K

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/3

Physical Therapy Now
Physical therapy

STARTUP COST
$116.7K-$190K

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
11/4

Profile by Sanford
Weight-loss and wellness services

STARTUP COST
$356.5K-$622K

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
11/25

The Salt Suite
Salt therapy

STARTUP COST
$186.2K-$305.6K

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
3/2

Soul Focus
Wellness centers

STARTUP COST
$1.4M-$2.2M

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/1

Structural Elements
Orthopedic wellness clinics

STARTUP COST
$185K-$632.9K

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
1/2

PEST CONTROL

The newest breed of pest control franchises—largely focused on outdoor pests like mosquitoes and ticks—continue to grow steadily, thanks in part to their relatively low startup costs and a rising demand for their services due to health concerns surrounding insect-borne illnesses.

Lawn Doctor
Lawn, tree, and shrub care; mosquito and tick control

STARTUP COST
$101.9K-$115.9K

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
537/0

Mosquito Joe
Outdoor pest control

STARTUP COST
$66.6K-$127.5K

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
234/2

Mosquito Squad
Outdoor pest control

STARTUP COST
$29.6K-$69.6K

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
220/0

Superior Mosquito Defense
Outdoor pest control

STARTUP COST
$16.3K-$27.7K

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
13/1

PETS

Pets are no longer seen as property but as part of the family, and franchises that feed, groom, train, and care for them are reaping the rewards of that cultural shift. According to the American Pet Products Association, spending on our furry friends will reach almost $70 billion this year.

Auntie Jo's Pet Sitting Franchise Group
Pet-sitting, dog-walking, horse and farm care

STARTUP COST
$39.4K-$49.3K

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/1

Aussie Pet Mobile
Mobile pet grooming

STARTUP COST
$139.9K-$148.9K

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
245/0

Ben's Barketplace
Pet health-food stores

STARTUP COST
$188.6K-$360.6K

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/1

Camp Bow Wow
Dog daycare, boarding, training, grooming; in-home pet care

STARTUP COST
$859.6K-$1.1M

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
134/9

Camp Run-A-Mutt
Dog daycare and boarding

STARTUP COST
$187.7K-$466.9K

TOTAL UNITS
(FRANCHISED/CO.-OWNED)
8/1

Mosquito Joe

PHOTOGRAPH COURTESY OF MOSQUITO JOE

PHOTOGRAPH BY CHUCK TRAVERS/CAMP BOW WOW

Dee-O-Gee
Pet supplies and services
STARTUP COST
$161.5K-$387.5K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/2

D.O.G.
Dog daycare, boarding, grooming
STARTUP COST
$429K-$548.5K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
2/1

Doggies Gone Wild
Dog daycare and grooming
STARTUP COST
$145.6K-$618.8K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/2

The Dog Stop
Dog daycare, boarding, walking, grooming, training, products
STARTUP COST
$254.4K-$488.3K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
5/4

Dogtopia
Dog daycare, boarding, and spa services
STARTUP COST
$416K-$1.1M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
45/5

The Dog Wizard
Dog training
STARTUP COST
$47.8K-$64.3K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
21/0

EarthWise Pet
Pet food and supplies, grooming and self-wash services
STARTUP COST
$233K-$568K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
45/0

Fetch! Pet Care
Pet-sitting, dog-walking
STARTUP COST
$37K-$44.3K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
79/8

Groom & Go
Mobile pet grooming
STARTUP COST
$50.1K-$63.3K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/1

Hounds Town USA
Dog daycare, pet boarding, pet grooming
STARTUP COST
$127.3K-$193K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
3/1

Husse
Pet-product delivery
STARTUP COST
$34K-$90.5K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
506/0

In Home Pet Services
Pet-sitting, dog-walking
STARTUP COST
$9.2K-$35.1K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
12/1

Jordan's Pet Care
Dog-walking, pet-sitting, dog training
STARTUP COST
$36.3K-$46K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/1

K9 Resorts
Luxury dog daycare and boarding
STARTUP COST
$915.7K-$1.3M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
6/1

Mobile Pet Imaging
Mobile CT-scan services for animals
STARTUP COST
$554.9K-$624.6K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/1

Petland
Pets, pet supplies, boarding, daycare, grooming
STARTUP COST
$280K-$1M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
176/13

Pet Passages
Pet funeral and cremation services and products
STARTUP COST
$40.5K-$375K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
2/1

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
$555.4K-$1.3M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
198/210

Pets Warehouse
Pets and pet supplies
STARTUP COST
$175K-$425K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/6

Pet Wants
Natural pet-food stores/delivery
STARTUP COST
$56.8K-$191K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
70/0

Preppy Pet
Pet daycare, boarding, grooming
STARTUP COST
$100.95K-$248.2K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
15/1

Rabocao
Pet grooming
STARTUP COST
$70.9K-$164.1K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/2

FRANCHISE

Sit Means Sit Dog Training
Dog training
STARTUP COST
$49.8K-$145.9K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
119/1

Sitter4Paws
Pet-sitting, dog-walking
STARTUP COST
$21.3K-$46.8K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
7/1

Splash and Dash Groomerie & Boutique
Pet products and grooming
STARTUP COST
$118.3K-$218.5K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
16/0

Wag N' Wash Natural Food & Bakery
Pet food and supplies, grooming
STARTUP COST
$525.3K-$751.5K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
13/5

Wild Birds Unlimited
Bird-feeding supplies and nature gift items
STARTUP COST
$146.7K-$228.4K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
316/0

Zoom Room
Indoor dog training and socialization, pet products
STARTUP COST
$137.1K-$290.6K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
8/2

Express Employment Professionals

STAFFING/ RECRUITING

Staffing companies hire nearly 15 million temporary and contract employees annually, industry growth that has outpaced overall job growth according to the American Staffing Association. And franchises make up a significant–and still expanding–chunk of that industry.

All About People Staffing
Temporary and direct-hire staffing
STARTUP COST
$269.5K-$295.1K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
17/1

AtWork Group
Temporary, temp-to-hire, and direct-hire staffing
STARTUP COST
$152K-$211.5K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
94/1

Express Employment Professionals
Staffing, HR solutions
STARTUP COST
$130K-$206K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
761/0

Fortune Personnel Consultants (FPC)
Executive recruiting
STARTUP COST
$86.3K-$130.1K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
65/1

Global Recruiters Network
Executive search services
STARTUP COST
$94.4K-$135.8K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
175/0

Jomsom Staffing Services
Temporary and permanent staffing, employment services
STARTUP COST
$84.1K-$127K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
5/1

Labor Finders
Industrial staffing
STARTUP COST
$128.5K-$217.96K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
193/0

Link Staffing Services
Staffing, HR solutions
STARTUP COST
$99.5K-$174K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
32/8

Nextaff
Staffing
STARTUP COST
$95.3K-$125.5K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
10/0

Patrice & Associates
Hospitality, retail, and sales recruiting
STARTUP COST
$84.95K-$93.9K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
107/0

PrideStaff
Staffing
STARTUP COST
$112.6K-$237.5K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
72/3

Remedy Intelligent Staffing
Staffing
STARTUP COST
$151.8K-$258.3K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
121/0

Sanford Rose Associates International
Executive search and recruiting
STARTUP COST
$108.3K-$143.6K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
87/0

Spherion Staffing
Staffing, recruiting
STARTUP COST
$100.5K-$167.9K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
182/0

PHOTOGRAPH BY DAVID MCNEESE/EXPRESS EMPLOYMENT PROFESSIONALS

HOW A RAW-FISH SALAD GOT SO HOT

POKE RESTAURANTS—virtually unheard of five years ago—are suddenly all over the place. But as many franchisors have learned before, going from concept to phenomenon almost overnight holds both promise and peril.

by **BOYD FARROW**

WHEN POKÉWORKS opened in midtown Manhattan in December 2015, its cofounder Kevin Hsu wondered if he had made a huge mistake. "The first evening, no one stepped foot inside, apart from two drunk college kids asking if we sold shark," remembers the 36-year-old entrepreneur. The answer was no. His fast-casual eatery served the traditional Hawaiian bowl of marinated raw fish. "I thought maybe we were trying to introduce a food that the masses were just not ready for. No one had a clue what poke was or how to say it." ("Poke" rhymes with "OK," for the record.)

But business picked up once nearby office workers learned they could get a large bowl of lavishly seasoned ahi tuna for $13.50—less than the price of two sushi rolls in other restaurants in the neighborhood. Introducing an Instagram-worthy, seaweed-wrapped poke burrito also helped. "One freezing day in January, I arrived to see a line outside that stretched past a neighboring Chick-fil-A," Hsu recalls. "I thought, *Wow, if this many New Yorkers prefer raw fish in the middle of winter, this could work anywhere*."

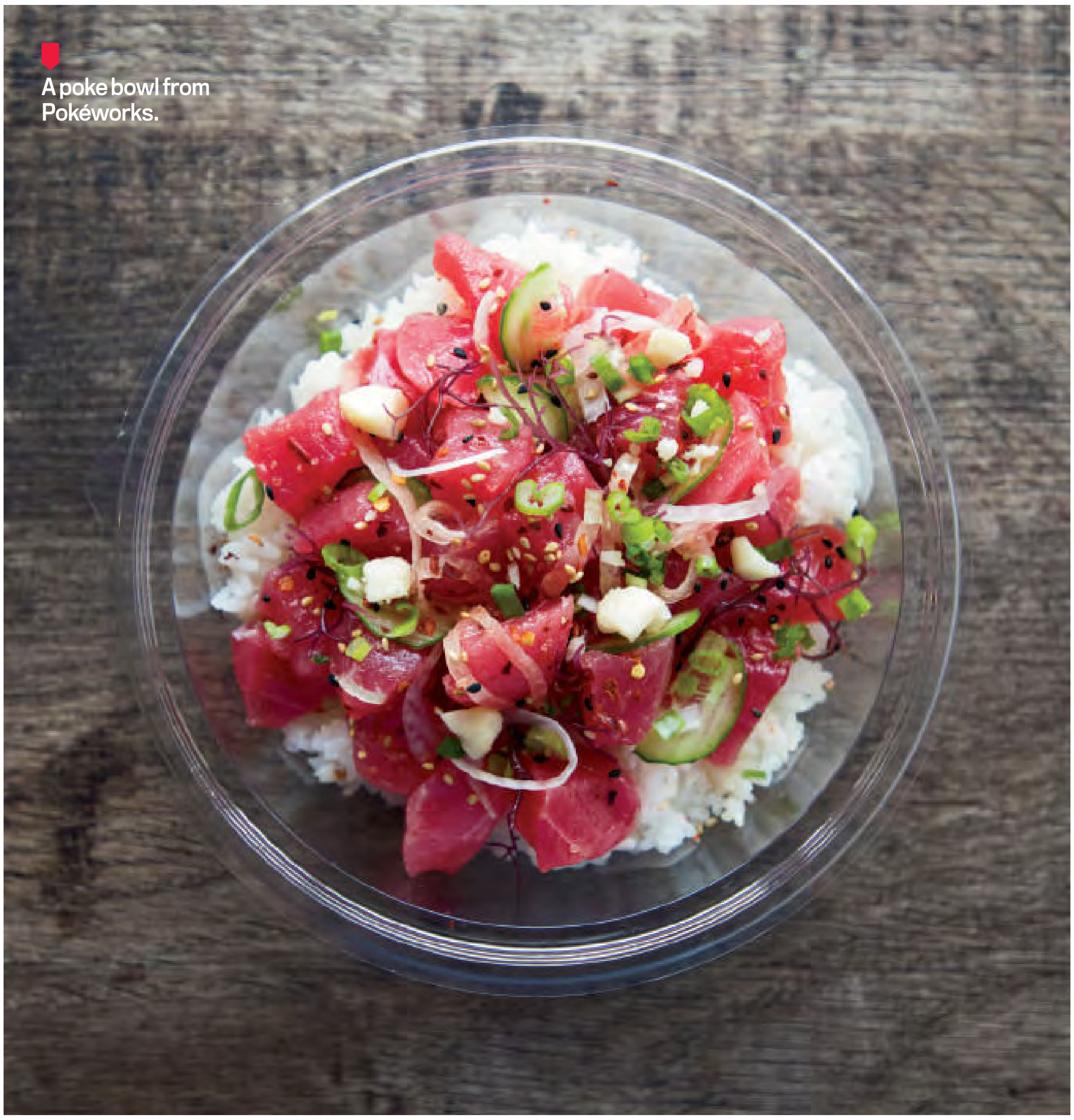
A little more than two years in, there are 19 Pokéworks locations in key North American cities such as Seattle, Chicago, and Vancouver, British Columbia, seven of which are franchises, and the busiest locations average 700 to 800 servings a day. In January, the company embarked on an expansion program to open another 100 locations, primarily franchised, across the U.S. "This isn't some trendy, bicoastal thing," Hsu says. "People everywhere are eager for diverse foods, and they want healthier fast and fast-casual dining."

Pokéworks is far from alone. In the past few years, poke has become ubiquitous in America. In 2016, 585 American-Hawaiian restaurants dotted the U.S.; 43 of those had "poke" in their name, according to the food industry market research firm Datassential. In 2017 there were 1,093; 422 had "poke" in their name. Mentions of poke on U.S. restaurant menus have increased 102 percent from four years ago. Significantly, more than 35 million Americans have tried the stuff.

If this kind of growth continues, it would seem poke is poised to join cupcakes, frozen yogurt, cold-pressed juice, and customizable salads as seemingly out-of-nowhere exploding food trends. And of course, theories abound on what makes poke the new hot food. There's Americans' increasing interest in healthier lunch options, of course. There's the narrative that millennials love anything in a bowl. (In 2016, the *Wall Street Journal* declared that "bowls are the new plates.") There's the priming of Americans' palates: Much of the work of familiarizing diners with raw fish had already been done by the U.S.'s 4,000 or so sushi restaurants. Then there's the simplicity of what's required to prepare the dish; all anyone needs to open a location is a refrigerator, a rice cooker, and a bit of elbow room. (Not having to ventilate a commercial space filled with industrial ovens can shave a few hundred thousand dollars off the cost.) "We started in one location and opened almost 20 within our first two years," Hsu says. "That would have been more difficult with any other type of restaurant."

But no matter the reason for the dish's popularity, poke restaurant owners are about to learn something that many cupcake, fro-yo, juice bar, or salad shop entrants learned the hard way: Trying to turn a profit from the latest food trend is not for the faint of heart. And if you're going to jump in, you'd better understand exactly what's in the water.

"When something is hyped in the media, you often see incredibly high growth for a while before attention shifts to the next thing," says Aaron Allen, a third-generation



A poke bowl from Pokéworks.

"WE'VE BEEN WATCHING IT GET CRAZY IN L.A.," SAYS AN EARLY ENTRANT TO THE MARKET. "MANY CHINESE OR KOREAN PLACES ARE TURNING INTO POKE RESTAURANTS OVERNIGHT."

PHOTOGRAPH COURTESY OF POKÉWORKS

restaurateur and founder of industry consultancy Aaron Allen & Associates. "How fast something takes off can sometimes indicate how quickly it might fall."

IN HAWAII, poke is a classic and ubiquitous street food—tubs of chopped fish, tossed with salt, seaweed, and kukui nuts. The dish was popularized more broadly in the early '90s by Hawaiian chef Sam Choy, who literally wrote the book on poke (*Poke: Hawaii's Food*) and created an annual poke festival and recipe contest. While the basic recipe is simple, poke is almost endlessly versatile: You can customize the fish, the toppings, and the base at the bottom of the bowl.

Before this decade began, if you wanted to buy poke in the U.S., you had to venture to the continental haunts of Hawaiian natives—places such as Takahashi Market, originally a Japanese general store, in San Mateo, Calif. This changed in 2010, when Texas-born Jason McVearry followed his wife, Trish Fortuna, to Los Angeles after living in Hawaii. They'd discovered poke only six months earlier in Hawaii before they decided to make and sell poke from a walk-up counter in Venice Beach. They named the venture Poke-Poke and, inevitably, made a sign from a surfboard. "We had great fun making big batches of poke, but no one knew what it was at first," McVearry says. "We were having to throw it away at the end of the day."

Nevertheless, through word of mouth—and just as McVearry anticipated—poke proved the perfect food for faddish, health-obsessed Southern Californians. Soon, a dozen copycat poke shacks opened around them, and even Poke-Poke's landlord evicted it so he could open his own poke restaurant in early 2017. By that time, the couple had already moved to Austin, Tex., where they'd open two more restaurants. "We've been watching it get crazy in L.A.," McVearry says. "Many Chinese or Korean places are turning into poke restaurants overnight. Bigger, slicker operators are getting in and planning bigger chains."

Indeed they are. Chicago's 13-outlet chain Aloha Poke Co.—including outlets in Denver, Minneapolis, and Costa Mesa, Calif.—is planning to open eight restaurants in Florida, Washington, D.C., and Wisconsin courtesy of a "strong seven-figure investment" by Chicago-based Levy Family Partners. And Sweetfin Poke, a slick chain that has opened eight locations in Southern California since 2015, recently tapped former Shake Shack CEO David


Offerings from Aloha Poke Co.

Swinghamer as a strategic adviser to turn its concept into a nationwide chain. Additionally, a handful of regional poke restaurants are embarking on expansion this year, raising the competitive bar.

As with any hot new franchising or food trend, competitors are already staking their territories and touting their differentiators—even if those differentiators aren't exactly game-changing. For example: Tobi Miller, the cofounder of Beverly Hills-based LemonShark Poké, notes that his company is the "only poke restaurant with cushions on the seats."

Aside from those comfy seats, though, LemonShark represents exactly the kind of entrant that buzzy food concepts attract—well-financed people with their ear to the ground. LemonShark was launched by Miller, a founding member and lead guitarist in the band the Wallflowers, and the former race-car driver Richard Gottlieb. Both men are now successful real estate developers who have put up more than 25 strip malls in Southern California. Their poke chain has six locations—five in California and one in Orlando, Fla.—and 23 more set to open over the next 12 months. The company says it has sold 180 units so far, and it's aiming to have 500 locations in key U.S. cities within the next five years.

They're also thinking about differentiators that go beyond seating. "We're dealing with the problem of the low barrier to entry in this market by sourcing the best food, securing the top locations, and developing the most comfortable environments to spend time in," Miller says. "We're not just targeting the lunch takeout crowd; we're after the clientele who want a relaxed, casual evening meal." Almost half of LemonShark's business is done after 5 P.M., and it caters to the evening crowd by offering beer and sake. Miller is convinced that poke can become an enduring fast-casual staple by appealing to both health-conscious, middle-aged consumers who see it as bargain sashimi and the younger people who want endless mash-ups.

"The economics of running these restaurants are very good. You only need two or three employees, there's no real cooking required, and the price point—around $12 a head—is incredible," he says. "Now it's the Wild West, but within 10 years, just like with most restaurant concepts, there will probably be a couple of regional poke players and two national brands. We will definitely be one of those national brands."

But as the industry inevitably shakes out, the issues poke restaurants face run deeper than competition.

KERRY CHAO opened a restaurant called Poké Papa in Washington, D.C., in April 2017. The place has been popular—"partly because we were first in," he says—and now Chao is considering franchising his brand. "I feel like we should be rolling out to New York and some other cities while they are underserved," he says, "but I'm concerned with maintaining quality."

He's right to worry. Stocks of most tuna varieties are declining dramatically worldwide, and prices are going up. Even in Hawaii, ahi is now regularly supplemented with alternative local fishes. Already, some in the industry are calling this "the poke effect." So this is the poke entrepreneur's long-term challenge: What to do about an increasingly limited supply of their core ingredient?

Perhaps unsurprisingly, many owners talk about sustainability, and their menus are manifestos for "marine conservation," seasoned with phrases like "responsibly sourced" and "socially responsible." LemonShark's tuna is line-caught in the Pacific, while its salmon is certified to be traced to a boat or a farm. Pokéworks' Hsu says sourcing sustainable fish is one of the tenets of the company's business plan. In evaluating vendors, he says, the company looks at everything from aquaculture management to the packaging used for fish feed. But in the long term, poke restaurants will also need to ensure that vendors are behaving responsibly; it is their businesses, after all, that could be jeopardized by overfishing.

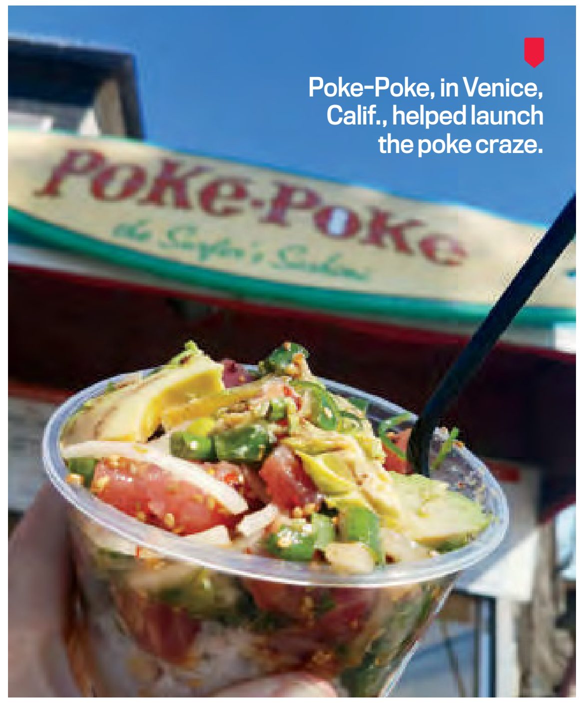
PHOTOGRAPH COURTESY OF ALOHA POKE CO.

Pokéworks is trying to deflect criticism by sourcing wild-caught fish from the East Coast. It has also brought on Hawaiian-born chef Sheldon Simeon to get creative with the menu. Simeon, a *Top Chef* darling, recently added a white fish, bora—also known as the less exotic-sounding mullet—to Pokéworks' menu. The fish can live in fresh and salt water, and keeps shorelines clean by munching on algae.

"We're definitely trying to use under-utilized fish," Hsu says, adding that the company further benefits from this by keeping menus fresh and generating positive PR. (Fast-casual salad restaurant and media favorite Sweetgreen deployed a similar tactic by choosing to feature steelhead, an alternative to salmon.)

And yet, while poke restaurants may fill out their menus with fish such as red snapper, blue marlin, and octopus, the tuna bowl is ultimately the star attraction—and almost always the most expensive item.

"When poke is made properly, it is actually an extremely difficult market to succeed in," says Poke-Poke's McVearry. "You have to have a good relationship with



Poke-Poke, in Venice, Calif., helped launch the poke craze.

a very good fish supplier. This is a high-cost, delicate product that involves very little waste. Take our bigeye tuna: It's flash-frozen in the hull of the boat and freighted overnight from Hawaii." He says if he had more outlets, he may not be able to ensure the fish is consistently high-quality or be able to offer seasonal specials.

"It will be interesting to see how much people will pay for top-quality poke," McVearry says. "I know one recently opened business that has quality, amazing fish, and it was lambasted in the press for its high prices."

IF THERE IS any inevitability in trends, it is this: At some point, the market will mature. Although LemonShark's Miller says it another way: "There will be a lot of losers." Miller knows the first ones to go. They'll be early, competitive players that serve "low-quality fish in an uninviting, overlit space"—much like the frozen-yogurt shops of the 2000s, hastily launched businesses that couldn't be supported by low-check purchases. And he should know; he was one of those fro-yo franchisees. "I bought a Yogurtland franchise in California—a total disaster," he says. "It's a modern candy store. The yogurt has a ton of sugar, and people pile a bunch of candy on top. I still can't get out of it."

Those giddy fro-yo days should serve as a warning both for franchisees not to be gullible and for franchisors not to be

PHOTOGRAPH COURTESY OF POKE-POKE

overzealous. Owning the franchise, nevertheless, taught Miller the beauty of the franchise business–how a concept can grow exponentially in a very short period of time. And it taught him how to be a better franchisor.

LemonShark, for instance, sells franchise territories with an average of three to five sites, not single locations. The company locked down sites near Chipotle outlets, which have a similar price point, and close to big gyms and malls with high-end grocery stores.

However, LemonShark is taking a break from adding more franchises until it perfects the logistics behind serving its current units. The move is based partly on the past experience of Randy Blue, the company's former VP of franchise development. Blue had previously worked in franchise development for Quiznos. "The company had a hot concept, but it was impatient," he says. It grew from 100 units to 4,000 in three years. At its peak, it had more than 5,000 locations, but franchisees filed a class-action lawsuit alleging market overcrowding, and the company experienced a well-documented flameout, eventually filing for bankruptcy in 2014. Today it has 2,100 locations.

So how well can poke really scale? Howard Penney, a restaurant analyst at Hedgeye Risk Management, is circumspect about it. He thinks there could be five good years ahead for well-run first-to-market restaurants, especially in L.A. and San Francisco, cities that share some lifestyle similarities with Hawaii. But still, he says, restaurateurs should be realistic. "You're not going to have a Starbucks-like trend, because everybody drank coffee before Starbucks came along," Penney says. "Mexican food was reasonably popular before Chipotle made it more mainstream. Poke is completely new for most Americans. In time, it could be viewed as another iteration of sushi."

This doesn't mean that poke restaurants can't make good money; analysts say the good ones can. But even if the number of Hawaiian-American restaurants grows tenfold, that still makes for only 8,000 locations, compared with the almost 80,000 pizza joints in the U.S. With that in mind, Pokéworks' Kevin Hsu says the company is hedging its growth by balancing more expensive, bigger spaces for fast-casual dining with smaller takeout joints. "We want a mixture of sizes. Poke is now mainstream, and we're competing for the same prime sites as other restaurants."

Whether poke ends up taking off in franchises or as part of a broader menu offering at established seafood or Japanese restaurants, it's too early to say. But no matter what happens, this much is guaranteed: Poke won't have this spotlight forever. "There is $4.6 trillion sitting there in private equity funds, and everyone is looking for the next food fad to invest in," Allen says. "You can find a small market for every kind of food, but they can't all work on the same scale."

Miller, for his part, is sanguine. He points out that not so long ago Americans hadn't heard of sushi, and now there are thousands of sushi restaurants in the U.S. doing $3 billion in revenue. "Is this the cupcake craze?" he says. "No. It's not a novelty. It's a delicious, healthy cuisine that Hawaiians have enjoyed for years."

WING ZONE WUNDERKINDS

As young Wing Zone franchisees, sisters **Jessica and Andrea Perez** are getting a crash course in the restaurant business, and fearlessly climbing the steep learning curve.

BY LYDIA BELANGER

Some may be surprised to learn that Jessica and Andrea Perez, at just 25 and 22 years old, respectively, are the owners of a Wing Zone franchise in San Antonio. But to the young women, it's unremarkable: Entrepreneurship is in their blood.

Before their family moved to the United States from Mexico in 2005, their parents owned a laundromat, a close cousin owned a hair salon, and other members of the family ran everything from restaurants to marketing firms. The practicality of providing a service that people would always need was drilled into the Perez sisters' heads as a smart, safe road to success. Which is why in May 2017, they took ownership of what they hope will be the first of multiple Wing Zone units. It wasn't easy, but a strong family and robust corporate support system helped them through.

You got into this industry without much experience. How did you convince Wing Zone to work with you as franchisees?

ANDREA: We made it very clear that we're doing this as a family. It's not going to be just me and Jessica. One of our cooks is my aunt; another is my cousin. My husband works here as well. The company realized we were coming in with a built-in support system. Thankfully, they approved us. Two weeks after that, we were off to Atlanta for training.

How has life changed since you became business owners?

JESSICA: I was always going out with my friends, going out to eat, going out to nightclubs. But now I only go out one day a week. You have to give up your personal life. And we both have other jobs, too. If I'm not here in the restaurant, Andrea's here. If Andrea's not here, I'm here. But working for yourself is different—it's something I always wanted, even if it's hard.

ANDREA: I'm working toward a marketing degree in addition to running the restaurant. During Wing Zone training, I was literally in the hotel room until, like, 3 in the morning finishing my homework, and I would have to wake up at 7 to go to training.

Have you already encountered unexpected challenges?

ANDREA: Owning a restaurant is like having little kids—if the parents aren't watching, they get into trouble. Recently our heater, the AC, and one of our fryers all went out. That was a lot of unexpected cost, and we're working to make that money back. When you're starting out as a restaurant owner, you've already made a big investment and you don't anticipate having to invest that much more. But we've quickly realized restaurants are a penny business. If a lime goes missing, that translates to dollars.

How has franchising provided you with a support system that extends beyond your family?

ANDREA: All our food comes from Houston, and when Hurricane Harvey hit, our supplier was flooded. Only one truck could get up here, and since we have the only full-service location in San Antonio and everything would fit here, they dropped off all the food for the entire region, and the other franchisees in the area had to find a way to get it. It was a whole day of driving back and forth for everyone, making sure other franchisees had what they needed. There have been other occasions when we've borrowed ingredients from each other when we've run out of something. We're just a big, happy family.

Photograph Bobby Fisher

ADVERTISEMENT

THE 4-PHASE SALES FUNNEL YOU NEED TO

Leverage Your Business

BY ROBERT W. BLY

Marketing funnels are the various paths potential customers travel on to reach their destination: buying from you. Each potential customer enters the funnel from a different point of product awareness and then continues along the path, intersecting with other paths of potential customers.

Along the way through the funnel, you need to engage these potential customers and drive them to the next step so they move down into the neck of the funnel toward conversion. Some will get to the goal sooner than others. But continuing to engage customers in some way is essential to keeping them on the path through the funnel—no matter how slow the journey.

A classic funnel is the **AIDA model: Attention, Interest, Desire, and Action.** Let's take a closer look at each and dive into what they mean for you.

ATTENTION

Your funnel must start with awareness. You need to get the prospect's attention, let them know you exist, and show them a product they might like. A few ways to garner attention after setting up your website or blog are Google AdWords, search engine optimization, and social media advertising. Once potential customers click on any of your call-to-action (CTA) buttons or links, then the process of gaining and retaining their attention begins.

INTEREST

Once you have aware potential customers, use every piece of your platform to give them more information and prove your product's value. Show the benefits of your product in a free white paper, demonstrate product features or applications in a video, tell a customer success story in a blog post, or share exciting news about product improvements with your email subscribers. Any of these could lead your potential customers to click on a CTA to find out more or even buy from you.

DESIRE

Interested leads who see how your product will help them may want to try it out for themselves, learn even more about it, or compare the pricing and features to similar products in the marketplace. Research your competitors and offer something unique to your prospects that competitors don't have. Continue to engage with these leads to keep them focused and excited about your product so they take the final step. You could even host a webinar to let viewers see your product in action.

ACTION

Create an offer that they simply cannot refuse so you earn their business. For instance, you can create a sense of urgency in your email offers by giving a short time span to buy or by telling customers there are only a few books or software packages left. You can also add perks like a 60-day money-back guarantee, an appointment with your interested customer for a product demo, if applicable, or a free phone consultation. ■

Written to help marketers—from the Fortune 1000 to small business owners and solopreneurs—turn their websites from cost centers into profit centers, Robert W. Bly teaches you the proven models and processes for generating a steady stream of traffic, conversions, leads, opt-ins, and sales in *The Digital Marketing Handbook.*

Visit entm.ag/digitalmarketing

Entrepreneur PRESS

A BUZZING BUSINESS

Mosquito Joe franchisees **Kurt and Melissa Godwin** turned a longtime annoyance into successful second careers in pest control. **BY LYDIA BELANGER**

Kurt and Melissa Godwin didn't have much in common—at least, not professionally. Kurt was an airline pilot, and Melissa had spent decades working for the state of Pennsylvania. But the married couple wanted to take control of their careers and spend more time with family. By running their own business, they figured, they'd be able to accomplish both. So they decided to focus on a subject they each had experience with: outdoor pests.

Melissa is a self-described "mosquito magnet"—she avoids spending time outside on summer nights—and Kurt's oldest son twice battled Lyme disease from tick bites. In 2013, the Godwins signed on as franchisees of Mosquito Joe, a provider of outdoor mosquito, tick, and flea treatment services. Today they own six territories throughout the Baltimore and Annapolis areas. In 2017 they were the company's Franchisee of the Year.

What's the key to your success?

KURT: We're all-in. Melissa retired from her previous job and was all-in from day one. I still flew for a couple of years, just to pay the bills, but the minute I could be full-time at Mosquito Joe, I was.

Is it tough being "all-in" when you're business partners as well as spouses?

MELISSA: We don't just go home and do what normal families do. We constantly talk about Mosquito Joe and how to grow. MoJo is always in the back of our heads. When we break out a nice bottle of wine, the ideas start to flow.

Do you also share ideas with other franchisees?

MELISSA: We'll often talk with them, bounce ideas around, and just gather as much information as we can to find inventive ways to continue to grow our business.

KURT: We offer a prepaid program for customers. At the end of a season, if you sign up for next season, you get a discount. We always did this via email, and a franchisee down in Arkansas told us, "We send everything in snail mail so they can't delete it. They have to at least open the envelope." So now we combine our thank-you letter for the year and our prepay option for the next.

What are some unexpected hurdles in this business?

KURT: We're seasonal, and that presents some staffing challenges, because toward the end of the season, people start thinking, *Oh, I'm going to be out of a job; I'd better get out of here*. We used to have an issue keeping employees at the end of the season. So we created a virtual bank system where for every month a seasonal employee works for us, a small bonus goes into their virtual bank. At the end of the season, provided they've stayed with us, they get the money. It's a good incentive and a good way for us to thank them—and those employees who stuck around are usually the first ones offered jobs in the spring.

How else do you energize your team?

KURT: We solicit input from our top managers as well as the guy who's at the bottom of the totem pole as a new-hire technician. If they bring us a great idea, we will listen in the same way our franchisor does. We're in the process of looking for a summer intern. That person is going to interview with all the top managers, and then we'll come to a consensus and decide whom to hire. We're empowering our team to help us pick people they're going to get along with, not just people we think might do a good job.

Photograph David Yellen

Entrepreneur

Free Information From Advertisers

Visit entrepreneur.com/freeinfo now to receive more information from the franchise and business opportunities advertisers in this month's Entrepreneur®. Simply take a minute to quickly enter your selections online to learn more about any of these opportunities!

1. Bubbakoos
2. CMIT Solutions
3. Camp Bow Wow
4. Code Ninjas
5. Cookie Cutters Haircuts for Kids
6. Cruise Planners
7. Dippin' Dots
8. Doc Popcorn
9. Dream Vacations
10. Dunkin Donuts
11. FastSigns International
12. FunTopia
13. HomeVestors of America
14. Kumon North America
15. LaVida Massage
16. Lice Clinics of America
17. Luv 2 Play
18. Natural Lawn
19. Nekter Juice Bar
20. Pet Supplies Plus
21. Pet Wants
22. Pillar To Post
23. PuroClean
24. Totally Nutz
25. Town Money Saver
26. UBreakiFix

Go to entrepreneur.com/freeinfo now to make your selection and get more information fast! Or, you can also fill out this form, circle your selections above, and then fax or mail back your request.

Please check appropriate boxes:

1. Are you considering starting/buying an additional business? ☐ 1/ Yes ☐ 2/ No
2. If "yes," when are you planning to start/buy an additional business?
   ☐ 3/ In the next 6 months ☐ 4/ 7 to 12 months ☐ 5/ 13 to 24 months
   ☐ 6/ More than 24 months ☐ 7/ Not sure
3. How much do you plan to invest in the purchase of your business?
   ☐ 8/ Less than $50,000 ☐ 9/ $50,000-$99,999 ☐ 10/ $100,000-$499,999 ☐ 11/ $500,000+

Please print clearly:

Name_______________________ Title_______________________

Company____

Address___________________ City___________________ State_____ ZIP__________

Phone (____)_______________________ Fax (____)_______________________

e-mail ____

Fax to (888) 847-6035 or mail to Entrepreneur®, P.O. Box 413050, Naples, FL 34101-3050

Expires 10/31/2018

LAUNCH, BUILD, AND GROW
THE BUSINESS OF YOUR DREAMS

Entrepreneur's Startup Series has everything you need to know about starting and running more than 55 of today's hottest businesses. From available opportunities to the latest trends and equipment, our experts present the details on what it takes to take your passion to the next level. Each book includes research, resource lists, and priceless realities from practicing entrepreneurs.

If you know you want to start a business—start here.

CREATIVITY

Bring your ideas to life with businesses that thrive on your inspiration and imagination.

- Arts and Crafts Business
- Event Planning Business
- Fashion Accessories Business
- Freelance Writing Business
- Photography Business
- Self-Publishing Business
- Wedding Consultant Business
- Online Coupon/Daily Deal Business
- Specialty Food Business

CUSTOMER SERVICE

Use your people skills to provide superstar service for a pet business, as a travel service provider, through your own restaurant or in a retail store.

- Automobile Detailing Business
- Bar and Club
- Bed and Breakfast
- Clothing Store and More
- Hair Salon and Day Spa
- Food Truck Business
- Microbrewery, Distillery, or Cidery
- Pet Business and More
- Restaurant and More
- Retail Business and More
- Travel Business and More

DETAILS & LOGISTICS

Put your Type-A personality to work for you through businesses like imports/exports, wholesale distribution, freight brokerage and medical claims services.

- eBusiness
- Freight Brokerage Business
- Green Business
- Import/Export Business
- Medical Claims Billing Service
- Vending Business
- Wholesale Distribution Business
- Staffing Business
- Transportation Service

WE HAVE TO LET GO

It's time to admit we can't do everything. And that's for the better.

BY JASON FEIFER, EDITOR IN CHIEF, *ENTREPRENEUR*

The NBA season just ended, which in years past would have left me drained and disoriented. I would have just come off a season-long fanaticism—tuning in for my beloved Miami Heat's games, or watching on my phone if I was out. I'd even follow games on Twitter. This goes back to childhood. I was obsessed.

But this year, I didn't watch a single Heat game. I probably couldn't name half the players on the team. And I missed the entire playoffs.

Why? Because I was forced to make a decision. My life had become too busy. Something had to go. That thing was basketball. So when people ask me how I do so much, that's my answer. *I quit basketball*.

I've taken on a lot recently. I run this magazine, host two podcasts, give keynote speeches, have a novel coming out this fall (quick plug: it's called *Mr. Nice Guy*), and have a toddler. And hey, I know the least interesting thing in the world is hearing someone talk about how busy they are. But I am, and so are you. So is everyone. Our calendars are horror shows. And we all need to find ways to cope.

At first, I really had no idea how to manage the problem. This is a little embarrassing to admit, but I started imagining myself as an old boat with too much cargo—wooden planks creaking under the weight. But then I started to think about the entrepreneurs I've met, who are often as methodical about themselves as they are about their companies. Sonny Caberwal, the head of digital business development at Newell Brands, once showed me a spreadsheet of his week, in which he plans out how to spend every hour. He thinks of time like a budget: It should be spent wisely, not haphazardly.

That got me thinking about my own time. I don't want to work nonstop—that only ends in burnout—but I want to make sure I'm using my time as wisely as possible. So I started measuring time in terms of outcome. I'd ask myself: *What do I get for this hour spent? What can I show for it later?* Time with family and friends has an obviously valuable outcome: My relationships are stronger. But other times, my options might be watching a game, scrolling through Twitter, or writing the script for the next episode of my podcast.

So I started to think about what I'd rather say I did in a week. Watched the game? Read the tweets? Or worked on a new podcast for people to listen to?

Now I have my answer.

I know this can sound joyless. It isn't. Instead, it's what keeps me motivated during times when I'm tired. I'm excited for people to listen to that next podcast, or to read that next article. Tomorrow's accomplishments don't just happen—they happen today. Hell, I'm doing it right now: I'm writing this from a restaurant in Chicago's Midway airport, and although I'd like to order a second beer, I know that'll make it harder to keep writing this column. And I'm more excited for you to read these words than I am for another beer.

Most important, this philosophy isn't limiting. It's built for flexibility. Sometimes, I *will* have that second (and third) beer—if I'm out with friends, if there are memories to be made. And at some point, it will also allow me to get back to my Miami Heat. My toddler son is a sporty kid. He might grow up and love basketball. Then we can watch together, and those games I dismiss today will become worthwhile tomorrow. There may never be time for everything, but there is always time for plenty. It's just a question of priorities.

PHOTOGRAPH BY SHUTTERSTOCK/KONONTSEV ARTEM