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How to Find Your Niche, Attract a Fan Base, and Grow Strong

Rent the Runway cofounder

JENNY FLEISS

used what she learned to build a new startup, **Jetblack**

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CHAPTER 1

CHOOSE YOUR TARGET

How to find your customers, and advice from those who succeeded.

Start Your Own Business

FINDING CUSTOMERS

You've got a revolutionary product or service. Great! Now comes the next step: identifying the market that will pay you for it. It's all about finding your niche.

You've come up with a great idea for a business—nice job! But you're not ready to roll yet. Before you go any further, take the time needed to figure out who, where, and what your market is.

There are two basic markets you can sell to: consumer and business. These divisions are fairly obvious. If you are selling women's clothing from a retail store, your target market is consumers; if you are selling office supplies, your target market is businesses. (This is referred to as B2B sales.) In some cases—for example, if you run a printing business—you may be marketing to both businesses and individuals.

No business—particularly a small one—can be all things to all people. The more narrowly you can define your target market at the start, the better. Creating a niche is key to success for even the biggest companies. Walmart and Tiffany are both retailers, but they have very different niches: Walmart caters to bargain-minded shoppers, while Tiffany appeals to upscale jewelry consumers.

"Many people talk about 'finding' a niche as if it were something under a rock or at the end of the rainbow, ready-made. That is nonsense," says Lynda Falkenstein, author of *Nichecraft: Using Your Specialness to Focus Your Business, Corner Your Market, and Make Customers Seek You Out*. Good niches do not just fall into your lap; they must be very carefully crafted. Yes, you can think about future growth and branching out—but first, you've got to find your niche.

Many entrepreneurs make the mistake of falling into the "all over the map" trap, claiming they can do many things and be good at all of them. These people quickly learn a tough lesson, Falkenstein warns: "Smaller is bigger in business, and smaller is not all over the map; it's highly focused."

PRACTICING NICHECRAFT

Creating a good niche, Falkenstein advises, involves following a seven-step process:

1. Make a wish list. With whom do you want to do business? Be as specific as you can: Identify the geographic range and the types of businesses or customers you want your business to target. If you don't know whom you want to do business with, you can't make contact. "You must recognize that you can't do business with everybody," Falkenstein cautions. Otherwise, you risk exhausting yourself and confusing your customers.

These days, the trend is toward smaller niches. Targeting teenagers isn't specific enough; targeting male, African American teenagers with family incomes of $40,000 and up is. Aiming at companies that sell software is too broad; aiming at Northern California-based companies that provide internet software sales and training and have sales of $15 million or more is a better goal. And with the plethora of data and target market insight available, you can do this more easily than you could have a decade ago—or even five years ago.

2. Focus. Clarify what you want to sell, remembering: (a) You can't be all things to all people, and (b) smaller is bigger. Your niche is not the same as the field in which you work. For example, a retail clothing business is not a niche but a field. A more specific niche may be maternity clothes for executive women.

To begin this focusing process, Falkenstein suggests using these techniques:

- Make a list of things you do best and the skills implicit in each of them.
- List your achievements.
- Identify the most important lessons you have learned in life.
- Look for patterns that reveal your style or approach to resolving problems.

Your niche should arise naturally from your interests and experience. For example, if you spent 10 years working in a consulting firm but also spent 10 years working for a small,

TIP

Warning. Even though many baby boomers are now well over 55, don't make the mistake of marketing to them the same way you would to seniors. Boomers don't think of themselves as "old" or "seniors." The moral? The same marketing approaches that appealed to boomers when they were 30 will appeal to them when they're 50, 60, and 70.

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family-owned business, you may decide to start a consulting business that specializes in small, family-owned companies. The key: Your niche should fall within the intersection of your interests and your experience.

3. Describe the customer's worldview.

A successful business uses what Falkenstein calls the Platinum Rule: "Do unto others as they would do unto themselves." When you look at the world from your prospective customers' perspective, you can identify their needs or wants. The best way to do this is to talk to prospective customers and identify their main concerns. You can also use analytics tools offered by Google and others to show what people in particular groups search for as a way to identify some concerns people have that they might not say aloud.

4. Synthesize. At this stage, your niche should begin to take shape as your ideas and the client's needs and wants coalesce to create something new. A good niche has five qualities:

- It takes you where you want to go—in other words, it conforms to your long-term vision.
- Somebody else wants it—namely, customers.
- It's carefully planned.
- It's one-of-a-kind, the "only game in town."
- It evolves, allowing you to develop different profit centers and still retain the core business, thus ensuring long-term success. (Hint: This is where those big plans for the future come into play.)

DON'T THINK BIG. THINK SMALL!

Once upon a time, business owners thought it was enough to market their products or services to 18-to-49-year-olds. Those days are over. The consumer marketplace has become so differentiated, it's a misconception to talk about it in any kind of general, grand way. You can market to socioeconomic status, gender, region, lifestyle, or technological sophistication. You can market to millennials, a generation that shops and buys goods and services in vastly different ways than their older siblings and parents. You can market to online-first consumers, to those who are under 30 and spend most of their free time on social media—and so much more. There's no end to the number of different ways you can slice the pie.

Further complicating matters, age no longer means what it used to. Fifty-five-year-old baby boomers prefer rock 'n' roll to supper clubs; some 30-year-olds may still be living with their parents. People now repeat stages and recycle their lives. Generational marketing, which defines consumers not just by age but also by social, economic, demographic, and psychological factors, has been used since the early 1980s to give a more accurate picture of the target consumer. It's still valuable, but it can't be the only measure you employ.

Consider the value of cohort marketing, which studies groups of people who underwent the same experiences during their formative years. This leads them to form a bond and behave differently from people in different cohorts, even when they are similar in age. For instance, people who were young adults during the Great Depression behave differently from people who came of age during World War II, even though they are close in age. And more recently, those who were young adults amid the Great Recession view their purchases differently than those who entered adulthood amid the dot-com bust, even though there are only five to seven years between the age groups.

To get an even narrower reading, some entrepreneurs combine cohort or generational marketing with life stages, or what people are doing at a certain time in life (getting married, having children, retiring, etc.), and physiographics, or physical conditions related to age (nearsightedness, arthritis, menopause, etc.).

Today's consumers are more marketing-savvy than ever and don't like to be lumped with others, so be sure you understand your niche. While pinpointing your market so narrowly takes a little extra effort, entrepreneurs who aim at a smaller target are far more likely to make a direct hit. Various finely tuned marketing tools and even easy-to-use social media ad targeting make this easier.

5. Evaluate. Now it's time to evaluate your proposed product or service against the five criteria in Step 4. Perhaps you'll find that the niche you had in mind requires more business travel than you're ready for. That means it doesn't fulfill one of the above criteria—it won't take you where you want to go. So scrap it and move on to the next idea. Let yourself be OK with that. Remember, by fulfilling all the criteria, you're most likely to find fulfillment, hit your stride, and up your chances of success.

6. Test. Once you have a match between niche and product, test-market it. "Give people an opportunity to buy your product or service—not just theoretically but actually putting it out there," Falkenstein suggests. This can be done by offering samples, such as a free mini seminar or a sample copy of your newsletter. The test shouldn't cost you a lot of money: "If you spend huge amounts of money on the initial market test, you are probably doing it wrong," she says.

7. Go for it! It's time to implement your idea. For many entrepreneurs, this is the most difficult stage. But fear not: If you did your homework, entering the market will be a calculated risk, not a gamble.

KEEP IT FRESH

Once your niche is established and well-received by your market, you may be tempted to rest on your laurels. This is not a good idea. "[You must] keep growing by re-niching," Falkenstein says. "This

doesn't mean totally changing your focus but rather further adapting it to the environment around you."

Ask yourself the following questions when you think you have found your niche—and then put a reminder on your calendar to ask them again every six months or so to make sure your niche is still on target:

- Who are your target clients?
- Who aren't your target clients?
- Do you refuse certain kinds of business if it falls outside your niche?
- What do clients think you stand for?
- Is your niche in a constant state of evolution?
- Does your niche offer what prospective customers want?
- Do you have a plan and delivery system that effectively conveys the need for your niche to the right market?
- Can you confidently predict the life cycle of your niche?
- How can your niche be expanded into a variety of products or services that act as profit centers?
- Do you have a sense of passion and focused energy with respect to your niche?
- Does your niche feel comfortable and natural?
- How will pursuing your niche contribute to achieving the goals you have set for your business?

"Creating a niche is the difference between being in business and not being in business," Falkenstein says. "It's the difference between surviving and thriving, between simply liking what you do and the joy of success."

Start Your Own Business

STATE YOUR MISSION

Why are you in business? What's it all for?
To focus your energy, write down your mission statement.

Once you have designed a niche for your business, you're ready to create a mission statement. A key tool that can be as important as your business plan, a mission statement captures, in a few succinct sentences, the essence of your business's goals and the philosophies underlying them. Equally important, the mission statement signals what your business is all about to your customers, employees, suppliers, and the community.

The mission statement reflects every facet of your business: the range and nature of the products you offer, pricing, quality, service, marketplace position, growth potential, use of technology, and your relationships with your customers, employees, suppliers, competitors, and the community.

"Mission statements help clarify what business you are in, your goals, and your objectives," says Rhonda Abrams, author of *The Successful Business Plan: Secrets & Strategies*.

Your mission statement should reflect your business's special niche. Studying other companies' statements can fuel your creativity. Here is one sample mission statement Abrams developed:

"AAA Inc. is a spunky, imaginative food products and service company aimed at offering high-quality, moderately priced, occasionally unusual foods using only natural ingredients. We view ourselves as partners with our customers, our employees, our community, and our environment. We aim to become a regionally recognized brand name, capitalizing on the sustained interest in Southwestern and Mexican food. Our goal is moderate growth, annual profitability, and maintaining our sense of humor."

Or consider the statement one entrepreneur developed for her consulting business: "ABC Enterprises is a company devoted to developing human potential. Our mission is to help people create innovative solutions and make informed choices to improve their lives. We motivate and encourage others to achieve personal and professional fulfillment. Our motto is: Together, we believe that the best in each of us enriches all of us."

Or consider this statement from Betterment, a financial technology firm aimed at millennial investors: "You deserve a better way to invest. We have one mission: To empower you to make the most of your money, so you can live better." ▸

> ***"Creating a niche is the difference between being in business and not being in business," Falkenstein says. "It's the difference between surviving and thriving, between simply liking what you do and the joy of success."***

PUTTING IT TOGETHER

Crafting a mission statement requires time, thought, and planning. However, the effort is well worth it. In fact, most startup entrepreneurs discover that the process of crafting a mission statement is as beneficial as the final statement itself. Going through the process will help you solidify the reasons for what you are doing and clarify the motivations behind your business.

Here are some tips to make your mission statement the best it can be:

Most startup entrepreneurs discover that the process of crafting a mission statement is as beneficial as the final statement itself. Going through the process will help you solidify the reasons for what you're doing.

Involve those connected to your business. Even if you are a sole proprietor, it helps to get at least one other person's ideas for your mission statement. Other people can help you see strengths, weaknesses, and voids you might miss. If you have no partners or investors to include, consider knowledgeable family members and close friends, employees, or accountants. Choose supportive people who truly want you to succeed.

Set aside several hours–a full day, if possible–to work on your statement. Mission statements are short–typically more than one sentence but rarely exceeding a page. Still, writing one is not a short process. It takes time to come up with language that simultaneously describes an organization's heart and soul and serves as an inspirational beacon to everyone involved in the business. Large corporations often spend an entire weekend crafting a statement.

It takes time to come up with language that simultaneously describes an organization's heart and soul and serves as an inspirational beacon to everyone involved in the business. Large corporations often spend an entire weekend crafting a statement.

Plan a date. Set aside time to meet with the people who'll be helping you. Write a list of topics to discuss or think about. Find a quiet, comfortable place away from phones and interruptions.

Be prepared. If you have several people involved, be equipped with refreshments, extra lists of topics, paper, and pencils. Explain the meaning and purpose of a mission statement before you begin–not everyone will automatically know what it's all about.

Brainstorm. Consider every idea, no matter how silly it sounds. Stimulate ideas by looking at sample mission statements and discussing questions such as: Why are you in business? Who are your customers? What is the nature of your products and services? What roles do you and your employees play? What image do you want to convey?

After you've finished brainstorming, ask everyone to write individual mission statements for your business. Read the statements, select the best pieces from each of them, and fit them together.

Use "radiant" words. "Every word counts," Abrams says. The statement should create dynamic mental visuals and inspire action. Use offbeat, colorful verbs and adjectives to spice up your statement. Don't hesitate to drop in words like *kaleidoscope, sizzle, cheer, outrageous,* and *marvel* to add zest. If you want customers to boast about your goods and services, say so–along with the reasons why.

ONCE YOUR mission statement is complete, start spreading the word! You need to convey your mission statement to others inside and outside the business to tell everyone you know where you are going and why. Post it in your office where you, employees, and visitors can see it every day. Print it on company materials, such as your brochures and your business plan, or even consider putting it on the back of your business cards.

When you're launching a new business, you can't afford to lose sight of your objectives. By always keeping your mission statement in front of you, you'll keep your goals in mind–and ensure smoother sailing.

Opportunity

THE REINVENTION OF MINTED

Mariam Naficy had a vision for her company, Minted, the artists' platform and marketplace. But the business took on a life of its own, leading to unforeseen challenges—and profit.

by STEPHANIE SCHOMER

When Mariam Naficy launched Minted in 2008, she wanted to create a niche business, one that would crowdsource stationery designs from independent artists, ask consumers to vote for their favorites, produce and sell the best-performing creations, and share a portion of revenue with the original designers. But Naficy underestimated consumers' interest in what she was building, and she soon found herself at the helm of a massive venture-backed design platform that was growing far beyond her original vision.

PHOTOGRAPHS BY ELIZABETH FALL

So she rolled with it—adapting right alongside her company. Now Minted's team is 400 strong and the company is generating revenue in the "hundreds of millions of dollars." Naficy talked with *Entrepreneur* about letting the business lead the way, carefully selecting strategic partners, and building a team that doesn't require hand-holding.

Minted has been in business for 11 years. Talk to me about your original vision when you started working on it in 2007.
I was captivated by the idea of bloggers. These unknown writers were coming from nowhere, were unaffiliated with big institutions, but people wanted to read their work. I thought it was fascinating, and thought that there probably were great designers out there that the internet could also help uncover—people who are deserving but don't know how to get their work to market. I thought crowdsourcing designs and holding competitions was the way to do it. I raised a small round from friends and family, and we launched in 2008.

And what happened?
Not a thing sold. Not one sale for four weeks—after building this business for a year. I had launched an e-com business before—Eve.com—and product flew off the shelves immediately. But with Minted, I seriously had to consider pulling the plug. Some of my friends-and-family investors encouraged me to raise a venture round. I felt so responsible having their money on the line, so I did, reluctantly—I didn't want any strings with this business—but it basically saved us and gave us time.

Why do you think Minted ultimately worked?
We launched right before Instagram and Pinterest, both of which really changed the way people interact with design. Barn weddings became all the rage, for example, so our design community could just go to town, creating invitations with, say, fireflies coming out of a jar. That was wind in our sails. And oddly, the recession helped.

> *"I thought I founded a cash-flow stationery retailer, but it's really a content studio," Naficy says. "I don't blame anyone who didn't invest in us in the first round, because we had no idea that this was going to happen."*

Consumers became more interested in artisanal products than expensive brand names. And a lot of artists were out of work.

When did you really feel like you had something?
Our very first Christmas. We had such an influx of orders that we quickly hit our maximum throughput capacity and had to shut off all of our online marketing, just to slow down incoming requests. We got a call from a woman who waited on hold for two hours, and when I finally spoke to her, she said she'd been trying to track us down because she saw an ad on Google yesterday but couldn't find it today—because we turned off paid search. I was like, *Who would wait two hours to order a card?* But I knew we had a real audience. And of course, we took her order.

Other than the fact that designers were hungry for work, how did you attract them to this new community?
We tried to provide validation and built a peer-critique model. During the submission process, designers can choose to get feedback and make changes before their submission gets locked in. The designs that are peer-critiqued generally score 25 percent higher than those that didn't receive feedback.

Has that helped them create their own relationships within the community?
A designer was just telling me today, a lot of designers struggle with mental health because it can be a really isolating career and there's not a lot of validation or feedback once they leave school. So we are bringing people together. Lately, we've received a lot of requests for collaboration tools that will allow them to work together and share revenues, so that's an area we're looking at.

You're working more and more with large retail brands like West Elm and Target. How do you select partners?
We saw retailers copying us a lot, using us as "inspiration." They'd actually say that: "We come to you for inspiration all the time." But some retailers were aboveboard and asked to carry or license our designs. West Elm was the first, and they're very artist-friendly. At the end of the day, we're a content pipeline, and we have more content than we need. But the challenge has been where to put it—we don't want Minted to be everywhere. So we've also started alternate brands, like Pippa, which will be distributed to more mass-market stores.

You raised a $208 million Series E in December. That's a serious number. What was your approach?
At the first stage of a business when you're raising money, you're selling hope, not reality, so in some ways it's easier. At this stage, it's all about the numbers. The people you're talking to literally spend millions of dollars just evaluating and closing the investment. It's a production. But I've raised about $330 million in my career,

and I've learned one thing: You have to focus on your intuition. Do you trust these investors, and is there value-add? For example, Henry Ellenbogen from T. Rowe Price is a great strategic thinker, and very into branding for a financial investor, so that's super value-add. [Ellenbogen has since left T. Rowe Price to launch his own venture.]

I always hear great things about him.
He recently gave me a great piece of advice that I've put into practice: Out of all your direct reports, have two that you're focused on developing. You're never going to have time to develop your entire staff—you have to hire people who have already seen the scale you're at. But pick two who *haven't* seen the scale, and mentor them.

That's probably really helpful once you're working with a team of this size.
We have about 400 employees, and it's tricky to build as we move into new categories. When do you hire full-time employees against a new idea? You don't want to necessarily build a team before you know if something will be successful. I was studying how Steve Jobs formed Apple retail. He hired Ron Johnson, they figured it out together, and then he immediately delegated [that division] to Ron, rather than setting up retail and *then* having to hire someone.

Is that your approach now?
I'm looking at potentially launching physical stores, so I'm facing this conundrum: I've got to hire someone and entrepreneur this with them so they can take the reins and I can focus on other areas. Our recent capital raise will help. That's been another critical learning: Being cheap is not always the answer. You will hurt yourself by being too profitability focused. There is a point where you have to invest ahead of the data.

After more than a decade building the Minted community and model, you're sitting on a ton of data. How does that information drive the business?
It gives us the road map. It's predictive analytics. It's been 10 years of [collecting data on] what segments of people—based on things like age groups or socioeconomic factors—are more predictive [voters] for which product categories. And then we use a look-alike model. So if someone has the same attributes as someone who successfully voted in the past, *that's* the person we're trying to get to vote in this new competition, and we weigh those votes more heavily. We've scaled the production of best-selling design hits, creating a retail brand that is literally on-trend every year.

That's a big leap from your original vision.
I thought I founded a cash-flow stationery retailer, but it's really a content studio. The business has shown me the way. It's unrecognizable from where we started. I don't blame anyone who didn't invest in us in the first round, because we had no idea this was going to happen.

Branding

A TOTAL REBOOT

Can an old brand serve a new customer? The revivers of Slice are finding out. **by LIZ BRODY**

Remember Slice? Not the pizza. Not the Grandmaster Slice hip-hop guy. The soft drink.

Even an answer of "kinda sorta" could mean money in the can for the people bringing back Slice, the '90s PepsiCo pop. The twist: It won't (sorry, diehards) deliver that sinfully sweet blast of sugary, citrusy nostalgia—nor will it be made by PepsiCo. The Slice hitting the shelves in 2019 is a 25-calorie sparkling water made purely with organic juice, and it's based on a bet by two eagle-eyed entrepreneurs who wrested the trademark away from its original owner: Given how important branding has become, their theory goes, a startup can gain an instant advantage in the marketplace if it's using a brand name that consumers are already familiar with...even if the product is different from what they remember.

There's a certain illogic to this theory, but Chicago entrepreneur Mark Thomann has done it before. His company, Dormitus Brands, "pays homage to the idea of a sleeping giant that's ready to wake up again," he explains—which is to say, he watches for when companies allow their discontinued brands' trademarks to lapse, and then he leaps in, claims ownership (which is perfectly legal), and revives them. He's succeeded with Brim, which began life as a General Foods decaf staple of the '70s (he turned it into a line of artisanal coffee equipment); the iconic audio equipment brand Aiwa (now a new electronics brand); and most recently, the Bud Light dog mascot Spuds MacKenzie (which he plans to transform into a canine health-and-wellness line).

But how far can this strategy stretch? Slice will become a useful case study. Dumpster diving for these iconic names isn't actually that easy. There's no *Dead Brand Digest* or eBay for Trademarks that sends an alert to your inbox when a name frees up. So the journey begins with some guesswork. This one started with lawyer Joseph Gioconda, a top IP litigator and the founder of Gioconda Law Group in New York, who has worked with Thomann on previous cases. "In late February of 2016," he recalls, "my wife and I were in the kitchen at my in-laws', and I was talking to her about my work with Mark. And she says, 'What about Slice?'" What *about* it? He took out his iPad and found that PepsiCo had seemingly allowed its federal trademark registration to lapse. He called and emailed the company's customer service reps and was told that Slice had been discontinued. (PepsiCo did not respond to requests for comment.) Gioconda got excited and told Thomann of his discovery. Could this be another brand revival?

"Soda? Naaaah," replied Thomann. But he kept thinking on it. "After a few months," he says, "it hit me: There's an opportunity here." What Thomann saw was a decline in soda consumption and a surge in sparkling water sales—and, most important, a gap between them. True enough, from

Illustration Viktor Koen


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2012 to 2017, the total volume of carbonated soft drinks sold in the U.S. decreased about 7.8 percent, according to the market research provider Euromonitor International. Meanwhile, Nielsen reports that the sparkling water category grew 54 percent over the past four years. In between those two categories, however, there wasn't much to choose from. For someone trying to get off soda, the switch to the no-sugar, flavored waters–your Dasani, your LaCroix–meant a big and painful leap. (The exception now is Spindrift, a bubbly water made with real juice. But Thomann is not a fan.) "So to create a Slice that has a little bit of sweetness but is still very healthy and delicious–*that* to me was interesting."

Gioconda got busy getting the trademark. The litigation took almost two years–the type of work, he says, that can cost hundreds of thousands of dollars. But instead of charging, he decided to partner with Thomann in New Slice Ventures. "It was pure serendipity," he says. "I think it was the day after PepsiCo had passed the point of no return, where it could not renew the trademark, when we jumped in." Had they missed that window by a couple of months, somebody else could have beaten them to it.

With trademark in hand, New Slice Ventures partnered with Revolution Brands, a company that develops food brands, to create the product and get it into stores. The timing was good: Revolution was already working on a healthy soda alternative. It came up with four flavors–blackberry, pineapple-mango, apple-cranberry, and raspberry-grapefruit. "People fall into two camps," says Ian Abbott, managing partner at Revolution. "They like either the first two, which have a smooth, clean, sweet profile, or the last two, because some people need that tart bite of a finish."

This new Slice has few echoes of the old. Gone is the party-animal, comic-book mojo; the new can has a fresh, delicate appeal. Even its once-bold letters have slendered to a willowy font. Which raises a question: Why not just debut the drink as a whole new brand? Gioconda says their own surveys found two out of three people don't remember the '90s Slice. But for those who do, Thomann argues, "I think the brand name acts as an accelerant."

Brand experts are split on this wisdom. "It could be a very fleeting moment where people think, *Wow–Slice is back; pick up a six-pack*. And then they drink it and it tastes, you know, weird.

Like, *What a bummer*," says Matthew Stumm, founder of the Boston branding agency Stark/Raving, who has worked with Eli Lilly, Dell, and *Mad* magazine. The Brim example makes more sense to him; that was subpar coffee nobody's clamoring to have again, so relaunching it to sell coffee *equipment* is simply a brand extension. But Slice? "It would take a *lot* of money to change people's perceptions that the Slice of 1990 is not the Slice of 2019. It's like the old saying: Is the juice worth the squeeze, man?"

Others are more optimistic. "Historically, the brand was about fun and flavor, so they have a huge opportunity, really, to lean into that," says Jonah Fay-Hurvitz, head of strategy at Red Antler, the buzzy Brooklyn company whose clients include Casper, Brandless, and Allbirds. He sees a straightforward story for the new Slice to tell. "You've got to frame the old brand for today," he says. "If I'm a consumer, I'm saying, 'Oh, wow; Slice is seeing how people's desires have shifted and is modern enough to evolve.' It shows that the brand is awake."

Thomann and Gioconda are certainly hoping their sleeping giant will awaken enough to attract thirsty fans—and, perhaps, for PepsiCo or one of the other huge soda companies to buy it back. "I mean, they could be sitting on a gold mine," says Stumm, the Slice pessimist, laughing. "And if a year from now I'm drinking healthy Slice, I'll call you and be like, 'I'm totally wrong; this thing is delicious.'"

Consumers will decide. A four-pack retails for an MSRP of $3.99.

> ***"Historically, [Slice] was about fun and flavor, so they have a huge opportunity to lean into that," says Jonah Fay-Hurvitz of Red Antler. "You've got to frame the old brand for today."***

Product

FINDING THE RIGHT CUSTOMER

The home security company **SimpliSafe** assumed it had a product for apartment dwellers. Then homeowners kept buying it.

by JASON FEIFER

Chad Laurans was convinced he'd made the perfect product for the perfect customer. He'd done his research, refined his marketing, launched a home security company called SimpliSafe with high expectations—and then was promptly disappointed.

"Things were going pretty slowly," he says. "It felt like we were headed toward this middling outcome where we could spend years and maybe decades and not have much to show for it."

To save his business, Laurans began asking himself a difficult question: *Did I build the wrong product, or target the wrong customer?* It's a puzzle many entrepreneurs face as their businesses evolve, and as they seek what investor Marc Andreessen famously calls "product-market fit"—that is, the right product for a good market. Entrepreneurs may think they know the answer, but until they launch, they really don't.

Laurans would come to discover just how important a true product-market fit is. After lots of investigating and hard work, he had an answer—and eventually, a newly thriving business that serves three million people.

His path began back in 2006, after three friends' homes were burglarized. The experience left all three feeling vulnerable and scared. They were living in apartments, which don't often have alarm systems. But when they called home security companies to install an alarm, they ran into aggressive sales tactics, long-term contracts, and a system that wasn't designed for renters.

This set off Laurans' entrepreneurial radar. He researched the home security market and found that it was dominated by a few big players and a business model of installing complicated wired systems. But he also discovered an opportunity to disrupt: Security systems could be designed and set up far cheaper using wireless tech, making them available to the renter market. So along with some cofounders, he built a wireless system tailored to renters, down to having a not-too-loud alarm siren (so as to not blare into a small apartment). When SimpliSafe launched in 2008, its marketing hammered home its target audience: The tagline was "Home security for city living."

But after a year of disappointing sales, Laurans knew something needed to change. He dove into SimpliSafe's customer data and began surveying his client base. That's when he discovered a key piece of information. Half of his customers were actually homeowners. They liked his simple-to-install system, had learned about it by word of mouth, and didn't care that it was purpose-built for apartments. That seemed to explain the problem: Renters weren't buying security systems in the way SimpliSafe had expected, and homeowners were trying to embrace a product that wasn't really made for them.

SimpliSafe had a choice to make. Should it abandon renters and pivot to owners? "This is not a small change," Laurans says. "It's rearchitecting our entire platform, requiring years of development work." Ultimately, the company decided that this hard decision was the only right one.

SimpliSafe began rebranding in 2010, releasing new versions over years that added the features homeowners wanted, like smoke and carbon monoxide detectors, ability to connect hundreds of sensors, multiple bases, and a louder siren for a larger space. "It took us a long time to figure out," Laurans says. Now growth is strong, and 50 percent of SimpliSafe customers are new to home security, meaning the company is achieving its original goal of serving those who had never owned alarm systems before.

Can apartment renters still buy a SimpliSafe system? Sure, Laurans says—he wouldn't discourage them. But now he's found his product-market fit, and he's focused on making the most of it.

PHOTOGRAPH COURTESY OF SIMPLISAFE

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Gut Check

BEING RIGHT WHEN EVERYONE SAYS YOU'RE WRONG

When the founders of **MZ Wallace** set out to create a long-lasting handbag, the fashion industry dismissed them. Two decades later, their design is iconic. **by STEPHANIE SCHOMER**

Back in 1999, longtime acquaintances Lucy Wallace Eustice and Monica Zwirner got to talking at a New York farmers' market. Both were young mothers with fast-growing careers in fashion, and, as it turned out, both had been looking for the same chic, ultra-durable accessory.

"There wasn't a great American nylon handbag, something that worked for *me*, someone who traveled and worked and had small children," Zwirner says. So she and Wallace Eustice decided to make it themselves, and created the now-booming brand MZ Wallace. Here's how they got started.

1 Embrace the naysayers.

The women walked around New York's garment district, knocking on suppliers' doors and looking for partners. "We told a leather vendor that we wanted to use his expensive Italian leather on nylon bags, and he was like, 'Why?'" Wallace Eustice says. "He told us that it was a waste of money." She took that as a positive: It meant, she says, "that we were doing something different."

2 Think outside the box.

The women designed their bags with a quilted nylon pattern, but multiple factories told them it couldn't be done cost-effectively. So they looked for alternatives. "I started thinking about products that are quilted and realized—mattress pads!" Zwirner says. She called a mattress pad manufacturer in Brooklyn, and he took on the job.

3 Find your sales channel.

Rather than sell wholesale to retailers, Wallace Eustice insisted on launching with their own retail space. They rented a tiny shop on Crosby Street, a stretch of Manhattan that was fairly desolate in 2000. As customers found the store, MZ Wallace capitalized on face time with them. With feedback from shoppers, they were able to adapt production quickly.

4 Hire for your weaknesses.

As the company grew, Zwirner and Wallace Eustice focused on what they *didn't* want to do. "We didn't want to do the books," Wallace Eustice says. They hired a part-time bookkeeper, followed by sales support. "It's easy to start to crumble as an entrepreneur when you attempt to do every job," Wallace Eustice says.

5 Celebrate the big wins.

MZ Wallace's big break came when Target asked them to produce a promotional tote for a film festival the corporation was sponsoring. "Monica called me and was like, 'I think I just got a $200,000 order, but I might be making a mistake,'" Wallace Eustice says.

It was the first time they had to fulfill a large order, but the experience set them up for the future. "That order gave us security for a year," Zwirner says. "We knew: Rent is covered, everything is covered, running the business will be fluff."

PHOTOGRAPH COURTESY OF MZ WALLACE

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Problem Solver

CREATE A MARKET FROM SCRATCH

How I used my online food-delivery expertise to build **Dutchie**, the cannabis-ordering platform I knew consumers wanted. by **ROSS LIPSON**

Cannabis had just been legalized for recreational use in Oregon, so I and everyone else in my town lined up, sometimes for an hour, outside the busy dispensaries. When I finally got to the counter, I had mere minutes to read the menu and even less time to discuss it with the budtender and make an informed decision. It was a terrible customer experience.

That's when it hit me: What if I could just go online, educate myself about the products available at each dispensary, determine which was right for me, click a button, and have them delivered straight to my home?

The concept wasn't completely random. In my previous life, I ran and sold two online food-ordering companies. The first I helped start in college, after I noticed how much time students wasted looking through paper menus and calling restaurants for delivery. After leaving school, I discovered there were no online food-delivery businesses in Canada, so my partner and I created GrubCanada, scaled it from coast to coast, and sold it to Just Eat in 2012.

Now I live in Bend, Oreg., where I ran my idea by my brother. He hates 99.9 percent of the stuff I pitch, but he said, "You have to do this." He joined me as CPO, we named the company Dutchie (slang for "joint"), and got to work applying the same ideas that we did with online food ordering.

We soon learned that the cannabis business was a different beast. It would require some creative rethinking.

At first, we stuck with what we knew: We built a system that looks a lot like a restaurant delivery service. Customers can shop on our platform, and then a dispensary receives the customer's order and is responsible for delivering the product or getting it ready for pickup. But as soon as we launched, we ran into a big problem. Dispensaries may sell more than 1,000 products, always get new products in, and run out of stock all the time—which means their inventory is constantly changing. This is the opposite of the restaurant business, where menus stay the same. When was the last time you ordered from Domino's and were told they ran out of pepperoni pizza?

We quickly got calls from frustrated dispensaries that were getting orders for sold-out products, and from angry customers who'd ordered something that wasn't available. It was devastating. But we came up with a solution. We integrated our software with major POS systems, so when a dispensary added or sold out of a product, Dutchie updated automatically.

One crisis solved, but soon there were others. In my former businesses, we used Google AdWords, Instagram, and Facebook to market, which you can't do with cannabis. We had to get the word out, but how? One thing I learned from the food-ordering business is that it's easier to get a customer to order again than it is to get somebody new to order. We needed repeat business.

That's why we got creative. When somebody orders from Dutchie for the first time, we surprise them with an appreciation package in the mail. Inside is a handwritten thank-you note, some Dutchie swag, and a pair of Dutchie slippers. Our message is: *Relax and let the dispensary come to you, or order for pickup*. That personal touch builds brand loyalty and creates word of mouth.

Dutchie is now in more than 350 stores across 13 states. If I could share one takeaway for those jumping into the cannabis business, it would be to stay in your lane. If you become a master at something, no matter what business it is, then stick to it. For me, it was online ordering. I'm still in online ordering today. I've switched my focus to cannabis because I saw an opportunity, but at the core of what we're doing—our operation, our logistics, our software, our team—it's the same as helping you order a pepperoni pizza.

PHOTOGRAPH COURTESY OF DUTCHIE

CHAPTER

2

PLAN OF ATTACK

You've identified your customer. Now you need to deliver.

Start Your Own Business

WRITE A WINNING BUSINESS PLAN

We lay out the steps you need to take to map out an orderly path to your startup's success. It all starts with your business plan.

Think you don't need a full-fledged business plan? Think again. According to a State of Small Business report commissioned by Palo Alto Software, 79 percent of companies with a business plan say they were better off financially than the year before, while only a third of small businesses without a business plan can say the same thing.

Additionally, nearly 75 percent of established companies that have a business plan in place expect to grow, compared with only 17 percent that don't have a business plan. That's even stronger evidence than an earlier study conducted for AT&T that showed only 42 percent of small-business owners bother to develop a formal business plan; of those who do use a plan, 69 percent say it was a major contributor to their success.

Some people think you don't need a business plan unless you're trying to borrow money. It's true that you do need a good plan if you intend to approach a lender—whether a banker, a venture capitalist, or any number of other sources—for startup capital. But a business plan is more than a pitch for financing; it's a guide to help you define and meet your business goals.

Just as you wouldn't start off on a cross-country drive without a road map, you shouldn't embark on a new business without a plan to guide you. A business plan won't automatically make you a success, but it will help you avoid some common causes of business failure, such as undercapitalization or lack of an adequate market.

As you research and prepare your business plan, you'll find weak spots in your business idea that you'll be able to repair. You'll also discover areas with potential that you may not have thought about before—and ways to profit from them. By putting together a business plan you can decide whether your great idea is really worth your time and investment.

What is a business plan, and how do you put one together? A business plan conveys your business goals and the strategies you'll use to meet them; potential problems that may confront your business and ways to solve them; the organizational structure of your business (including titles and responsibilities); and the amount of capital required to finance your venture and keep it going until it breaks even.

Sound impressive? It can be, if done properly. A good business plan follows generally accepted guidelines for both form and content. There are three primary parts of a business plan:

- The first is the *business concept*, where you discuss the industry, your business structure, your product or service, and how you plan to make your business a success.
- The second is the *marketplace section*, in which you describe and analyze potential customers: who and where they are, what makes them buy, and so on. Here, you also describe the competition and how you will position yourself to beat it.
- Finally, the *financial section* contains your income and cash-flow statements, balance sheet, and other financial ratios, such as break-even analyses. This part may require help from your accountant and a good spreadsheet software program.

Breaking these three major sections down further, a business plan consists of seven components:

- Executive summary
- Business description
- Market strategies
- Competitive analysis
- Design and development plan
- Operations and management plan
- Financial factors

In addition to these sections, a business plan should also have a cover, a title page, and a table of contents.

EXECUTIVE SUMMARY

Anyone looking at your business plan will first want to know what kind of business you are starting. So the business concept section should start with an executive summary, which outlines and describes the product or service you will sell.

The executive summary is the first thing the reader sees. Therefore, it must make an immediate impact by clearly stating the nature of the business and, if you are seeking capital, the type of financing you want. The executive summary describes the business, its legal form of operation (sole proprietorship, partnership, corporation, or limited liability company), the amount and purpose of the loan requested, the repayment schedule, the borrower's equity share, and the debt-to-equity ratio after the loan, security, or collateral is offered. Also listed are the market value, estimated value, or price quotes for any equipment you plan to purchase with the loan proceeds.

Your executive summary should be short and businesslike—generally between half a page and one page, depending on how complicated the use of funds is.

BUSINESS DESCRIPTION

This section expands on the executive summary, describing your business in much greater detail. It usually starts with a description of your industry. Is the business retail, wholesale, food service, manufacturing, or service-oriented? How big is the industry? Why has it become so popular? What kind of trends are responsible for the industry's growth? Prove, with statistics and anecdotal information, how much opportunity there is in the industry.

Explain the target market for your product or service, how the product will be distributed, and the business's support systems—that is, its advertising, promotions, and customer service strategies.

Next, describe your product or service. Discuss the product's applications and end users. Emphasize any unique features or variations that set your product or service apart from others in your industry.

If you're using your business plan for financing purposes, explain why the money you seek will make your business more profitable. Will you use the money to expand, to create a new product, or to buy new equipment?

MARKET STRATEGIES

Here's where you define your market—its size, structure, growth prospects, trends, and sales potential. Based on research, interviews, and sales analysis, the marketplace section should focus on your customers and your competition. How much of the market will your product or service be able to capture?

The answer is tricky since so many variables influence it. Think of it as a combination of words and numbers. Write down the who, what, when, where, and why of your customers. The answer is critical to determining how you will develop pricing strategies and distribution channels.

Be sure to document how and from what sources you compiled your market information. Describe how your business fits into the overall market picture. Emphasize your unique selling proposition (USP)—in other words, what makes you different? Explain why your approach is ideal for your market.

Once you've clearly defined your market and established your sales goals, present the strategies you'll use to meet those goals.

Price. Thoroughly explain your pricing strategy and how it will affect the success of your product or service. Describe your projected costs and then determine pricing based on the profit percentage you expect. Costs include materials, distribution, advertising, and overhead. Many experts recommend adding 25 to 50 percent to each cost estimate, especially overhead, to ensure you don't underestimate.

Distribution. This includes the entire process of moving the product from the factory to the end user. The type of distribution network you choose depends on your industry and the size of the market. How much will it cost to reach your target market? Does that market consist of upscale customers who will pay extra for a

SAMPLE EXECUTIVE SUMMARY

The business will provide ecology-minded consumers with an environmentally safe disposable diaper that will feature all the elements that are popular among users of disposable diapers but will include the added benefit of biodegradability. The product, which is patent pending, will target current users of disposable diapers who are deeply concerned about the environment as well as those consumers using cloth diapers and diaper services. The product will be distributed to wholesalers who will, in turn, sell to major supermarkets, specialty stores, department stores, and major toy stores.

The company was incorporated in 1989 in the state of California under the name Softie Baby Care. The company's CEO, president, and vice president have more than 30 years of combined experience in the diaper industry.

With projected net sales of $871 million in its third year, the business will generate pretax net profits of 8 percent. Given this return, investment in the company is very attractive. Softie Baby Care Inc. will require a total amount of $26 million over three stages to start the business.

1. The first stage will require $8 million for product and market development.
2. The second stage of financing will demand $12 million for implementation.
3. The third stage will require $6 million for working capital until break-even is reached.

First-stage capital will be used to purchase needed equipment and materials to develop the product and market it initially. To obtain its capital requirements, the company is willing to relinquish 25 percent equity to first-stage investors.

The company has applied for a patent on the primary technology that the business is built around, which allows the plastic within a disposable diaper to break down upon extended exposure to sunlight. Lease agreements are also in place for a 20,000-square-foot facility in a light industrial area of Los Angeles, as well as for major equipment needed to begin production. Currently, the company has funding of $3 million from the three principals, with purchase orders for 500,000 units already in hand.

premium product or service or budget-conscious consumers looking for a good deal? Study your competitors to see what channels they use. Will you use the same channels or a different method that may give you a strategic advantage? How will you plug into these channels? (Are there exclusives you won't be able to break or middlemen you'll need to employ?)

Sales. Explain how your sales force (if needed) will meet its goals, including elements such as pricing flexibility, sales presentations, lead generation, and compensation.

COMPETITIVE ANALYSIS

How does your business relate to the competition? The competitive analysis section answers this question. Using what you've learned from your market research, detail the strengths and weaknesses of your competitors, the strategies that give you a distinct advantage, any barriers you can develop to prevent new competition from entering the market (think patents, trademarks, and the like), and any weaknesses in your competitors' service or product development cycle you can take advantage of.

The competitive analysis is an important part of your business plan. Startup entrepreneurs often mistakenly believe their product or service is the first of its kind and fail to recognize that competition exists. In reality, every business has competition, whether direct or indirect. Your plan must show that you recognize this and have a strategy for dealing with the competition. The more up front you are about the competition, the more solid your plan will appear to anyone reviewing it.

DESIGN AND DEVELOPMENT PLAN

This section describes a product's design and charts its development within the context of production, marketing, and the company itself. If you have an idea but have not yet developed the product or service, if you plan to improve an existing product or service, or if you own an existing company and plan to introduce a new product or service, this section is extremely important. (If your product is already completely designed and developed, you don't need to complete this section. If you are offering a service, you will need to concentrate only on the development half of the section.)

The design section should thoroughly describe the product's design and the materials used; include any diagrams, if applicable. The development plan generally covers (1) product development, (2) market development, and (3) organizational development. If you're offering a service, cover only the last two.

Create a schedule that shows how the product, marketing strategies, and organization will develop over time. The schedule should be tied to a development budget so expenses can be tracked throughout the design and development process.

OPERATIONS AND MANAGEMENT PLAN

Here, you describe how your business will function on a daily basis. This section

FINDING FUNDING

One of the primary purposes of a business plan is to help you obtain financing for your business. When writing your plan, it's important to remember who those financing sources are likely to be.

Bankers, investors, venture capitalists, and investment advisers are sophisticated in business and financial matters. How can you ensure your plan makes the right impression? Three tips are key:

1 Avoid hype. While many entrepreneurs tend to be gamblers who believe in relying on their gut feelings, financial types are likely to go by the book. If your business plan praises your idea with superlatives like *one-of-a-kind, unique,* or *unprecedented,* your readers are likely to be turned off. They also won't believe you and are more likely to look skeptically at everything else in your plan. Wild, unsubstantiated promises or unfounded conclusions tell financial sources you are inexperienced, naive, and reckless.

2 Polish the executive summary. Potential investors receive so many business plans, they cannot afford to spend more than a few minutes evaluating each one. If at first glance your proposal looks dull, poorly written, or confusing, investors will toss it aside without a second thought. In other words, if your executive summary doesn't grab them, you won't get a second chance. Think of it like the cover letter of your future.

3 Make sure your plan is complete. Even if your executive summary sparkles, you need to make sure the rest of your plan is just as good and includes all the necessary information. Some entrepreneurs are in such a hurry to get financing, they submit a condensed or preliminary business plan, promising to provide more information if the recipient is interested. This approach usually backfires for two reasons: First, if you don't provide information up front, investors will assume it doesn't exist yet and that you're stalling for time. Second, even if investors are interested in your preliminary plan, their interest may cool in the time it takes you to compile the rest of the information.

When presenting a business plan, you're starting from a position of weakness. And if potential investors find any flaws in your plan, they gain an even greater bargaining advantage. A well-written and complete plan gives you greater negotiating power and boosts your chances of getting financing on your own terms.

explains logistics, such as the responsibilities of each member of the management team, the tasks assigned to each division of the company (if applicable), and the capital and expense requirements for operating the business.

Describe the business's managers and their qualifications, and specify what type of support staff will be needed for the business to run efficiently. Any potential benefits or pitfalls to the community should also be presented, such as new job creation, economic growth, and possible effects on the environment from manufacturing and how they will be handled to comply with local, state, and federal regulations.

FINANCIAL FACTORS

The financial statements are the backbone of your business plan. They show how profitable your business will be in the short and long term, and should include the following:

- The *income statement* details the business's cash-generating ability. It projects such items as revenue, expenses, capital (in the form of depreciation), and cost of goods. You should generate a monthly income statement for the business's first year, quarterly statements for the second year, and annual statements for each year thereafter (usually for three, five, or 10 years, with five being the most common).
- The *cash-flow statement* details the amount of money coming into and going out of the business–monthly for the first year and quarterly for each year thereafter. The result is a profit or loss at the end of the period represented by each column. Both profits and losses carry over to the last column to show a cumulative amount. If your cash-flow statement shows you consistently operating at a loss, you will probably need additional cash to meet expenses. Most businesses have some seasonal variations in their budgets, so reexamine your cash-flow calculations if they look identical every month.
- The *balance sheet* paints a picture of the business's financial strength in terms of assets, liabilities, and equity over a set period. You should generate a balance sheet for each year profiled in the development of your business.

In addition to these essential financial documents, include any relevant summary information that's not included elsewhere in the plan but will significantly affect the business. This could include ratios, such as return on investment, break-even point, or return on assets. Your accountant can help you decide what information is best to include.

Many people consider the financial section of a business plan the most difficult to write. If you haven't started your business yet, how do you know what your income will be? You have a few options. The first is to enlist your accountant's help. An accountant can take your raw data and organize it into categories that will satisfy all the requirements of a financial section, including monthly and yearly sales projections. Or, if you are familiar with accounting procedures, you can do it yourself with the help of a good spreadsheet program.

A LIVING DOCUMENT

You've put a lot of time and effort into your business plan. What happens when it's finished? A good business plan should not gather dust in a drawer. Think of it as a living document, and refer to it often. A well-written plan will help you define activities and responsibilities within your business as well as identify and achieve your goals.

To ensure your business plan continues to serve you well, make it a habit to update yours annually. Set aside a block of time near the beginning of the calendar year, fiscal year, or whenever is convenient for you. Meet with your accountant or financial adviser, if necessary, to go over and update financial figures. Is your business heading in the right direction, or has it wandered off course?

Making it a practice to review your business plan annually is a great way to start the year fresh and reinvigorated. It lets you catch any problems before they become too large to solve. It also ensures that if the possibility of getting financing, participating in a joint venture, or other such occasion arises, you'll have an updated plan ready to go so you don't miss out on a good opportunity.

Whether you're writing it for the first time or updating it for the 15th, creating a good business plan doesn't mean penning a 200-page novel or adding lots of fancy clip art and footnotes. It means proving to yourself and others that you understand your business and you know what's required to make it grow and prosper.

ADD BRAINWRITING TO YOUR BRAINSTORM ARSENAL

Looks like sunny weather ahead: Brainstorms still have their place in the workplace, but a newer technique is clearing the skies for heightened productivity, greater equity among team members and a faster decision-making process.

Brainwriting—so called because it emphasizes written brainstorming contributions that ladder up to oral contributions and a final decision—is one of the techniques that is becoming more popular in leading organizations. One variation making the rounds in the tech world is a brainwriting exercise in which people individually make notes of their ideas, then vote on them as a group. It boils down to six key steps:

1. Team members write down their ideas for five to 10 minutes, individually, without discussion.
2. Each person reviews his or her list for two minutes, selecting one or two favorites—again, individually.
3. Out loud, each person shares his or her top ideas without elaborating on them. One person writes each idea on a large-scale notepad.
4. Each person—without discussion—chooses a favorite from the group's ideas and writes it on a piece of paper.
5. Out loud, everyone shares their favorite. One person tallies the results.
6. The team leader selects the final direction, either going by the group's collected votes or simply choosing what she thinks is the strongest idea.

This approach has been shown to be more productive than regular open sessions. Standard brainstorming—everyone in a room with the freedom to talk, with ideas developing as group members tease them out—has its place as a team-building exercise, but it has shortcomings when it comes to the nitty-gritty. It can lead to groupthink, with participants simply echoing what they're hearing from others, and it can inhibit some team members who are afraid the group will shoot down their ideas.

If this exercise feels right for your workplace, try one of these brainstorming ideas below, each a variation of brainwriting:

Pass the buck: Instead of participants sharing their top two ideas with the group, everyone puts each of their top two ideas on slips of paper, then puts them into a bowl. Participants draw two ideas each and come up with a third based on those two new ideas. (This technique can be particularly useful in teams that thrive on competition, without alienating team members who shy away from going up directly against colleagues.)

Go incognito: Keeping participants anonymous can increase fluency and flexibility of ideas. Issue the same paper and writing utensils to all team members, and ask them to write in block letters, keeping ideas limited to one or two words.

Start with a mini-brainstorm: Beginning with group ideation has been shown to increase the number of ideas that team members develop individually. Consider starting the session with a three-minute group brainstorm, then start the note taking and voting process. This gets people's creative juices flowing while maintaining the benefits of brainwriting.

Each example listed above brings a different flair to a group's session—and each has potential to maximize your team's time, talent and energy.

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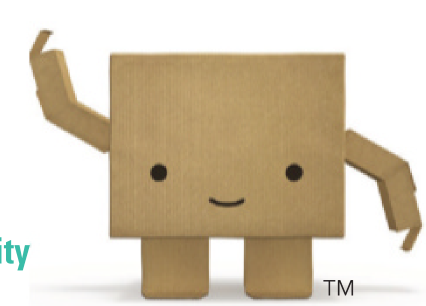


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• Business goals
• High-level requirements
- Project specific??
- Measuring/analyzing success?
Notes on User Research
• High-level design
• Define user behavior
and illustrate!
Beta Launch
• App store testing
• Roll out planning
Launch Schedule
OCTOBER
BETA
LAUNCH!
Analytics
Audience
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• Online dinner reservations 3x/month
• Meal kit delivery 50%
Market results?
2 MONTH PHASE?
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INFORMATION ARCHITECTURE BLUEPRINT
SCHEDULE TEAM MEETING
RECYCLABLE

Strategies

THE RULE I BROKE

What happens when you blow off the traditional wisdom of starting a business? Take it from these seven entrepreneurs who followed a new plan that worked even better.

There's an old saying that floats around the internet, always popping up in those collections of inspirational phrases: "Learn the rules like a pro so you can break them like an artist." Did Pablo Picasso say it? The Dalai Lama? Alexander McQueen? All have been cited as the source, but whatever—its origin doesn't matter. It endures because it's true.

Entrepreneurs are rule breakers, too, but the smartest among us know that you don't go smashing windows *just because*. We don't break rules for the fun of it. We break rules when we understand the systems that created those rules—and then, with careful thought and steely resolve, we can see bending that system to our will. We learned the rules. We know what we're doing. And that's why, when the time is right, we don't follow them.

On the following pages, we offer a celebration of rule breakers. And unlike that quote above with the cloudy origin, these words of inspiration are fully attributable: Seven entrepreneurs tell us how they built their businesses by ditching the old ways. Learn from them—and then, when you see fit, go do something else entirely.

PHOTOGRAPH COURTESY OF THE INFATUATION

RULE BROKEN Follow what your industry does

CHRIS STANG

Cofounder and CEO, The Infatuation

In 2014, when most digital publishers knew only one way to build an audience, Chris Stang and his cofounder, Andrew Steinthal, chose a very different path: They started sending text messages.

The guys had left their music-industry marketing and PR jobs to launch a digital restaurant guide called The Infatuation. The conventional content playbook at the time called for building a big Facebook audience, then flooding it with content. Facebook, after all, drove most content sites' traffic. "That seemed to be a very bad way to build a resource for people," Stang says. The guys didn't want to give Facebook that much control over their audience, and they worried they wouldn't learn much about their users based on those clicks.

What to do instead? Eventually, they launched a product called Text Rex. Users could text a number with a restaurant question ("Where can I take my wife for Italian in the East Village?") and an Infatuation staffer would reply with a recommendation. Users' questions turned out to be invaluable insights. Now The Infatuation knew exactly what people wanted and could build content to match. "It made us very good at serving the community with recommendations, and it also made us rank much higher in search results," Stang says. Today, Facebook's algorithm change has hurt all publishers' traffic, and less than 4 percent of The Infatuation's traffic comes from Facebook—but the brand has expanded to 35 cities and bought Zagat, the once dominant restaurant-recommendation brand. "Facebook can change their algorithm all they want," Stang says. "We'll just keep doing what we do." **–JASON FEIFER**

RULE BROKEN ▶ Have a detailed business plan

JENNY FLEISS

Cofounder and CEO, Jetblack (and previously, cofounder, Rent the Runway)

When cofounders Jenn Hyman and Jenny Fleiss began fundraising for Rent the Runway back in 2009, they would have horrified any MBA professor—because they didn't have a formal business plan. No problem: To date, their dress-rental service has raised more than $210 million in venture capital. That success prompted Fleiss to take a similar freewheeling approach to her next venture, Jetblack, a mobile digital shopping service that launched in June 2018 within Store No. 8, Walmart's incubation arm. Planning is overrated, Fleiss explains.

What's wrong with writing out a long-term strategy?

The mistake of a business plan is that it can make you less nimble. You're not going to have everything figured out from day one, and you might be less inclined to tweak or change aspects of your business, because you've already locked into your model.

How do you raise money without a business plan?

When Jenn and I started working on Rent the Runway, we purchased some dresses and launched a pop-up where we could collect data and do video interviews. The first woman who walked in put on a gold-sequined dress, twirled around, and said, "I look hot." That's the most powerful piece of our business, and with video, we were able to show that in ways male VCs otherwise couldn't have related to. Second, gathering data was a testament to our hustle. That was game-changing in our ability to fund-raise.

How did you explain the profit model?

I've seen plans that are 60 or 80 pages. We had a lean PowerPoint deck with about 15 slides. It had our preliminary financial model, unit economics, a few other things. But we edited them on the fly. It was a living, breathing process.

Did your strategy change with Jetblack?

Not much. We began by talking to consumers. There still isn't a business plan document. —CLINT CARTER

RULE BROKEN ▶ With founders, two is a company, three's a crowd

AJEET SINGH

Cofounder, ThoughtSpot

Ajeet Singh and his cofounder, Amit Prakash, refused to settle for midlevel engineers. To build ThoughtSpot, an ambitious AI-powered analytics platform with Google-like searchability, they'd need industry-leading talent across a variety of fields. Singh's background is in launching enterprise software, and Prakash is a machine-learning expert. In addition, they needed top minds in search infrastructure, cluster management, business intelligence, and more. "It was all about recruiting the best people in the world," Singh says .

The problem? "These are people who are making $1 million to $2 million a year," he says. To help incentivize top talent to join the new, still unproven venture, Singh and Prakash offered company ownership and a cofounder title. Over six months in 2012, Singh interviewed 50 to 60 people and took on five of them, so by the time he was done, he'd assembled a team of seven cofounders.

ThoughtSpot is now worth more than $1 billion. "A large cofounding team can be a problem," Singh says. "But we know when to defer to each other, and when we do disagree, we do it with respect."

—C.C.

PHOTOGRAPH COURTESY OF JETBLACK (JENNY FLEISS); PHOTOGRAPH COURTESY OF THOUGHTSPOT (AJEET SINGH)

RULE BROKEN Leverage your community for sales

CHARLOTTE CHO

Cofounder, Soko Glam and Then I Met You

Charlotte Cho is considered the authority on Korean beauty products, which is a very valuable thing to know about. The industry is enormous, and her company, the e-commerce marketplace Soko Glam (and its associated blog, The Klog), is on track to hit $100 million in total revenue. In sum, Cho and her company are Korean-beauty-industry hit-makers.

But in 2018, when Cho launched her own skincare line, called Then I Met You, she had one rule: It would *not* be sold on Soko Glam. Which is to say, she wouldn't use the massive sales platform she'd built to support her new company. Plenty of people told her she was crazy, but she believed in an idea bigger than sales: authenticity. The skin-care line isn't *technically* a Korean beauty product (the company is U.S.-based), and she didn't want her Soko Glam audience to feel deceived. "Then I Met You is built on the Korean concept of *jeong*, which is a deep, emotional connection that forms over time," Cho says. "It's sentimental. I want the brand to live on its own and find its community, rather than get lost on Soko Glam."

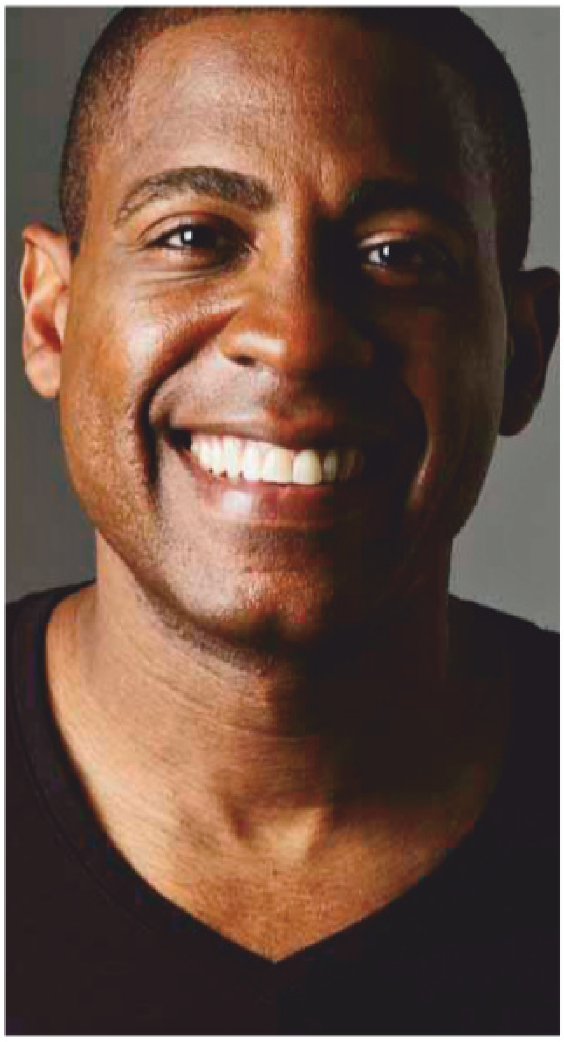
Instead, she paved a path for her new brand. She leveraged existing relationships with influencers, which helped Then I Met You collect more than 10,000 Instagram followers before it even launched. When it did debut, sales were brisk, and within 24 hours, multiple retailers had approached Cho about distribution. She turned them down. "We're starting a conversation with our customer," she says. "It's important that we remain in control of that conversation." –STEPHANIE SCHOMER

RULE BROKEN Stick to the schedule

CARLOS WATSON

Founder and CEO, OZY

Carlos Watson lets no calendar hold him down. "As the founder of a young company, I know how hard and special it is to get the right people in the room," says Watson, a former MSNBC news anchor whose company, OZY Media, has become known for its massive annual OZY Fest in New York and its growing stable of TV shows. "When that happens, you can't be so tied to your schedule that you're afraid to go deep." With our busy days, he says, people often don't give great ideas the focus and attention they deserve–so if he's on an important roll with someone, he'll sometimes order in food and treat the moment like an intellectual hackathon. As a result, he's moving his calendar around on the fly every day (including, let it be said, the day of his original interview with *Entrepreneur*!). "That's not always easy, and that's not always pretty, but it's the only way to get something to a full place of development," he says. "Ignore your schedule and win the moment." –J.F.



PHOTOGRAPH COURTESY OF THEN I MET YOU (CHARLOTTE CHO); PHOTOGRAPH COURTESY OF OZY (CARLOS WATSON)

RULE BROKEN Hide the guts of your business from your customers

BRIAN KELLY

Founder and CEO, The Points Guy

How does a company make money? It can be a tricky question if you collect and sell data without consumers' knowledge, or benefit in other ways that consumers never see. That's why, back in 2011, the question gave Brian Kelly a lot of heartache.

At the time, he had a little blog about how to optimize credit card points and frequent-flier miles. It attracted a small and loyal following but barely any advertising revenue. A friend suggested that Kelly start using credit card companies' affiliate links instead: If Kelly wrote about a card and linked to it, and a reader followed that link and signed up, Kelly would get a kickback. He was nervous. "I was wary of becoming the snake-oil salesman," Kelly says. Would readers trust him if they knew he profited from his recommendations?

He decided to try it, but with transparency; he explained the affiliate links at the top of every post. Some readers complained, but most didn't care. And Kelly quickly saw the upside. The affiliate money helped him quit his job to run the site full-time, and he sold it to Bankrate a year later. Now he oversees a staff of 30 writers and editors that reach 10 million readers a month, and the affiliate deals have expanded into full-on launch campaigns with major cards. "It's so lucrative, and it allows us to focus on what we do," he says.

From all this, Kelly has taken a lesson: If you trust your users, they'll trust you back. Sure, the occasional person still complains about the affiliate deals, but, he says, "I don't even need to respond anymore. An army of readers will say, 'Duh; that's the whole point. But we're smart and we can decide what's right for us.'" **–J.F.**

RULE BROKEN Launch with a completed product

PAYAL KADAKLA

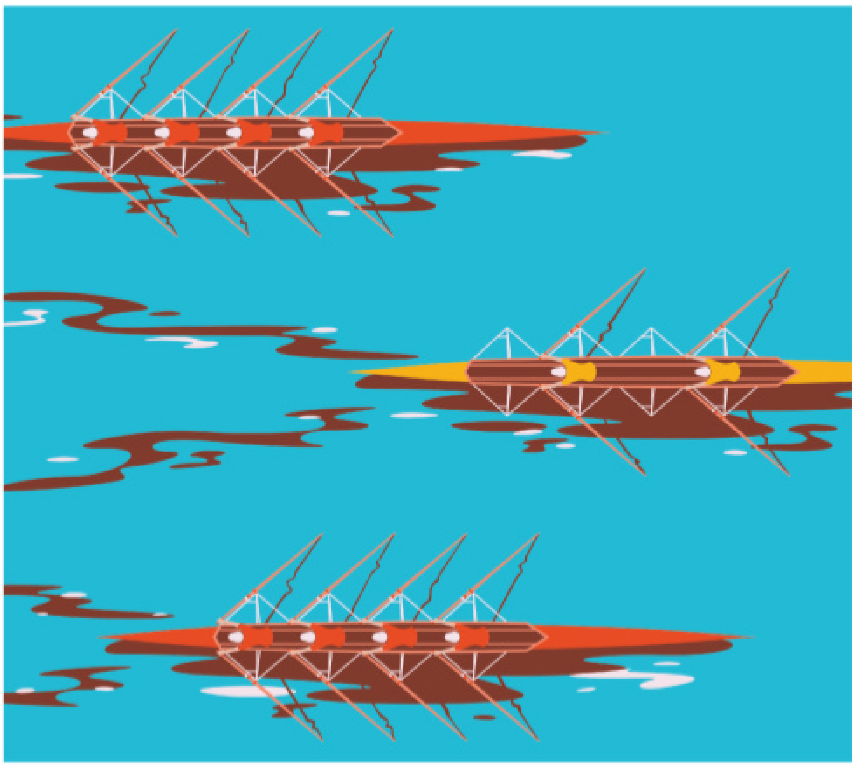
Founder, ClassPass

ClassPass, the platform that lets members automatically book a variety of fitness classes, operates in more than 80 cities around the world, has 400 employees, and has raised $255 million to date. But when it launched in 2013, it intentionally hadn't developed the technology to manage these bookings–leading to internal chaos. Why? Founder Payal Kadakia explains.

Why put the cart before the horse?
Early versions of our products used sophisticated technology. But they didn't address our customers' needs [which made the tech build-out worthless]. So when we launched ClassPass, I was determined to be absolutely positive we were providing a product people really wanted.

At first you had to manually book some 20,000 reservations?
There were less than 10 of us, practically living on almonds, trying to get this off the ground! But launching without a fully automated back end allowed us to watch customers' behavior. Once we knew precisely what to build, we did.

PHOTOGRAPH COURTESY OF THE POINTS GUY (BRIAN KELLY); PHOTOGRAPH COURTESY OF ALMOND BOARD OF CALIFORNIA (PAYAL KADAKIA)



Team

MAKE THE MOST OF A SMALL TEAM

Your business plan will involve hiring people who can multitask. Follow these steps to lay a strong foundation of function and efficiency.

by ADAM BORNSTEIN

Put 10 entrepreneurs in a room, and you'll hear the same mantras recited: *Hustle. Focus. Do more with less. Survive.* As inspiring as those words might sound, they can't ensure success. There's a reason that more than 50 percent of startups fail in the first five years.

Creating efficiencies means establishing an infrastructure that can help your business in multiple situations. After all, failure isn't always a by-product of a bad idea or a bad team. Sometimes everything is going right until it goes wrong: the website that gets too much traffic and crashes, or a product so in demand that inventory needs can't be met. I even read about a restaurant that after being voted best burger in America shut down due to the crowds.

These examples are everywhere, but the common denominator is the same. Every business, no matter the size or stage, needs systems that allow its team to move fast without breaking (too many) things.

In the early days of my branding agency, Pen Name Consulting, we were faced with a big challenge. In a span of three months, we landed contracts with Equinox, Dollar Shave Club, and Microsoft. It was exciting news, but scary, too: We were a tiny team of just two full-time employees and some contractors. Still, we made it work and renewed longer-term contracts with two of those clients.

How? We built checks and balances that began at a macro level and worked down to the micro. It might seem like a lot of work, but a little bit of extra planning can go a long way.

To keep a small team functioning at maximum efficiency, consider these five key principles.

1 ▶ Set expectations.
When you build your team, it's important for new hires to understand that the job requires work outside their typical scope of expertise. Teams that thrive are aligned on the bigger mission and have a clear understanding of how additional responsibilities are tied to success.

2 ▶ Learn from others.
People are more willing to pay it forward than you realize. Find someone who has walked in your shoes, explain *one* problem you have, and see what advice they give. Focus on a specific hurdle and you're likely to receive a very specific answer.

3 ▶ Assign project managers.
Every aspect of your business should have a "keeper"—someone who keeps all the chess pieces from falling off the board. I assign a different keeper to client services and internal functions, with each maintaining a macro view of responsibilities.

4 ▶ Weekly check-ins.
At each of my businesses, we gather twice a week. On Mondays we run through each team member's primary goals for the week during a 30-minute meeting. And on Fridays we block out an hour and check in on those goals. That way, if goals *weren't* met, we have time to outline a solution.

5 ▶ Daily check-ins.
Meeting culture can be a problem, yes, but if you keep daily check-ins to just 15 minutes, they don't feel like meetings. Instead, they're quick conversations that are more about support and care than tactical solutions. When things are moving fast, it's important to make sure your team is doing well and knows you have their back.

Remember, multitasking doesn't have to mean inefficiency. But it requires transparency, planning, and backup systems. In the short term, it will improve the function of your business. In the long run, it will help identify where you need the most support as you continue to grow.

Illustration Federico Gastaldi

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Not everyone can afford a great manufacturer, distributor, or other big supplier. So what then? These three entrepreneurs supercharged their businesses by bringing their vendors on board.

by JASON FEIFER and STEPHANIE SCHOMER

SHIRA BERK

Founder and CEO, Goodie Girl

ADVANTAGE ▶ Grow faster

Shira Berk had spent most of her career as a publicist, but in 2010 she started making gluten-free cookies and selling them at her children's preschool. Five years later she was selling $25,000 worth of Goodie Girl Cookies a year, and she wanted to go bigger—fast. "I didn't want to take the time to raise the money," she says. As it happens, a manufacturer, Greg Toufayan, of the bakery company Toufayan, wanted to get into the startup game. So they came up with a plan: Toufayan would invest in Goodie Girl and focus on production, logistics, and financing, and Berk would focus on sales and brand.

In one year, sales shot to $1 million. "I'm able to go into retailers and say, 'I'm partners with one of the largest bakeries in the U.S.—what do you need?' " Berk says. Once, Walmart's buyer requested a gluten-free fudge-stripe cookie. Goodie Girl whipped up a batch and sent it to Walmart within weeks. The buyer loved it. Today, Goodie Girl's national sales exceed $10 million.

MICHELLE CORDEIRO GRANT

Founder and CEO, Lively

ADVANTAGE ▶ Coordinate suppliers

As a Victoria's Secret exec, Michelle Cordeiro Grant knew one thing: Lingerie is a business built on partnerships. "It can take 25 to 40 suppliers to make one bra," she says. So when she started Lively, a direct-to-consumer company that makes stylish but comfortable lingerie, she built that network quickly.

A meeting with Yossi Nasser, the CEO of lingerie manufacturer Gelmart, proved serendipitous. He'd spent years circling the direct-to-consumer business but didn't have the experience to make a product resonate. Cordeiro Grant saw opportunity. A relationship with this manufacturer would solve some of her biggest problems. Over eight months, they solidified a deal. Gelmart would invest in Lively and handle its supply chain. "The Gelmart design and technical teams are constantly traveling the world meeting with new suppliers, so we have access to their ideas," she says. And as Lively has grown more than 100 percent annually, its manufacturing hasn't missed a beat.

MELISSA BEN-ISHAY

Cofounder, Baked by Melissa

ADVANTAGE ▶ Gain the perfect support

Few people know Melissa Ben-Ishay's full name, but many millions know her first name: She's the original creator and namesake of Baked by Melissa, a booming New York-based bakery known for its bite-size cupcakes. But the name is misleading, she says; it implies she built it alone. "People always ask me, 'How did you start the company—where did you get your capital?' " she says. "We didn't raise money. I surrounded myself with people who had skills that I didn't."

That includes two important vendors. The first was a caterer, Ben Zion, who had access to influential events throughout the city. The second was a café owner, Danny Omari, who had an available commercial kitchen and retail space. Both loved her cupcakes, but she couldn't pay for either's help. "What money did we have? Here I was just baking product, getting paid, and buying more ingredients," she says. So she offered both men equity and made them cofounders—and they, in turn, became her brand's champions, giving it the reach it needed to pop. Now she sells more than 30 million cupcakes a year. "It's virtually impossible," she says, "to do this alone."

PHOTOGRAPH COURTESY OF GOODIE GIRL (BERK); PHOTOGRAPH COURTESY OF LIVELY (CORDEIRO GRANT); PHOTOGRAPH BY WINNIE AU (BEN-ISHAY)

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CHAPTER 3

GOOD OPPORTUNITY

Explore franchising and be your own boss.

The List

THE HOT LIST

2019's Top 10 Franchise Categories

Compiled by TRACY STAPP HEROLD

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Contents

Every year, we at *Entrepreneur* uncover the hottest franchise categories. How do we decide? For one thing, we consider the data that we've collected over the past year. We look at the types of businesses that are just beginning to franchise in large numbers, like poke restaurants and DIY studios. We also take note of existing franchises that are experiencing a lot of growth even in more established industries, like childcare and fitness. And, to be honest, we also rely a bit on our gut. After 40-plus years of covering the franchise industry, we think we've developed a pretty good sense of how to tell what's trending. So whether you're interested in getting in on the ground floor of the next big thing or investing in a franchise sector that's proven itself and looks to continue going strong, consider this list of the hottest franchise categories of 2019.

As you read through it, keep in mind that it is not intended as an endorsement of any particular company. No matter what franchise you're considering, trending or not, it's vital that you do your homework before you invest. Read the franchise disclosure document, consult with an attorney and an accountant, and talk to as many existing and former franchisees as you can to find out if the opportunity is right for you.

Asian Food

Ginger Sushi Boutique
Sushi
STARTUP COST
$265.6K-$387.7K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
157/0

Go! Go! Curry
Japanese curry and rice
STARTUP COST
$366.8K-$777.3K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/7

Gyu-Kaku Japanese BBQ Restaurant
Japanese barbecue restaurants
STARTUP COST
$1M-$2.1M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
706/21

Hibachi Grill
Japanese food
STARTUP COST
$311.9K-$364.9K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/2

HuHot Mongolian Grills
Mongolian grill restaurants
STARTUP COST
$984K-$1.2M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
46/21


Pokeworks

Island Fin Poke Co.
Poke
STARTUP COST
$181.4K-$299.5K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/2

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

L&L Hawaiian Barbecue
Asian-American food
STARTUP COST
$135.7K-$527K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
185/0

LemonShark Poke
Poke
STARTUP COST
$343.95K-$613.7K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
14/3

Manchu Wok
Chinese food
STARTUP COST
$441.1K-$713.5K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
104/1

Pho Hoa
Vietnamese food
STARTUP COST
$226.1K-$436.7K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
53/10

Point Break Poke House
Poke bowls
STARTUP COST
$199.95K-$392.9K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/1

The Poke Company
Poke
STARTUP COST
$285.1K-$370.1K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/1

Poke + Go
Build-your-own poke bowls
STARTUP COST
$195.7K-$394.4K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/1

Poke Life
Poke
STARTUP COST
$174.8K-$438.5K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/1

Pokeworks
Poke
STARTUP COST
$250K-$850.5K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
27/11

Poki Bowl
Build-your-own poke bowls
STARTUP COST
$169.8K-$326.5K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/5

PHOTOGRAPH COURTESY OF POKEWORKS

Roc N Ramen Franchise
Ramen noodle dishes
STARTUP COST
$249.1K-$395.2K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/1

Samurai Sam's Teriyaki Grill
Japanese food
STARTUP COST
$106.3K-$432.1K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
18/1

Sriracha House
Asian-fusion food
STARTUP COST
$222.3K-$402K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/1

Sushi Sake
Japanese restaurants
STARTUP COST
$319.5K-$791.5K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/14

Teriyaki Madness
Asian food
STARTUP COST
$273.7K-$670.8K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
49/2

Thai Express
Thai food
STARTUP COST
$337.9K-$753.7K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
301/1

Beauty/Grooming Services

Amazing Lash Studio
Eyelash-extension salons
STARTUP COST
$224.7K-$482.5K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
212/7

Beauty Squares
Salon suites
STARTUP COST
$356K-$932.3K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/5

BeRaediant
Facial aesthetics, anti-aging and skin-rejuvenation services
STARTUP COST
$83.1K-$243.5K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/2

Beverly Hills Rejuvenation
Medical aesthetic, health, and wellness services
STARTUP COST
$540.2K-$881.1K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
2/5

Blo Blow Dry Bar
Blowouts, hair care, makeup
STARTUP COST
$229.5K-$347.7K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
77/0


Amazing Lash Studio

Cherry Blow Dry Bar Franchise Systems
Blowouts, extensions, makeup, hair treatments and styling
STARTUP COST
$236.4K-$395.9K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
17/1

Cimaje Studios
Hair replacement, haircuts, hair and scalp treatments
STARTUP COST
$106.5K-$135.1K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/1

Cookie Cutters Haircuts for Kids
Children's hair salons
STARTUP COST
$130K-$278K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
82/1

Cost Cutters Family Hair Care
Family hair salons
STARTUP COST
$139.4K-$290.2K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
373/221

Deka Lash
Eyelash extensions
STARTUP COST
$190.2K-$377.9K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
38/2

Drybar
Hair care
STARTUP COST
$644.1K-$1.3M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
31/74

Fantastic Sams Cut & Color
Hair salons
STARTUP COST
$144.9K-$316K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
1,000/2

First Choice Haircutters
Family hair salons
STARTUP COST
$163.9K-$302.6K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
205/197

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

Frenchies Modern Nail Care
Manicure and pedicure studios
STARTUP COST
$195.6K-$336.1K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
4/1

Fuzz Franchising
Body waxing
STARTUP COST
$306.6K-$539.8K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
1/6

PHOTOGRAPH COURTESY OF AMAZING LASH STUDIO

The Great American Barbershop Franchise
Men's grooming services
STARTUP COST
$175.5K-$297K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/3

Great Clips
Hair salons
STARTUP COST
$136.9K-$258.3K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
4,261/0

Hammer & Nails Grooming Shop for Guys
Men's grooming services
STARTUP COST
$253.3K-$597.5K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
4/1

Hand and Stone Massage and Facial Spa
Massage and spa services
STARTUP COST
$500.6K-$604.3K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
379/1

Idolize Brows & Beauty
Threading, lash extensions, waxing, facials
STARTUP COST
$86.4K-$251.5K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
2/6

In-Symmetry Spa
Massage, acupuncture, facials, waxing
STARTUP COST
$128.5K-$285.7K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/1

Lashes by Ann
Eyelash extension studios
STARTUP COST
$170.5K-$229.5K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/1

LaVida Massage
Massage and skin-care services
STARTUP COST
$284.8K-$476.4K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
53/1

Drybar

Lay Bare Waxing Salon
Sugaring, eyebrow threading, body facials
STARTUP COST
$140.1K-$241.9K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
68/50

Lemon Tree Family Salons
Family hair salons
STARTUP COST
$131.8K-$179K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
36/7

Lume
Eyelash, eyebrow, beauty, and facial care studios
STARTUP COST
$88.9K-$174.4K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/1

LunchboxWax
Body waxing
STARTUP COST
$341.1K-$496.9K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
33/3

Massage Envy
Massage therapy, stretch therapy, skin care, facials
STARTUP COST
$453.3K-$1.1M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
1,179/0

MassageLuXe
Therapeutic massage, facials, waxing
STARTUP COST
$412.4K-$565.6K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
52/5

Merle Norman Cosmetics
Cosmetics and skin-care products
STARTUP COST
$30.7K-$188.3K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
1,131/1

Modern Acupuncture
Traditional and cosmetic acupuncture
STARTUP COST
$274.6K-$625.5K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
23/0

Morning Dew Massage & Wellness
Massage and facials
STARTUP COST
$265.1K-$406.2K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
1/0

My Salon Suite/Salon Plaza
Salon suites
STARTUP COST
$515.9K-$1.5M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
90/29

Namaste Nail Sanctuary
Nail salons
STARTUP COST
$230.6K-$480.3K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
4/1

New Look Laser Medical
Med spas
STARTUP COST
$124.9K-$196.97K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/2

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

Palm Beach Tan
Tanning
STARTUP COST
$478.6K-$788.6K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
265/199

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
$300.4K-$983.1K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
227/3

Pigtails & Crewcuts
Children's hair salons
STARTUP COST
$98.8K-$230.3K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
60/1

Primp & Play
Family spa services and birthday parties
STARTUP COST
$106.6K-$157.3K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
2/1

PHOTOGRAPH COURTESY OF DRYBAR

Roosters Men's Grooming Centers
Men's grooming services and products
STARTUP COST
$173.8K-$303.4K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
86/0

Salons by JC
Salon suites
STARTUP COST
$550.6K-$1.1M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
81/10

Scissors & Scotch
Men's grooming services, lounge and bar
STARTUP COST
$411.7K-$661.5K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
4/2

Seva Beauty
Eyebrow shaping, eyelash extensions, facials, tinting, makeup, spa services and products
STARTUP COST
$82.6K-$255.2K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
172/0

Sharkey's Cuts for Kids
Children's hair salons
STARTUP COST
$144K-$184K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
54/1

Sirius Day Spa Franchising
Day spa services
STARTUP COST
$395.6K-$703.8K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
2/1

Spavia Day Spa
Massage, skin care, eyelash extensions, beauty and spa services
STARTUP COST
$282.9K-$646.7K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
31/1


Kiddie Academy

Sport Clips
Men's sports-themed hair salons
STARTUP COST
$204.8K-$368.3K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
1,759/69

Sugaring NYC
Sugaring hair removal
STARTUP COST
$118.7K-$200.6K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
1/8

Supercuts
Hair salons
STARTUP COST
$144.4K-$297K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
1,889/913

Touch n Glow
Beauty services
STARTUP COST
$21.4K-$141.3K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/2

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
$196.7K-$371K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
36/0

Waxing The City
Facial and body waxing
STARTUP COST
$116.3K-$519.7K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
90/8

The Woodhouse Spas
Spa services and treatments; bath, body, and wellness products
STARTUP COST
$652.4K-$835.2K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
54/4

YeloSpa
Massage, skin care, sleep therapy, facials
STARTUP COST
$438.3K-$1.2M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/1

Childcare

Adventure Kids Playcare
Childcare/entertainment centers
STARTUP COST
$344.3K-$589K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
11/4

Building Kidz School
Preschool/educational childcare
STARTUP COST
$199K-$463.5K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
9/9

Children's Lighthouse
Childcare
STARTUP COST
$694.5K-$4.6M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
49/0

College Nannies, Sitters and Tutors
Nanny-placement, babysitting, tutoring
STARTUP COST
$105K-$173K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
188/0

Creative World School Franchising
Early childhood education centers
STARTUP COST
$2.4M-$5.2M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
18/7

Discovery Point Franchising
Childcare
STARTUP COST
$403.8K-$3.4M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
44/3

Genius Kids
Preschool, daycare, public-speaking enrichment programs
STARTUP COST
$239.9K-$619.5K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
29/8

Goddard Systems
Preschool/educational childcare
STARTUP COST
$619.9K-$760.6K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
482/0

Ivybrook Academy
Preschool
STARTUP COST
$310.7K-$440.2K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
113/1

Ivy Kids Systems
Childcare and early learning
STARTUP COST
$3.5M-$4.6M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
5/5

PHOTOGRAPH COURTESY OF KIDDIE ACADEMY

Kiddie Academy
Educational childcare
STARTUP COST
$425K-$4.2M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
221/1

KidsPark
Hourly childcare
STARTUP COST
$215.5K-$405.5K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
15/2

Kids 'R' Kids Learning Academies
Childcare centers
STARTUP COST
$4.4M-$5.7M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
168/0

KLA Schools
Preschool/childcare
STARTUP COST
$511.5K-$2.1M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
13/5

LeafSpring Schools
Educational childcare/preschool
STARTUP COST
$3.5M-$6.5M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
19/5

The Learning Experience Academy of Early Education
Preschool/educational childcare
STARTUP COST
$493.5K-$3.6M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
192/20

Legacy Academy
Childcare
STARTUP COST
$3.5M-$6.1M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
11/0

Lightbridge Academy
Childcare/early learning
STARTUP COST
$549.2K-$5M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
27/13

Montessori Kids Universe
Educational childcare
STARTUP COST
$426.5K-$933.7K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
9/0

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

Primrose School Franchising
Educational childcare
STARTUP COST
$553.2K-$7M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
382/0

Tierra Encantada
Spanish immersion daycare and preschool
STARTUP COST
$591.5K-$1.1M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/4

Electronics

Batteries Plus Bulbs
Batteries, light bulbs, related products; device repairs
STARTUP COST
$190.1K-$367.4K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
666/66

CPR Cell Phone Repair
Electronics repairs and sales
STARTUP COST
$55.7K-$170.5K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
507/4

Device Pitstop
Electronics resales and repairs
STARTUP COST
$100.7K-$218.3K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
12/1

Experimac
Electronics resales and repairs
STARTUP COST
$142K-$321.1K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
112/4

iDropped
Electronics repairs
STARTUP COST
$60.1K-$119.1K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
3/7

iMechanic
Electronics repairs
STARTUP COST
$77.1K-$157.8K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
1/9

Kix Mobile
Used smartphone sales, exchanges, repairs, accessories, and plans
STARTUP COST
$59.7K-$233K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/1

Mobile Bling
New and used cellphones, accessories, and repairs
STARTUP COST
$78.7K-$208.1K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/1

TechVoo
Computer sales and service
STARTUP COST
$92.8K-$156.2K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/2

uBreakiFix
Electronics repairs
STARTUP COST
$60.4K-$225.4K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
393/28

Wireless Zone
Wireless devices, services, and accessories
STARTUP COST
$160K-$394.5K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
370/0

Entertainment/ Recreation

American Poolplayers Association
Recreational billiard leagues
STARTUP COST
$20.8K-$28.6K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
317/7

AR Workshop
DIY workshops
STARTUP COST
$62.9K-$116.8K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
116/4

Axe Monkeys
Indoor ax-throwing ranges
STARTUP COST
$189.4K-$266.1K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
3/0

uBreakiFix

PHOTOGRAPH COURTESY OF UBREAKIFIX

Board & Brush Creative Studio
DIY wood-sign workshops
STARTUP COST
$62.3K-$89.4K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
147/5

Bottle & Bottega
Paint-and-sip studios
STARTUP COST
$102.8K-$171.3K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
19/2

Color Me Mine Enterprises
Paint-your-own-ceramics studios
STARTUP COST
$164.4K-$197.3K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
129/9

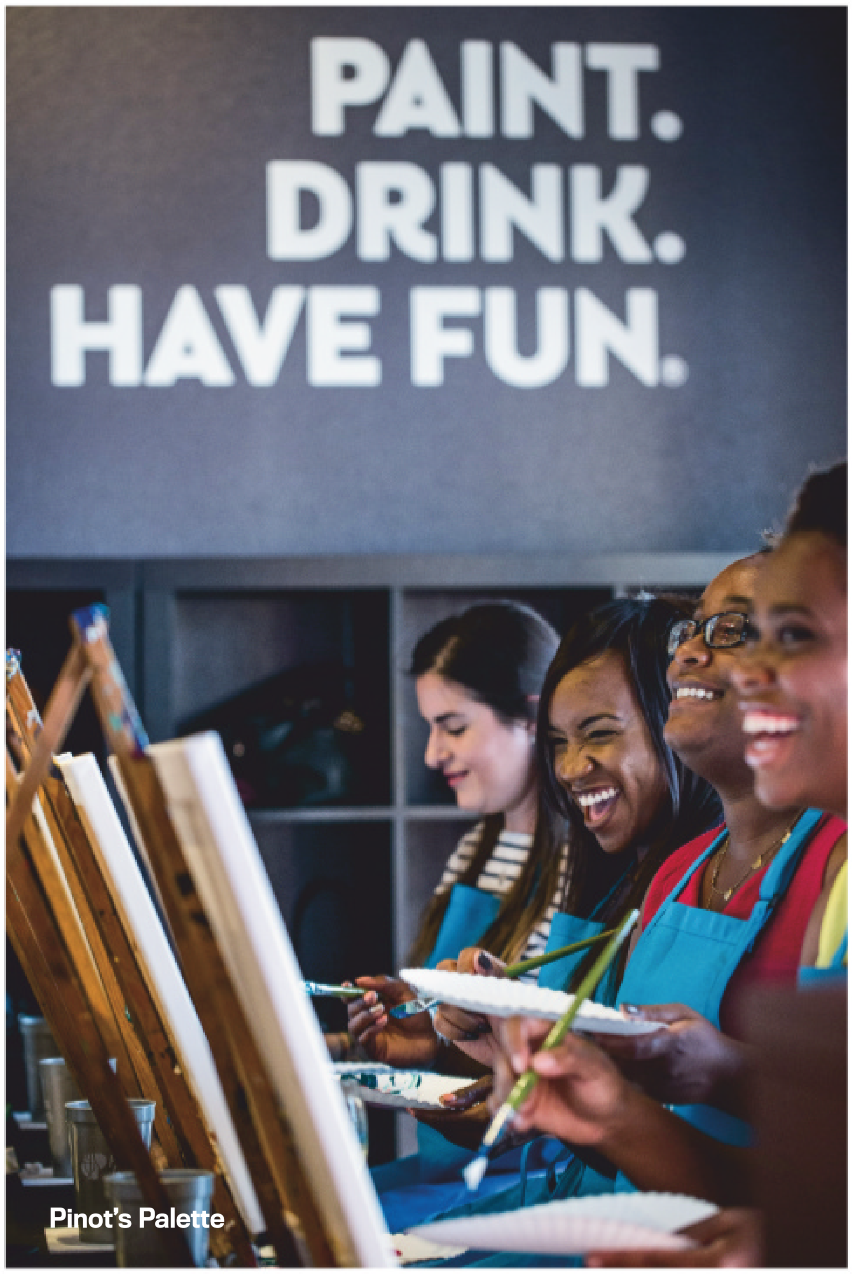
Complete Weddings + Events
Photography, DJ, video, and photo-booth services
STARTUP COST
$26.4K-$48.7K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
192/2

Cruise Planners
Travel agencies
STARTUP COST
$2.3K-$23.4K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
2,570/1

Ctrl V
Virtual reality arcades
STARTUP COST
$139.9K-$227.9K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
17/1

Dream Vacations
Travel agencies
STARTUP COST
$3.2K-$21.9K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
1,331/0

Escapology
Escape rooms
STARTUP COST
$144K-$681K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
28/2



Pinot's Palette

Expedia CruiseShipCenters
Retail travel agencies
STARTUP COST
$165.5K-$281.99K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
240/1

Freedom Boat Club
Membership boat clubs
STARTUP COST
$144.2K-$193.7K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
149/19

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

Funtopia
Indoor wall-climbing and family entertainment facilities
STARTUP COST
$627.1K-$1.9M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
4/5

HaliMac
Ax throwing
STARTUP COST
$130.97K-$213.7K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/4

Kubo Play
Indoor party spaces
STARTUP COST
$147.8K-$243.6K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/2

Launch Trampoline Park
Trampoline parks/entertainment centers
STARTUP COST
$1.1M-$2.8M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
17/2

Monkey Bizness Franchising
Indoor play and party centers
STARTUP COST
$240.5K-$497.5K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
3/3

Monkey Joe's Parties & Play
Family entertainment centers
STARTUP COST
$699.4K-$1.5M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
43/0

Nailed It Franchising
DIY studios
STARTUP COST
$56K-$133.5K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/2

Painting with a Twist
Paint-and-sip studios
STARTUP COST
$98.8K-$200.8K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
302/1

Paniq Room
Escape rooms
STARTUP COST
$200K-$350K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
4/8

Pinot's Palette
Paint-and-sip studios
STARTUP COST
$97.5K-$305K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
137/2

Pinspiration
DIY studios
STARTUP COST
$98.5K-$184.5K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/2

PHOTOGRAPH COURTESY OF PINOT'S PALETTE

Room 5280
Escape rooms
STARTUP COST
$113.95K-$126.7K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/1

The Rustic Brush
DIY studios
STARTUP COST
$63.97K-$95.2K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
6/2

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

SailTime Group
Membership boat clubs
STARTUP COST
$74.7K-$147.95K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
29/1

Sky Zone
Trampoline playing courts
STARTUP COST
$1.3M-$2.8M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
193/9

TapSnap
Digital photo booths
STARTUP COST
$56.3K-$77.4K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
128/0

Urban Air Adventure Park
Trampoline parks/entertainment centers
STARTUP COST
$1.7M-$2.5M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
46/5

Wine & Design
Paint-and-sip studios
STARTUP COST
$67.3K-$167.2K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
75/0


Sky Zone

X-Golf Franchise
Virtual golf entertainment centers
STARTUP COST
$437.2K-$900K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
9/0

Fitness

AKT Franchise
Fitness studios
STARTUP COST
$346.1K-$487K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
3/0

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

Amazing Athletes
Educational sports programs
STARTUP COST
$30.7K-$44.2K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
107/4

Anytime Fitness
Fitness centers
STARTUP COST
$107.5K-$722.8K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
4,043/38

Aqua-Tots Swim Schools
Swimming lessons
STARTUP COST
$496.9K-$1M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
90/1

Athletic Republic
Sports performance training
STARTUP COST
$200.9K-$538.6K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
51/1

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
$6.1K-$13.2K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
84/1

The Barre Code
Barre fitness classes
STARTUP COST
$222.5K-$466K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
31/6

barre.d studio
Barre fitness studios
STARTUP COST
$104.5K-$240.5K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/1

Bear Paddle Swim School
Child swimming lessons
STARTUP COST
$1.5M-$2.1M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/10

Big Blue Swim School
Swimming lessons for ages newborn to 10
STARTUP COST
$1.8M-$3.6M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/4

Blink Fitness
Health and fitness centers
STARTUP COST
$636.8K-$2.1M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
1/69

Bodytek Fitness
Gyms
STARTUP COST
$249.6K-$384.5K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
1/4

PHOTOGRAPH COURTESY OF SKY ZONE

Goldfish Swim School

Body Therapeutix
Outdoor fitness centers
STARTUP COST
$44.1K-$90.7K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/1

British Swim School USA
Swimming lessons for ages 3 months and older
STARTUP COST
$92.9K-$239.4K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
63/0

Burn Boot Camp
Women's fitness centers
STARTUP COST
$142.3K-$349.2K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
178/5

The Camp Transformation Center
Fitness/weight-loss services
STARTUP COST
$167K-$326.5K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
80/13

Children First Sports
Physical education programs
STARTUP COST
$39.4K-$46K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/1

CKO Kickboxing
Kickboxing fitness classes
STARTUP COST
$112.99K-$378.4K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
81/0

Club Pilates Franchise
Reformer Pilates classes
STARTUP COST
$220.3K-$310.7K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
367/0

Core Capacity Transformations
Fitness and nutrition programs, dietary supplements
STARTUP COST
$162.96K-$274.3K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/8

Core Progression Elite Personal Training
Personal and group training, wellness services
STARTUP COST
$152K-$504K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/3

Crunch Franchise
Fitness centers
STARTUP COST
$255.5K-$2.3M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
249/25

CycleBar
Indoor cycling classes
STARTUP COST
$284.4K-$497.2K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
150/0

D-BAT Academies
Indoor baseball and softball training, batting cages, merchandise
STARTUP COST
$397K-$698.98K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
59/0

D1 Sports Franchise
Athletic training
STARTUP COST
$221.5K-$492.2K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
25/2

Eat the Frog Fitness
Fitness studios
STARTUP COST
$522K-$706.5K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
7/3

The Exercise Coach
Personal training
STARTUP COST
$113.1K-$297.7K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
43/2

F45 Training
Fitness studios
STARTUP COST
$220K-$299K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
972/10

Fit Body Boot Camp
Indoor fitness boot camps
STARTUP COST
$136K-$198K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
540/1

Fit4Mom
Prenatal and postpartum fitness and wellness programs
STARTUP COST
$6.2K-$24.3K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
297/1

Fitness Together
Personal training
STARTUP COST
$143.6K-$258.1K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
142/0

Fun Bus Fitness Fun on Wheels
Mobile children's fitness and entertainment
STARTUP COST
$140.5K-$171.8K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
24/0

Get In Shape For Women
Small-group personal training for women
STARTUP COST
$71.4K-$172.7K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
39/4

Goldfish Swim School Franchising
Infant and child swimming lessons
STARTUP COST
$1.3M-$3M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
69/1

Gold's Gym
Health and fitness centers
STARTUP COST
$2.2M-$5M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
553/150

PHOTOGRAPH COURTESY OF GOLDFISH SWIM SCHOOL

GolfU
Children's golf training
STARTUP COST
$130.1K-$185.5K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/1

GYMGUYZ
Mobile personal training
STARTUP COST
$56.1K-$121.7K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
231/4

Hardcore Fitness Boot Camp
Group training
STARTUP COST
$225.3K-$354.3K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
1/10

Hard Exercise Works
Boot camp fitness programs
STARTUP COST
$136.3K-$466.5K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
18/1

Hi-Five Sports Franchising
Youth sports programs
STARTUP COST
$17.9K-$488.2K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
8/4

iLoveKickboxing.com
Kickboxing fitness classes
STARTUP COST
$214.9K-$559.5K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
259/5

i9 Sports
Youth sports leagues, camps, and clinics
STARTUP COST
$36.5K-$69.9K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
136/1

Jabz Franchising
Boxing studios for women
STARTUP COST
$99.2K-$194.4K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
15/3

Jazzercise
Group fitness classes, conventions, apparel, and accessories
STARTUP COST
$2.4K-$17.2K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
8,930/2

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

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

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
$18.1K-$46.8K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
148/2

9Round

Last Real Gym
Gyms
STARTUP COST
$487.6K-$965.4K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/1

Legacy Fit
Group interval training classes
STARTUP COST
$217.7K-$391.5K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
3/1

Legends Boxing
Boxing fitness programs
STARTUP COST
$276.9K-$472.1K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
4/1

The Little Gym International
Child-development/fitness programs
STARTUP COST
$181.5K-$431.5K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
421/0

Little Land Play Gym
Indoor play facilities and pediatric therapy
STARTUP COST
$225.5K-$498.5K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
8/2

The Max Challenge
10-week fitness and nutrition programs
STARTUP COST
$146.9K-$295.6K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
68/1

Mayweather Boxing + Fitness
Boxing fitness studios
STARTUP COST
$199.9K-$566.3K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/1

Middle School Matchup
Middle school baseball tournaments
STARTUP COST
$41K-$137.7K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/0

Moms on the Run
Fitness programs for women
STARTUP COST
$5.6K-$13.98K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
37/9

My Gym Children's Fitness Center
Early-learning/fitness programs
STARTUP COST
$36.8K-$244.2K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
649/0

9Round
Kickboxing fitness circuit-training programs
STARTUP COST
$91.6K-$133.2K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
708/7

NZone Sports of America
Sports leagues and programs for ages 2 to 15
STARTUP COST
$41.1K-$63.1K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
49/1

PHOTOGRAPH COURTESY OF 9ROUND

One Sports Nation/ Fun Size Sports
Youth sports leagues/children's sports enrichment programs
STARTUP COST
$16.4K-$94.5K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
24/1

Orangetheory Fitness
Group personal training
STARTUP COST
$563.5K-$999.1K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
977/23

Overtime Franchise
Youth sports programs
STARTUP COST
$59.9K-$68.6K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
12/2

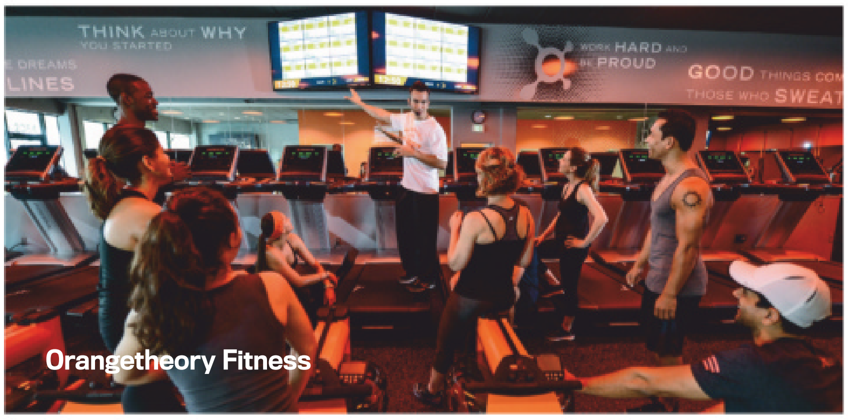
Oxygen Yoga & Fitness
Yoga and fitness classes
STARTUP COST
$245K-$390K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
47/0

Parisi Speed School
Youth sports performance training
STARTUP COST
$37.8K-$67K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
97/0

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

PickUp USA Fitness
Basketball-focused fitness clubs
STARTUP COST
$402.3K-$999.1K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
5/0

Planet Fitness
Fitness clubs
STARTUP COST
$969.6K-$4.2M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
1,540/68



Orangetheory Fitness

Pure Barre
Barre fitness classes and apparel
STARTUP COST
$191.7K-$439.3K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
486/13

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

Real Life Ninja Academy
Obstacle-course training
STARTUP COST
$117.8K-$232.9K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/1

RedLine Athletics Franchising
Youth athletic training centers
STARTUP COST
$218.3K-$337.5K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
21/1

Regymen Fitness
Fitness studios
STARTUP COST
$425.5K-$870.5K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
1/4

Retro Fitness
Health clubs
STARTUP COST
$944K-$1.6M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
146/0

Row House Franchise
Indoor rowing classes
STARTUP COST
$231.6K-$333.8K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
3/1

SafeSplash/SwimLabs/ Swimtastic
Child and adult swimming lessons, parties, summer camps
STARTUP COST
$39.5K-$1.6M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
142/11

Sasquatch Strength
Group functional training
STARTUP COST
$67.3K-$170.7K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/3

Self Made Training Facility
Private personal training and supplement sales
STARTUP COST
$261.2K-$720.99K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
12/2

Shred415
Fitness studios
STARTUP COST
$423.5K-$920.8K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
5/10

Skyhawks Sports & Supertots Sports Academy
Sports camps and programs
STARTUP COST
$26.3K-$65.8K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
91/63

Snap Fitness
24-hour fitness centers
STARTUP COST
$149.8K-$462.8K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
1,351/44

Soccer Shots Franchising
Soccer programs for ages 2 to 8
STARTUP COST
$41K-$53.95K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
200/9

StretchLab Franchise
Assisted stretching classes and related therapy services
STARTUP COST
$193.3K-$273.9K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
3/1

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

Tapout Fitness
Fitness and martial arts
STARTUP COST
$93.8K-$566.5K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
14/0

TGA Premier Golf
Youth golf programs
STARTUP COST
$21.5K-$62.8K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
56/2

TGA Premier Team Sports
Youth sports after-school programs and camps
STARTUP COST
$29.8K-$68.2K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
17/1

TGA Premier Tennis
Youth tennis programs
STARTUP COST
$21.5K-$62.8K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
49/1

PHOTOGRAPH COURTESY OF ORANGETHEORY FITNESS

30 Minute Hit
Kickboxing circuit-training programs for women
STARTUP COST
$100K-$165K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
68/0

Title Boxing Club
Boxing and kickboxing fitness classes, personal training, apparel
STARTUP COST
$162.8K-$478.9K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
170/3

Tough Mudder Bootcamp
High-intensity interval training studios
STARTUP COST
$297K-$521.4K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
2/0

Tutu School
Children's ballet schools
STARTUP COST
$73.7K-$135.2K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
27/3

UFC Gym
Boxing, kickboxing, Brazilian jiu jitsu, high-intensity interval training, and group fitness classes
STARTUP COST
$151K-$4.2M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
116/17

The Warrior Factory
Obstacle-course training programs for children and adults
STARTUP COST
$685.5K-$1.1M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/1

Workout Anytime 24/7
24-hour health clubs
STARTUP COST
$555.5K-$996.4K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
156/1

YogaSix
Yoga classes
STARTUP COST
$216.9K-$399.8K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
7/0

Zooga Yoga Enterprises
Yoga classes for children and families
STARTUP COST
$90.5K-$241.4K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
2/1

Frozen Desserts

Bahama Buck's
Shaved ice, fruit smoothies
STARTUP COST
$233.3K-$832.96K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
109/4

Baskin-Robbins
Ice cream, frozen yogurt, frozen beverages
STARTUP COST
$93.6K-$401.8K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
8,041/0

Ben & Jerry's
Ice cream, frozen yogurt, sorbet, smoothies
STARTUP COST
$149.2K-$504.3K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
556/37

BPC Franchising
Alcoholic sorbets and gelatos
STARTUP COST
$131.5K-$230.3K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/0

Bruster's Real Ice Cream
Ice cream, frozen yogurt, ices, sherbets
STARTUP COST
$270.2K-$1.3M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
192/2

Carvel
Ice cream, ice cream cakes
STARTUP COST
$250.6K-$415.5K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
373/0

Cold Stone Creamery
Ice cream, sorbet
STARTUP COST
$50.2K-$467.5K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
1,233/3

Creamistry Franchise
Ice cream
STARTUP COST
$224.5K-$576.5K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
61/1

Ben & Jerry's

Culver's
Frozen custard, specialty burgers
STARTUP COST
$2M-$4.7M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
661/6

Dairy Queen
Ice cream, burgers, chicken
STARTUP COST
$1.1M-$1.8M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
7,066/2

Dippin' Dots Franchising
Specialty ice cream, frozen yogurt, ices, sorbet
STARTUP COST
$112.2K-$366.95K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
219/1

Freddy's Frozen Custard & Steakburgers
Frozen custard, steakburgers, hot dogs
STARTUP COST
$577.97K-$1.99M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
287/24

Frios Gourmet Pops
Popsicles
STARTUP COST
$63.4K-$185.95K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
30/0

Happy & Healthy Products
Frozen fruit bars
STARTUP COST
$52.8K-$96.9K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
47/0

Ice Cream Rollery
Rolled ice cream
STARTUP COST
$96.6K-$163.9K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/1

Kilwins Chocolates Franchise
Chocolates, fudge, ice cream
STARTUP COST
$423.3K-$790.2K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
116/2

PHOTOGRAPH COURTESY OF BEN & JERRY'S

Kona Ice
Shaved-ice trucks
STARTUP COST
$124.8K-$147.6K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
1,111/23

Marble Slab Creamery
Ice cream, frozen yogurt, baked goods
STARTUP COST
$293.1K-$376.1K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
330/0

Mister Softee
Soft-serve ice cream trucks
STARTUP COST
$158.5K-$181K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
266/0

Pinkberry
Frozen yogurt, frozen-yogurt shakes, Greek-yogurt smoothies
STARTUP COST
$310.4K-$628.99K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
94/9

Popbar
Gelato, sorbetto, and frozen yogurt on a stick
STARTUP COST
$217K-$458.4K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
27/1

Reis & Irvy's
Frozen-yogurt vending machines
STARTUP COST
$160.95K-$593.9K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
11/0

Rita's Italian Ice
Italian ice, frozen custard
STARTUP COST
$172.2K-$430.9K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
572/0

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
$219.5K-$475.5K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
56/3

Sumo Snow
Shaved snow, boba tea, Asian desserts
STARTUP COST
$149.8K-$288.5K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/1

Sweet Rolled Tacos
Rolled ice cream, bubble tea
STARTUP COST
$160.1K-$273.6K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/1

sweetFrog Premium Frozen Yogurt
Self-serve frozen yogurt
STARTUP COST
$221.5K-$439.5K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
206/76

Waikomo Shave Ice
Shaved ice
STARTUP COST
$37.97K-$123.2K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/1

Yogurtland Franchising
Self-serve frozen yogurt and ice cream
STARTUP COST
$298.7K-$693.3K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
305/12

Yogurt Mountain
Frozen yogurt, ice cream, gelato, custard, sorbet, Italian ice
STARTUP COST
$249.99K-$611.8K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
25/13

Mexican Food

Baja Fresh
Mexican food
STARTUP COST
$224.5K-$993K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
127/5

Bubbakoo's Burritos
Mexican food
STARTUP COST
$135.5K-$398K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
9/10

California Tortilla
Mexican food
STARTUP COST
$378.4K-$697K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
42/4

Chronic Tacos Enterprises
Mexican food
STARTUP COST
$296K-$799K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
45/6

Del Taco Fresh Mexican Grill
Mexican/American food
STARTUP COST
$859.7K-$2.1M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
270/310

Drunken Taco Franchising
Mexican food
STARTUP COST
$217.4K-$334.7K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/1

Fuzzy's Taco Shop
Baja-style Mexican food
STARTUP COST
$858.5K-$1.3M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
136/10

Go Burrito
Burritos and beer
STARTUP COST
$435K-$962K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/1

Jimboy's Tacos
Mexican food
STARTUP COST
$375K-$1.4M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
37/1

La Salsa Fresh Mexican Grill
Mexican food
STARTUP COST
$189.6K-$992.6K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
18/0


Bubbakoo's Burritos

PHOTOGRAPH BY PAUL ALTERO/BUBBAKOO'S BURRITOS

Moe's Southwest Grill
Mexican food
STARTUP COST
$446K-$997.2K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
716/5

Qdoba Mexican Eats
Mexican food
STARTUP COST
$936.2K-$2.3M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
356/385

Quesada Burritos & Tacos
Mexican food
STARTUP COST
$239K-$320.5K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
102/3

Taco Bell
Mexican food
STARTUP COST
$525.1K-$2.6M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
6,299/606

Taco John's International
Mexican food
STARTUP COST
$942K-$1.4M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
383/10

Taco Rico Tex-Mex Cafe
Mexican food
STARTUP COST
$129.8K-$285.8K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
1/5

TacoTime
Mexican food
STARTUP COST
$144.7K-$814.1K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
261/0

Pets

Always Faithful Dog Training
Dog training
STARTUP COST
$42.5K-$65.6K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
12/1


Camp Bow Wow

PHOTOGRAPH BY CHUCK TRAVERS/CAMP BOW WOW

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
$140.1K-$149.1K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
268/0

Ben's Barketplace
Pet health-food stores
STARTUP COST
$188.6K-$360.6K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/2

Camp Bow Wow
Dog daycare, boarding, training, grooming; in-home pet care
STARTUP COST
$783.5K-$1.5M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
146/10

Camp Run-A-Mutt
Dog daycare and boarding
STARTUP COST
$187.7K-$471.9K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
9/1

Central Bark Doggy Day Care
Dog daycare
STARTUP COST
$347K-$503.9K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
24/1

Dee-O-Gee
Pet supplies and services
STARTUP COST
$157.1K-$555K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
3/0

D.O.G. Hotels
Dog daycare, boarding, grooming
STARTUP COST
$429K-$548.5K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
3/1

The Dog Stop
Dog care services and products
STARTUP COST
$254.7K-$488.6K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
8/4

Dogtopia
Dog daycare, boarding, and spa services
STARTUP COST
$606.5K-$1.3M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
69/6

The Dog Wizard
Dog training
STARTUP COST
$50.5K-$67.4K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
21/0

EarthWise Pet
Pet food and supplies, grooming, self-wash, training, and walking
STARTUP COST
$233K-$568K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
48/3

Fetch! Pet Care
Pet-sitting, dog-walking
STARTUP COST
$19.97K-$28.2K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
72/2

Got Poo?
Pet waste removal and pet services
STARTUP COST
$37.8K-$108.8K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/1

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
$175.3K-$249K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
5/2

Husse
Pet-product delivery
STARTUP COST
$21K-$107.5K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
523/1

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

Instinct Dog Training
Dog training
STARTUP COST
$344.6K-$588.8K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/1

K9 Resorts
Luxury dog daycare and boarding
STARTUP COST
$903.7K-$1.3M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
6/1

Mutts Canine Cantina
Dog parks with bars and grills
STARTUP COST
$906.1K-$1.5M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/1

The Paw Depot
Pet food and supplies
STARTUP COST
$142.3K-$301.5K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/1

Petland
Pets, pet supplies, boarding, daycare, grooming
STARTUP COST
$280K-$1M
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
176/15

Pet Passages
Pet funeral and cremation services and products
STARTUP COST
$40.5K-$425K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
2/2

Pet Supplies Plus
Retail pet supplies and services
STARTUP COST
$463.4K-$993.4K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
227/215

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
$59.8K-$197K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
69/0

Preppy Pet
Pet daycare, boarding, grooming
STARTUP COST
$105.95K-$210.4K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
17/1

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

Scenthound
Dog grooming
STARTUP COST
$205.5K-$377.5K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
0/4

Sit Means Sit Dog Training
Dog training
STARTUP COST
$49.8K-$145.9K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
127/1

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

Wag N' Wash Natural Food & Bakery
Pet food and supplies, grooming
STARTUP COST
$510.9K-$843.4K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
12/5

Wild Birds Unlimited
Bird-feeding supplies and nature gift items
STARTUP COST
$150.8K-$260.99K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
338/0

Zoom Room
Indoor dog training and socialization, pet products
STARTUP COST
$147.1K-$300.6K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
7/2


AtWork Group

Staffing/Recruiting

AtWork Group
Temporary, temp-to-hire, and direct-hire staffing
STARTUP COST
$152K-$231K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
92/1

Express Employment Professionals
Staffing, HR solutions
STARTUP COST
$135K-$206K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
813/0

Fortune Personnel Consultants (FPC)
Executive recruiting
STARTUP COST
$86.3K-$130.1K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
61/1

Jomsom Staffing Services
Temporary and permanent staffing, employment services
STARTUP COST
$84.1K-$128K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
4/2

Labor Finders
Industrial staffing
STARTUP COST
$128.5K-$217.96K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
194/0

Link Staffing Services
Staffing, HR solutions
STARTUP COST
$112.5K-$199K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
35/7

Nextaff
Staffing
STARTUP COST
$98.8K-$148.8K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
17/52

Patrice & Associates
Hospitality, retail, and sales recruiting
STARTUP COST
$90.95K-$108K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
141/1

PrideStaff
Staffing
STARTUP COST
$154.1K-$260.5K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
78/2

Recruiting in Motion Franchise
Permanent and contract/temporary personnel placement and recruiting
STARTUP COST
$102.9K-$238.7K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
7/1

Remedy Intelligent Staffing
Staffing
STARTUP COST
$151.8K-$258.3K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
123/0

Sanford Rose Associates International
Executive search and recruiting
STARTUP COST
$108.3K-$143.6K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
90/0

Spherion Staffing
Staffing, recruiting
STARTUP COST
$110.5K-$177.9K
TOTAL UNITS
(FRANCHISED/CO.-OWNED)
181/0

PHOTOGRAPH COURTESY OF DESIGNSENSORY

Money

HOW I FINANCED IT

Five entrepreneurs. Five different ways of raising enough money to buy a franchise. Here's what they learned. by DANIEL BORTZ

The companies on our annual Franchise 500 list come with a huge range of price tags. You could open a Jazzercise exercise-class franchise for as little as $2,405, for example, or a Buffalo Wild Wings unit for between $1.99 million and $3.8 million. So once a potential franchisee finds the right fit for them, they have to answer a big question: How are they going to pay for it?

There are many options—from straightforward friends-and-family loans to complicated 401(k) investment techniques. Each comes with its own benefits and pitfalls, and, financial experts say, the best one for each person depends on their earning potential, current asset position, how much they have saved, their creditworthiness, and most important, their risk tolerance.

But that all sounds hypothetical, which is why we wanted to see how these financing plans play out in real life. On the following pages, we profile five successful multi-unit franchisees who each paid for their first franchise in a different way. They reveal the up-front costs, the size of their loans, and what they think of that decision today. Then we run it all by E. Hachemi Aliouche, a professor and director at the University of New Hampshire's Rosenberg International Franchise Center, who breaks down the pros and cons for any potential franchisee.

Illustration Max-O-Matic


BANK
OPENING SOON
APPROVED
401(k)
99,014 112,565
4,071 4,333 6,916 8,404
23,610 24,659 43,729 48,269
126,695 141,557 225,269 268,252

FINANCE OPTION 1

Personal Savings

WHEN DOUG PORTER decided to launch a new career after retiring in 2015, the San Diego-based Navy veteran, now 62, set his sights on the hair-care industry. "I considered two important factors. One was that this industry was not likely going to be disrupted by the Amazons of the world in my lifetime, and the other was that statistics showed this industry is fairly recession-resistant," Porter says. "People don't stop getting their hair cut when the economy dips."

To buy an existing Sport Clips store in San Diego, Porter chose to dip into his stock-and-bond portfolio for the $200,000 up-front costs. "I knew I wanted to only use personal savings," says Porter, who consulted a financial adviser to survey his funding options. "I had a mortgage, and I didn't want to take on new debt." He was using about 7 percent of his assets, and the withdrawal represented investment gains in his portfolio. He also had health insurance from his then employer, so he wasn't worried about unexpected, catastrophic medical expenses that could deplete his retirement savings.

It worked. His first location was successful, and he went on to purchase four more Sport Clips with the profits and another $50,000 from his savings and his IRA. (Because he's older than 59 and a half, he didn't have to pay an early withdrawal fee.) "I feel I made the right decision," he says, especially since the IRA withdrawal was a small fraction of the account's value. "I wasn't stretching myself."

PROS

"The best aspect of using personal savings to start a business is you don't have a monthly debt payment, so you don't risk any loan defaults in the event that the business does poorly," Aliouche says. "It's also a great option if you have bad credit and can't qualify for a loan."

CONS

"You're giving up the returns of stocks and bonds, and returns have been high the past few years," Aliouche says. "Also, when you use money from personal savings, you no longer have that cash to lean on for emergency expenses."

PHOTOGRAPHS COURTESY OF SPORT CLIPS

FINANCE OPTION ▶ 2

Friends and Family

DANNY SHENKO LEARNED about Tint World, a car-window-tinting and automotive-accessories company, while researching potential new business opportunities in 2011, when he was 26. He met the company's CEO, and things clicked. "The franchise was just starting out, but I really connected with the CEO's drive," says Shenko, now 34.

Buying a Tint World shop, however, cost $200,000–and back then, he didn't have enough personal savings. He used some wedding gifts, and he and his wife borrowed about $50,000 on credit cards. "Our good credit allowed us to secure zero percent credit card advances that allowed up to 18 months for repayment," Shenko says. To cover the rest, he turned to those closest to him. His best friend offered to invest, but Shenko decided not to go through with it; he worried about harming the relationship if the business went south. Instead, his best friend's sister chipped in $30,000.

"There was some pressure to repay in a timely fashion," he says, "but one thing I know is that in business, you need to take advantage of opportunities and always stay flexible and creative." So he stretched his finances and repaid the money a year and a half after opening. In turn, his friend's sister didn't charge him interest–even though they'd signed a formal agreement that included an interest rate. Today all is well: Shenko just opened his fourth Tint World, and still has his best friend.

▶ PROS

"If you have a friend who is willing to lend you money, it's a great funding approach in the sense that you get quick access to cash, you don't have to hassle with banks, and you don't need to have strong credit," Aliouche says.

▶ CONS

"If the business tanks, and your friend who lent you the money has financial problems, you may feel responsible," Aliouche says. If you don't feel comfortable with only a verbal agreement, "you could write up a simple recognition of debt," for instance, "I, Jane, borrowed $100,000 from Joe. I agree to pay him back the full amount by December 31, 2020. Signed: Jane"–or have a lawyer draw up a formal agreement.

PHOTOGRAPHS COURTESY OF TINT WORLD

FINANCE OPTION 3

Conventional Bank Loan

SHORTLY AFTER Elliott Goldsmith heard of Firehouse Subs in 2001, he decided to pivot careers. "I was hooked after the first bite," says Goldsmith, then a 24-year-old telecommunications worker in Jacksonville, Fla. Goldsmith set out to bring the fast-casual restaurant to his hometown in Greenville, S.C. He considered applying for a Small Business Administration loan, but he chose a five-year conventional bank loan instead. "The SBA loan just seemed a lot more complicated," he says.

Goldsmith used a local bank that had already issued loans to the Firehouse Subs corporation. "My lender knew the Firehouse story. I didn't have to go in and sell him on the concept," he says. His shop opened in 2002.

Now Goldsmith, 41, owns seven Firehouse Subs in the Greenville area. He's used five-year conventional loans, with fixed interest rates, to open each location. He says the company's low franchise fee of only $20,000 has enabled him to expand his business steadily over the past 17 years.

> *"My lender knew the Firehouse story."*

"Paying off a loan in five years can be pretty aggressive," Goldsmith says, "but if you have the cash flow to structure the payments over five years, I would encourage someone to consider this type of loan." He also encouraged the use of local lenders because "there is a lot of value to be able to sit in a room with a local banker and review your financials and go over your plans for future developments," he says.

PHOTOGRAPHS COURTESY OF FIREHOUSE SUBS

PROS

"If you're trying to grow quickly, using a bank's capital can allow you to do that," Aliouche says. In addition, "the interest you pay on a business loan is tax-deductible."

CONS

With conventional bank loans, "if you default on your payments, you could lose the business, and you could even go bankrupt personally depending on the type of bank loan," Aliouche says. Moreover, "if you have too much debt, it can make it more difficult to obtain another loan in the future." If you have a weak credit score (anything below 650), you might have trouble getting approved in the first place, he adds.

FINANCE OPTION ▶ 4

Small Business Administration Loan

NICK ROERIG and Gordon Shaffer became friends while working at a Two Men and a Truck franchise in Columbus, Ohio. They eventually decided to buy their own franchise, and each saved up $50,000 for the purchase—but they wanted to buy an existing franchise in Brentwood, Tenn., that would cost more than $500,000. After consulting with a small-business-loan broker, Roerig and Shaffer applied for a $475,000 SBA loan through U.S. Bank, a bank loan that's guaranteed by the federal agency.

"We had no idea what we were getting ourselves into," Shaffer says. The SBA's application process is notoriously protracted, and theirs took four months. "It was very stressful," he says. "There were a lot of moving parts, and it seemed like there was always another piece of paperwork we had to provide." The loan finally came through "at the eleventh hour, right before closing," he says.

When the men were ready to buy a second location, they applied for another SBA loan, this time for $375,000. They used a different bank, and this time it took only a month to get approved. But later, as the men went on to purchase four more franchises, they financed the purchase through the seller. Shaffer says the process was "way easier," taking only about a week.

PROS

If you can't get approved for a conventional bank loan, you may still qualify for bank funding through an SBA loan. "Because the government subsidizes and guarantees SBA loans, they make it easier for people with less money or mediocre credit to qualify," Aliouche says. Interest rates are also usually lower than market rate.

CONS

SBA loans can be complicated. "The application process is very bureaucratic and painfully time-consuming," Aliouche says. The average SBA loan takes 60 to 90 days (depending on the lender and the size of the loan), but Aliouche has seen that stretch to several months.

FINANCE OPTION ▶ 5

Tax-Free 401(k) Investment

STAN SHOOK spent 37 years in the gas-and-oil industry. "I built large 401(k)s at both of my employers," says Shook, 59. So when he decided to buy a Batteries Plus Bulbs franchise in Humble, Tex., which would cost $350,000 to start, he wondered if he could tap some of the $400,000 he had in retirement savings. The answer was yes: Batteries Plus Bulbs provided Shook with a list of vendors that specialize in helping entrepreneurs use 401(k) savings as startup capital—without having to pay taxes on the money.

Usually, if 401(k) owners withdraw money before age 59 and a half, they get slapped with a 10 percent early-withdrawal penalty, in addition to income tax on the amount. But Shook created his new corporation, and then that new entity opened a new 401(k) plan. Shook then rolled his existing 401(k) balance into the new plan—and, because he now controlled the investment options for it, he could use the funds in that plan to invest in the business. (Don't attempt this technique without consulting a financial planner and an attorney.)

Shook ended up using $250,000 from his retirement savings. He then obtained the last $100,000 through an SBA loan. "We were putting some of our life savings into the business, so there was financial risk," Shook says, "but we still had a decent nest egg set aside."

Shook opened his store in September 2016. "We're predicting to be in the black by late 2019," he says.

PROS

"Because you're investing your own money when withdrawing from a 401(k), you don't need to get a lender's approval," says Aliouche. An important benefit, though, "is you're using tax-free cash" to start up, he says.

CONS

Though effective, Aliouche says this can be a dangerous funding strategy. "If you're using most or all of your 401(k) money, you're putting your life savings at risk," he says. "If the business fails, you could lose everything." Another drawback: "401(k) funds are usually invested, so when you take them out, you're forgoing the potential returns on that investment."

PHOTOGRAPH COURTESY OF BATTERIES PLUS BULBS (SHOOK); PHOTOGRAPHS COURTESY OF TWO MEN AND A TRUCK


THE
PLAYBOOK
W/ DAVID MELTZER
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Franchise Success

'I'D RATHER BE IN CONTROL OF MY OWN DESTINY'

How **Alexis Courtney** went from a Cookie Cutters multi-unit franchisee to the company's co-owner and COO. **by STEPHANIE SCHOMER**

PHOTOGRAPH COURTESY OF COOKIE CUTTERS

Alexis Courtney had spent eight years as a high school teacher when she became pregnant with her second child and quickly realized that life as an educator would no longer cut it. "My income was pretty much a wash once my husband and I factored in daycare for two kids," she says. "We decided that if I was going to be working, we wanted it to benefit our family."

Her husband, Neal Courtney, had been a long-time exec with Famous Brands International, the parent company of TCBY and Mrs. Fields Cookies, and the couple wondered if they should launch their own business. But neither had the bandwidth or a foolproof idea. Then Alexis took their daughter for a haircut at Cookie Cutters Haircuts for Kids, one of the only kids' salons in Utah, and was charmed by the experience. She knew she had her solution: They'd become Cookie Cutters franchisees. "We bought an existing store that employed six stylists, and our first Saturday, we did 135 haircuts," Alexis says. They soon had five locations in Utah.

Alexis's new franchisee career worked…for a while. Then Neal's company relocated the family to Colorado and promoted him to CEO, forcing Alexis to schlep back and forth between the two states to maintain their Cookie Cutters locations. The situation wasn't ideal.

Then in 2014, Cookie Cutters' founders offered to sell the brand to the Courtneys. They bought it, installing Neal as CEO and Alexis as COO. It was a big leap—emotionally and financially—but one that's paid off. Now the brand has 100 locations across the country.

WHAT SHE LEARNED

1 ▶ Move slowly.

The Courtneys didn't have the cash on hand to buy Cookie Cutters, so they spent four months discussing the opportunity and plotting out the financing. That gave them the time to determine a plan they were comfortable with—and identify the risks they were willing to take. "We had to roll our 401(k)s into this business, which is scary," Alexis says. "But if we didn't buy it, someone else would. I'd rather be in control of my own destiny."

2 ▶ Experiment with sales channels.

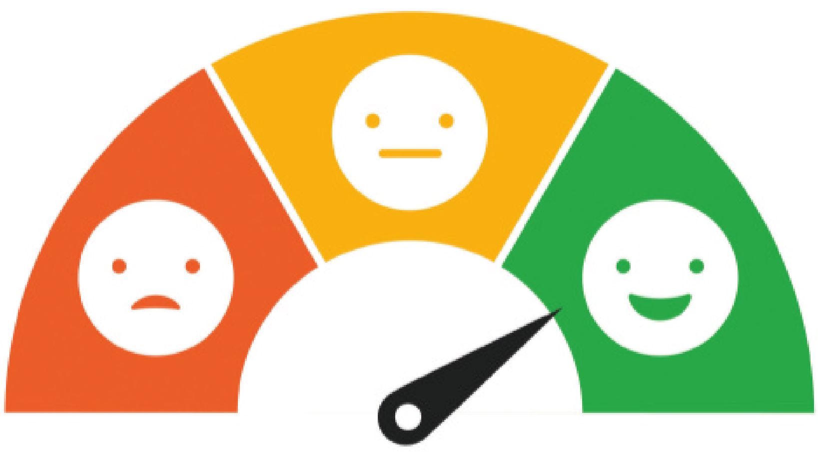
Cookie Cutters' previous owner hadn't focused on selling new locations, but the Courtneys wanted to. They updated their Franchise Disclosure Document and started marketing. They poured $30,000 into internet advertising that resulted in not a single new franchisee, so they switched paths and started working with FranNet, a consultancy and brokerage that connects franchisors with prospective franchisees. "We've sold pretty much every franchise through FranNet," she says.

3 ▶ Build your tool kit.

To manage a growing roster of franchisees, Alexis had to learn to work smarter. She adopted Asana, a project management application. "I have boards for all my franchisees," she says. "If someone is new to Cookie Cutters, I have a 12-week plan to share with them, starting with a weekly phone call and about four or five tasks they need to accomplish. It helps us get things done without overwhelming new partners."

4 ▶ Shift your communication.

When the Courtneys were running a franchise, they had a fairly simple operation: Alexis had her tasks, Neal had his, and that was that. But now that they're running a larger corporation, Alexis says they've had to change their style. "Everything we're working on has to be run past the other person in order for our operation to be synergistic."



TO GET WHAT YOU WANT, GIVE PEOPLE WHAT THEY WANT

It's a simple concept that so few follow.

by JASON FEIFER

A curious email rolled into my inbox recently. The subject line was "Write article." And here was the entire message: "Hi Jeff. I wanted to write an article, who do I speak with? Thanks."

Maybe you have some questions. I do! What kind of article does this person want to write? What makes them qualified? Why would I want to publish it? When did my name become Jeff? And that's just the start.

But let's focus on the most telling word in this email—the one that explains what went wrong, and should serve as a warning sign for us all. The word is *wanted*, as in "I *wanted* to write an article." The email writer led with what he wanted, not with what he could provide. And although his email was particularly clumsy, his mistake was very common.

We are all, at some points, blinded by our own interests. We want something badly, and so, like a starving man who sees everything around him as food, we begin to see the people around us as providers. We expect them to deliver a service, as if they're hired for a job. We become needy. Demanding!

But here's the harsh reality: Nobody cares what you or I or anyone else wants. Instead, they care about what we can do for them. Consider how successful transactions take place. An entrepreneur may want an investor's money, but they don't say, "I want your money"; they talk about how they can make the *investor* money. And nobody tells a customer, "I want your purchase"; they tell a customer about how their product or service can make the *customer's* life better.

I wanted to write an article. That's what the email said. As if my job is to grant wishes. He was so laser-focused on that desire that he failed to sell me on an idea. He offered no value, even though that's what everyone is looking for.

Please understand, this isn't about reaching out to me. It's about reaching out to anybody. Do I expect us all to be selfless, always giving and never getting? I don't. We all want things, and we should. But we should also be mindful of the best way to get them. Otherwise, we're just wasting our and everyone else's time.

I mean, just imagine if I'd written this column—the thing you're reading right now—about what I really want. "Dear reader, I want you to buy this magazine and follow *Entrepreneur* on social media. Oh, and follow me, too! And listen to my podcasts!" Do I want those things? Of course. But if I said that, I'd give you no incentive to actually do them. So instead, I pay close attention to what my readers want. I correspond with them and talk to them at events; I take note of what they like and dislike. And then, when it comes time to produce this magazine, I reflect upon what I've learned and do my best to deliver value. I'm not saying I do it perfectly. But I know it's the only path forward.

That's the power of value, after all: When you know how to deliver it, you're in a far better position to receive value for yourself, too. That point was hammered home recently by an entrepreneur friend of mine, with whom I shared these thoughts. He runs a medical company and spends a lot of time fund-raising and building partnerships. "It's how I approach negotiations," he says. "You have a much better chance of getting what you want if you focus on what the other person wants. Then you can negotiate from strength, because you already know what's important to the other party."

I know it can sound obvious. But in day-to-day interactions, we can slip up—talking too much about ourselves, pivoting too quickly toward the thing we desire. So here's my challenge to you (and to myself!), at all times and in all interactions: Be relentless on value. You'll get what you want by providing what someone else wants first.

Jason Feifer is the editor in chief of Entrepreneur.

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