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IDEAS/ A Credit Card That Helps You Buy a Home? **P.50**

Entrepreneur

September 2021 / Entrepreneur.com

YOUNG MILLIONAIRES

15 Founders Who Are Raising Millions, Selling Millions, and Impacting Millions

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→ ONE OF A KIND
François Reihani's La La Land Kind Cafe improves its staff's lives and has driven $6 million in revenue.

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SPOTLIGHT // Branded Content ColorComm Women of Color in Communications

WHY EVERY BUSINESS NEEDS A STRATEGIC DIVERSITY AND INCLUSION PLAN


ColorComm Founder and CEO Lauren Wesley Wilson

In the wake of a massive social movement with Black Lives Matter, businesses large and small are looking to hire more diverse members to their teams. But it's not just for optics — having a diverse team with people of different races, upbringing, socioeconomic status, and different ways of thinking makes your company a stronger, more capable force for growth.

No one knows this better than ColorComm Founder and CEO Lauren Wesley Wilson, who has been advising companies on recruiting, retention, and inclusion for a decade. She started ColorComm in May 2011 as a luncheon series to bring together women of color in communications and business. "I started ColorComm while working at a publicly traded communications firm where I did not see any persons of color in leadership," Wilson explains. "I wondered how I would advance if I didn't see anyone who looked like me. I soon learned that other women faced similar challenges in their work environments."

Today, the ColorComm Network has grown into a national professional membership organization with chapters in Washington DC, New York, Chicago, Atlanta, Miami, Houston, Dallas, Los Angeles, San Francisco, and London. It recently launched ColorComm Search (colorcommsearch.com), a recruiting site for leading companies to post open positions to hire multicultural talent.

Wilson believes that all companies should prioritize inclusion and include hiring and retention as part of a proactive plan rather than reactive plan. She says a strategic diversity and inclusion plan should include internal and external practices. Internally, a company should ask: Is there a path for multicultural talent to get promoted and manage teams? Do multicultural talent feel part of the team and that their voice is heard and respected? External themes should focus on: What is our company's reputation among diverse communities? Do we have an authentic connection to the diverse audiences we serve, do we understand their needs and wants?

"We need diversity of all backgrounds inside corporate America if we want to better understand the clients and stakeholders that we look to reach with our product or service," Wilson says. "Companies deliver better results when ideas come from diverse ways of thinking."

Learn more at colorcommnetwork.com and colorcommsearch.com

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PARS International Corp.
(212) 221-9595, EntrepreneurReprints.com

ADVERTISING AND EDITORIAL
Entrepreneur Media Inc.
18061 Fitch, Irvine, CA 92614
(949) 261-2325, fax: (949) 752-1180

ENTREPRENEUR.COM
Printed in the USA GST File #r129677027

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Vol. 49, No. 6. ***Entrepreneur*** (ISSN 0163-3341) is published monthly (except for combined issues in Jan/Feb, Apr/May, Jul/Aug, and Oct/Nov) by **Entrepreneur Media Inc.,** 18061 Fitch, Irvine, CA 92614. Periodical postage paid at Irvine, CA, and at additional mailing offices. POSTMASTER: Send address changes to ***Entrepreneur,*** P.O. Box 6136, Harlan, IA, 51593-1636. One-year subscription rates in U.S.: $19.97; in Canada: $39.97; all other countries: $49.97; payable in U.S. funds only. For customer service go to entrepreneur.com/customerservice or mail subscription orders and changes to ***Entrepreneur,*** Subscription Department, P.O. Box 6136, Harlan, IA, 51593-1636. For change of address, please give both old and new addresses and include most recent mailing label.


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Editor's Note/

Change the Words You Use

It's one of the simplest ways to shift your mindset. And it can start by changing one simple word.

AS AN EDITOR, I think a lot about language. But as a person living in the world, I often overlook its importance—just as I'm sure you do.

That's a missed opportunity. Language isn't only the articulation of our thoughts; language helps shape how we think. Linguists have studied this for decades and have endless fascinating examples. Here's one I love: When you and I give directions, we use common English words—we say "left" or "right," and "forward" or "back." These directions are centered on ourselves or other objects; we are often talking about something to the left *of us*. But an Aboriginal Australian community called the Thaayorre have no words like these. They instead use fixed orientations: north, south, east, west. Arranging furniture, they might tell you to move the couch southeast a little.

Consider what those words do to their minds. For basic directions to make sense, they must always be aware of their orientation in the world—something English speakers rarely are. In this way, language creates a prism through which we see our existence.

How can this insight be helpful to us? To start, here's how I started using it.

For the longest time, I relied on the word *enjoy*. If I sent somebody a thing I made, I'd say, "I hope you enjoy it!" If someone complimented me on an article or a podcast, I replied, "I'm glad you enjoyed it!"

That made sense, in a way. I want people to enjoy my work! Enjoyment struck me as the highest level of accomplishment.

But recently, I started to rethink this. I did a survey of my *Build for Tomorrow* podcast audience, and I discovered that people don't say they "enjoy" the show—they say it helps them feel better about the future. Then I started to think about why people read *Entrepreneur* magazine. Are they (are *you*?) reading for joy, in the way someone eats cake for joy? Unlikely. I suspect that many people don't read this magazine because they *want to read a magazine*. They read *Entrepreneur* because they expect it to have knowledge that they find valuable.

Therefore, you are not here for joy. You are here for enrichment—and sure, it's nice to enjoy that enrichment, but enjoyment alone is not the goal. If you wanted pure enjoyment, you'd probably do something else with your time.

I should always be aware of that. I build better relationships with my audience—and do my job better!—if my work is *valuable* rather than simply *enjoyable*.

How could I drill this into my head, and start seeing my role differently? I stopped using the word *enjoy*. I instead started using the word *useful*. Now when I send someone my work, I say, "I hope you find this useful." When someone compliments me, I reply, "I'm so glad this was useful."

It's one simple word change. But the impact on me has been profound.

When I engage with someone, I constantly catch myself using the word *enjoy* and course-correct to *useful*, which in turn reminds me of the role I should play in other people's lives. Whenever I write something, I speak to myself with a greater mission. I ask myself things like, *What subject will be most useful? What will my reader learn from this?*

You can do this, too, no matter your role. What actions do you take, relationships do you foster, or goals do you work toward that rely upon unconsidered language? What small change could shift your perspective, forcing you to think about your world differently? It's impossible to consciously change our whole worldview, but we sure can change one simple word—and see how the implications of that change ripple outward. It's as small but significant as the difference between telling someone to go "right" instead of "east."

Language matters. Words matter—and one word at a time, we can shift them to our advantage. That's why I hope you found this column ~~enjoyable~~ useful.

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Photograph / NIGEL PARRY

Business/Unusual

PHOTOGRAPH COURTESY OF TONAL

“I Hired People I Could Lose With”

Maria Sharapova'sapproach to business and sports is the same: Losing leads to winning. **by JASON FEIFER**

→ **QUALITY CONTROL**
Sharapova with products from Therabody, a company in her portfolio.

When Maria Sharapova was a global tennis star, she was bombarded with new fitness gadgets, trackers, monitors, and more. "I was like a guinea pig," she says. She took advantage by trying as many as she could. When she retired from the game in February 2020, she wanted to help promising startups build the next generation of those tools—and due to the pandemic, that work began mostly over Zoom. "I got in front of my computer and tried to meet as many founders as I could," she says. "I wanted to listen to their stories, hear about their inventions, and see how and where I could help."

While she intimately understood the fitness world and had brand-building experience through her premium candy company, Sugarpova, she was less practiced as an investor and a strategic adviser—which excited her. After all, tennis taught her that while preparation is important, some things can only be learned by doing. "I think it's OK, and absolutely human, to know your strengths and weaknesses," she says. "Ask questions and understand that you don't know everything." Today her portfolio includes Bala (which she invested in during a guest appearance on *Shark Tank*), Tonal, The Skills, Naked Retail, and Therabody. Here, she discusses the power of adversity, and what an investor like her really wants.

Entrepreneurs often put themselves in situations in which they have no history or mastery, and now you're doing that, too. What has the transition been like?

When I was playing my sport, the idea of learning something new—of challenging myself, of putting myself in the position of coming out on top when I feel these pressure moments—was actually when I performed my best. You have to figure it out in

PHOTOGRAPH COURTESY OF THERABODY

the moment. You try to learn as much as you can, and you become a sponge. Sport taught me how to handle those situations.

So when I made the bigger transition, I really enjoyed knowing that I wasn't great at this one thing. When I had a year and a half off from the game, I took a few courses at Harvard Business School and was never so intimidated in my life. I was intimidated to raise my hand and ask a question, because I didn't know a lot of the answers. But once I got comfortable not being the smartest one in the room, the fact that I was learning and growing was so fulfilling.

Your answer challenges an assumption that was built into my question. I was thinking of tennis as a space that you'd mastered, but you thought of it as a place of constant challenges, where you learned that you thrive in moments of uncertainty. That's a powerful thing to know about yourself.

Yeah. As I stepped away from the game, so many friends would tell me, "You're going to be even more successful in business than you were in your sport." And I'd say, "How do you know?" It took me over 25 years to get to that level in one sport. A majority of those years were practicing on the back courts where no one was watching, where I had failed so many times, and I was just trying to find my way with different people, with different coaches, with different methods. It's the only way to get to success.

So when I start this new chapter, there are questions I have to answer myself. *Am I being realistic? Do I want to be involved?* But I'm intrigued. I like that feeling of uncertainty.

Whenever people transition from one career to another, they tend to discover skills they had no idea were transferrable. Have you found any others—like, maybe the focus that athletics requires?

It's an interesting subject. When I opened the gate to a tennis court and I walked in, I was in my zone. No matter how many great or bad things were happening with me or around me, no matter how successful or how down I was, everything went out, and I would just focus on the ball with my team.

There's nothing quite like that now. So I give myself time—whether going outside and being in nature, or spending an hour doing certain things—to remind myself of my passion and drive and focus. It transitions me into a mindset that I bring into my meetings. I become a clearer thinker. If I get on an investor call, I'm kind, but I'm tough! This is business, and you're there to get an investment.

You're pitching investors with the founders you work with, but you're also an investor yourself. So let's talk about that from both sides. First, when you go into pitch meetings with founders, what have you seen be a difference-maker?

Even if you have a fantastic-looking deck and great numbers, and you're the best of the best on paper, the investors know it's not all perfect. I've been on calls where founders are honest about their disadvantages and some of the qualities they're lacking, and it's almost like they're doing the investors' homework for them. It builds an initial trust. That's important in every type of relationship, personally and professionally.

That's a scary leap of faith—the idea that sharing weaknesses can actually be an asset.

I guess there's a right amount of everything. If your company is particularly strong, you could share your own personal stories of challenges you faced. It's a way to be more personable, more human.

I have a very good understanding of losing and winning, and the feelings that come with that, and doing it in front of hundreds and thousands of eyeballs, and having to face up to it—getting up on the podium and saying, "Today was a tough day, and this is what happened, and this is what I'm going to do to overcome it." There's something valuable about sharing your own personal journey.

When entrepreneurs pitch you for an investment or a partnership, what catches your interest? And what doesn't?

I feel like presentations and decks are becoming longer and longer. By the time I'm on page 15, I'm like, *I don't even know what this business is!* Clean, crisp, and short is preferable. But also, I love hearing someone's authentic human story. Don't start with the business. Because when challenges come—which they will—it's not about the business; it's about the person who's handling it.

In my sport, I hired people I could lose with—who I'd be comfortable losing with—because they're who would give me the best support. I mean, they took the losses hard. You want them to take them hard because you want them to be competitive. But if they're people you'd want to be with when you lose, then I'm sure you'll be able to celebrate well with them.

That's powerful to hear, because I would imagine that if somebody has a limited amount of time to pitch someone like you, they might think, *Well, she doesn't care about me; she cares about the opportunity, so I'll skip straight to that.* But you're saying that's a mistake.

Yeah, absolutely. It's not just about business or dollars.

> "IT TOOK ME 25 YEARS TO GET TO THAT LEVEL IN ONE SPORT. I HAD FAILED SO MANY TIMES, AND I WAS JUST TRYING TO FIND MY WAY WITH DIFFERENT PEOPLE, WITH DIFFERENT COACHES, WITH DIFFERENT METHODS. IT'S THE ONLY WAY TO GET TO SUCCESS."

So You Screwed Up

Failure is part of leadership. What do you do when you make a decision for your company and it goes badly? Six entrepreneurs explain how they own their errors.

1/ Don't spin mistakes.

"Everyone on our team will tell you they've heard me say, 'I effed that up' many times. I am my harshest critic, and I certainly don't try to spin my mistakes as anything other than 'my bad.' Recently, I sent our warehouse incomplete paperwork. When a distributor picked up a PO, it ended up costing us money. If I didn't own up to the mistake, my team wouldn't trust me in the future."

—LUKE CHRISTIANSON, cofounder, Marco Sweets & Spices

2/ Brace yourself for tough feedback.

"The first and most vital step is to take ownership of what went wrong—and communicate that to the people who felt the ripple effect. But the next step is to brace yourself for when they agree that you screwed up. If I don't brace myself, I can get into a cycle where I may initially own up but then harden myself or become defensive when I receive their feedback."

—ALEX IWANCHUK, cofounder, Feals

3/ Step back and listen.

"Admit the mistake, explain what happened, correct it. An example of this was early at Humu, when I realized that I didn't focus on winning the business of midmarket companies early enough. That was a mistake because there was a greater need for what we were building with smaller businesses. Once I realized my mistake, I was vocal to the rest of the company about it. Part of the learning was realizing that I needed to listen more and give more people channels to shape how we build our product and company."

—LASZLO BOCK, CEO and cofounder, Humu

4/ Give credit where it's due.

"Failure is a part of achieving anything, and as a leader, the best thing you can do is own up to your mistakes. At our last board meeting, I went against an employee's recommendation and made what I thought was a 'safe' decision. But ultimately, my decision led to sharing misleading information with the board. At our internal meeting the following week, I publicly apologized and recognized the employee who had advised against that decision."

—Colleen Cutcliffe, cofounder and CEO, Pendulum Therapeutics

5/ Explain your process.

"I make risky bets a lot. Sometimes they pay off; sometimes they don't. When they don't—for example, making a big investment in a marketing channel that ends up not paying off, or even making a high-level hire that doesn't work out—I have gotten the team together and explained why I thought it was a good idea and why I now think I was wrong."

—MELANIE TRAVIS, founder and CEO, Andie

6/ Get vulnerable.

"Years ago, my approach to handling hot topics was to avoid talking about what didn't work and instead focus on what was working well. But one time, something happened that I didn't expect. Someone brought up a small failure, so we discussed it openly. That conversation sparked someone else to bring up another area for improvement, and then another. I worried the discussion would tear teams apart. But the opposite happened. Once we became comfortable talking about our failures, we felt safer trying new things that could have a huge impact."

—EDWARD "EDDIE" KIM, cofounder and CTO, Gusto

Illustration / PETE RYAN

Baby Boom in My C-Suite

When three top executives took maternity leave during the pandemic, I froze. Then I started making a road map. by **ARIANE GOLDMAN**

I have 45 employees. Ten of them are part-time. A handful are superpowerful vice presidents whom I rely heavily upon. And *three* of those very people—my COO, my VP of marketing, and my VP of community and events—were about to go on maternity leave at the same time during the craziest business year of my life.

It was ironic, because these wonderful women were the people I'd created my company for. I'm the CEO of Hatch, a lifestyle brand for new mothers and moms-to-be. We make maternity wear, for crying out loud! I wanted to feel pure joy and bliss for them. But at the same time—and this is hard to say—there was a real fear of *What am I going to do without you?*

Now that I'm on the other side of this experience, I can confidently say that your company can grow even while your most important team members are away growing their families. It just takes planning.

I'll also say that planning for three high-ranking maternity leaves during a pandemic was especially interesting. As with so many businesses, COVID-19 sent us scrambling. We closed stores, negotiated tumultuously with landlords, grappled with declining retail revenue, tried solving our sudden supply chain issues, and doubled down on e-commerce. While we were fortunate to land huge partnerships with Target and Keds, those programs required exactly the kind of talents my three pregnant leaders had, and they'd be gone for the most intensive parts.

As I prepared for these maternity leaves throughout the spring of 2020, I was worried. How would we stay afloat as a business, keep up the morale and productivity of the team, and manage these amazing opportunities? There was a lot on the line.

One thing I'm not afraid of, though, is asking for help. So I started working with a CEO coach, who suggested making "maternity-leave road maps."

Here's how it went. That May, half a year before these senior women left, I met with each of them, and together we plotted out exactly what would happen during their maternity leave. Everything went on a Google spreadsheet. We created a category called "Business as usual," which listed everything that leader was responsible for every week. In cells next to each task, we'd enter timing, partners involved, and the name of someone at the company who would cover it. Separately, we listed special projects like Target and Keds with week-by-week timelines of what needed to happen and when. We'd ask questions like "Who's going to talk to PR about the Target launch? Who's going to handle gifting for micro-influencers?" Our answers went in the spreadsheet.

From then on, each leader and I would meet weekly to walk through their plan and find the holes. *What if this happens? What if that goes wrong?* We'd think through what we'd do in any given situation and bring in other people on staff to get their buy-in.

I was skeptical that this would work. (And to add more stress, my husband, a cinematographer, had a three-month job away from home during those same months, so I also had to manage our two girls.) But by the time those November maternity leaves arrived, we were feeling like *We got this.*

And we were right! The team went above and beyond, and the road maps we created together guided us through to February, when each woman came back. We launched our Target line, The Nines by Hatch, and reopened two stores. We will be adding a third store in September, with a bigger retail strategy for 2022.

I always say being an entrepreneur is like a dodgeball game—you're either getting hit in the head or ducking. But I'm proud that one of the scariest moments in my career turned out to be one of my greatest learnings. After closing the chapter on this past year, I feel that I can handle almost anything. *Almost.*

Illustration / ZOHAR LAZAR

Need Feedback? Charge Money!

To build a modern intranet platform, Haystack cofounder **Cameron Lindsay** needed users to share their criticisms. But at first, they wouldn't. Here's why. **by LIZ BRODY**

The idea for Haystack came swift and easy. A way to *build* Haystack took more work.

Cameron Lindsay, 27, was sitting at his last job in 2018 when he noticed that 99 percent of Fortune 500s have intranet products—and 99 percent of people who use them hate them. In those two 99s, he saw 100 percent opportunity. The incumbents making these internal corporate communications systems were "all older-school," he says. "Employees today want it superfast, superconnected, and delightful." He teamed up with cofounder Haibo Zhao, a former tech lead at Google and Snap, to reimagine a sleek, nimble sports car of an intranet.

Building it would be like planning a subway system for a city you've never visited—so they realized they'd need an innovative approach. They nailed it: When they announced their official launch this March, they did so with $8.2 million in venture backing and NerdWallet and Chime as clients. Here's how.

PHOTOGRAPH COURTESY OF HAYSTACK

1/ Find a pilot company.
Lindsay didn't want to build this product in a vacuum. "Having a customer, where we could hear visceral feedback of 'I need this,' 'I don't need that,' is so much better," he says. But how do you have a customer for a product that doesn't exist? He heard that a tech company was looking for someone to create its intranet, and convinced its team to let him build it as a pilot project. Beginning in November 2019, the first two months would be free, then a paying contract would kick in.

2/ Fake it till you make it.
Even though Lindsay and Zhao got a head start, they quickly realized their timeline was off as far as completing the final product. "So we mocked up the whole experience in Figma, a Photoshop-y design tool, while Haibo was building out the engineering," says Lindsay. "I was just convinced that if we could get the contract, we could kick the can down the road." By the end of the free period, they did have an MVP product and some of the employees were testing it, but just as they were about to launch, the company got acquired and decided to use its new parent's system. "It was a harsh blow."

3/ Make them pay for it.
Almost right away, Lindsay discovered that NerdWallet was also looking for an intranet and sold it on the same pilot program deal. But a weird thing happened. As NerdWallet employees used the product, they offered almost no useful feedback. Then the free part of the contract expired, Haystack started charging, and "the requests came up and the tolerance level went down," says Lindsay. "It was an interesting insight: When it's free, there's this expectation that things can be buggy. But when customers are paying for it, they're going to ping you about every little thing."

4/ Obsess over the feedback.
NerdWallet helped Haystack land Chime as its second big customer. The critical comments kept coming. "You really have to check your ego at the door," says Lindsay. But he and Zhao finally had the gold mine of information they needed. One nugget they mined was the importance of security. People had documents and communications they didn't want to leak out, so Haystack developed features to prevent shareable screenshots. Other features developed similarly.

5/ Start with shorter contracts.
At first, Lindsay had no idea what to charge for his intranet—but his initial one-year contracts proved to be helpful there. "It gives you a full year of learning to figure out where your price point sits after that," he says. "Thankfully, we've now reached the phase where I'm preferring two years for stability—and just so it's easier to sleep at night."

Will a Robot Write Your Marketing?

A new AI model called GPT-3 is spitting out content like nothing before. Some say that as far as business tools go, it's the last word. **by LIZ BRODY**

In order to get something done, maybe we need to think less."

So began an innocuous post on the otherwise obscure blog *Nothing But Words* in July 2020 that managed to make headlines from *MIT Technology Review* to NBC. Why? Because while scores of humans debated its content, it turned out most of the words weren't actually written by a human at all. They were penned by a new artificial intelligence model called GPT-3, and posted by Liam Porr, a student at UC Berkeley at the time. The way he saw it, GPT-3 is about to change the way we write, and this blog post became high-profile proof.

Many people agree—and that's now raising some interesting business questions. When software can write almost as well as a human, how will that alter the way marketing copy is created, how brands communicate, and perhaps even how they interact with customers? Some entrepreneurs, like Dave Rogenmoser, founder of a marketing company called Jarvis, are already exploring that answer. His software, powered by GPT-3, writes just about anything for his clients—from emails to website content to full-length books. "GPT-3 gets you 80 percent there," he says.

So what exactly is GPT-3? It's the third iteration of an AI language model called generative pre-trained transformer (or GPT), which was created by OpenAI, an AI research lab whose founders include Elon Musk. GPT-3 was released in June 2020

Illustration / VIKTOR KOEN

after being trained on hundreds of billions of words from the internet and volumes of books.

It works by being given prompts. A user could type a few sentences into GPT-3—say, the beginning of a blog post or a sales pitch for a product—and then define some parameters, like how long GPT-3 should go for. With that, the software literally writes the rest, using deep learning to produce human-like text. "It's good at understanding the structure of what should come next after the input you provide," explains Mira Murati, OpenAI's SVP of research, product, and partnerships. GPT-3 is also good at things like answering trivia questions, summarizing text, performing complex searches, and even, to Murati's surprise, coding. "We didn't expect that," she says, "but you can imagine that in the internet, there was probably JavaScript, and it must have just been enough to give it some capability."

The model is still in private beta, but over the past year, OpenAI has been carefully pipetting access to businesses and researchers so they can observe "how it's used in the wild," as Murati puts it, while building out standards and safety protocols. Among the 300 applications using GPT-3 at press time, entrepreneurs have put it to work pumping out marketing content, making sense of data to drive product development, and creating dialogue for gaming characters. And of course, some have started new businesses with it.

Typeform is one early adopter. It's not having GPT-3 write anything, but it does use the AI in its latest product, VideoAsk, to figure out what people who interact with the tool need. VideoAsk creates customizable "human chatbots," which have the functionality of a text-based chatbot (ask questions, get answers), but information is delivered via video snippets from a human who filmed him- or herself giving many different responses. GPT-3 is used to understand what customers say to the bot and send them to the most relevant next step. "It's a really good match for what we do," says founder David Okuniev.

GPT-3 isn't good at *everything,* of course, and early users are quickly discovering its strengths and weaknesses.

Quizlet, an ed tech innovator with 250 employees and 60 million student users a month, was excited to explore GPT-3. It already uses a lot of machine learning to personalize study tools like digital flashcards, and it found that GPT-3 excelled at coming up with examples for how to use words in sentences for teaching vocabulary. "We fed it five or 10 examples, and it's really good at learning from them to create new interesting ones," says Ling Cheng, Quizlet's director of data science. But, as is common among all machine learning tools, it wasn't always great at being sensitive to Quizlet's young audience. "We did find some of GTP-3's sentences to be a little biased or offensive, so we used its content filter [which classifies text as safe, sensitive, or unsafe] and were surprised that it was pretty good," says Cheng. "There's a lot of research on reducing bias in these models, but it's something we think about all the time."

OpenAI is working on that, as well as on another common problem with machine learning models: Sometimes they just spit out gobbledygook. "Like, they might make up stuff," Murati says. "You provide an input and they can generate something that's not in touch with reality at all."

She says OpenAI will continue selecting applicants to use GPT-3; pricing is based on usage. (Meanwhile, they have licensed it to Microsoft for its products and services.) And waiting in the wings? OpenAI has a new AI model named DALL-E that turns text input into images.

Meanwhile, Jarvis's Rogenmoser says he just has to set expectations: GPT-3's writing isn't perfect, but it's close enough to be a massive time-saver. Rogenmoser launched Jarvis (originally called ConversionAI) to automatically write Facebook ads for his clients, but then he saw them use it for almost every other form of marketing writing. He advises them to take GPT-3's copy as a starting point—"and then you're mixing and matching what you like and piecing it together, adding your own stuff, so you still have to know what looks good. But what you *don't* have to do is stare at this blank screen anymore and start from scratch."

Many people, it seems, are happy to not have a blank screen. In Jarvis's first six months, it attracted 20,000 clients, mostly marketers and small businesses, and raised $6 million. When competitors started springing up, Rogenmoser acquired two of them.

He is now convinced that GPT-3 will be life-changing for entrepreneurs, revolutionizing writing the way the no-code movement changed engineering. "We see a ton of small businesses that are using it to build the website they've never built, email customers more often, start doing social media posts," he says. "Maybe they don't have the money to hire a marketer, but with this, they can get pretty close. It lowers the startup costs to really go out there and compete right out of the gate. Honestly, GPT-3 is going to mean a paradigm shift."

GPT-3 didn't write that last line—or any of this. We promise.

> “ YOU'RE MIXING AND MATCHING WHAT YOU LIKE AND PIECING IT TOGETHER, ADDING YOUR OWN STUFF. YOU STILL HAVE TO KNOW WHAT LOOKS GOOD. BUT WHAT YOU *DON'T* HAVE TO DO IS STARE AT THIS BLANK SCREEN ANYMORE AND START FROM SCRATCH."

You Know You're Good Enough. Why Don't You Believe It?

Entrepreneurs know they're not failures, but sometimes they struggle to believe it. A therapist explains why—and how the solution may lie in our unprocessed memories. by **FRANCES DODDS**

Krista Regedanz is a psychologist in Palo Alto who specializes in working with business leaders. She often sees them struggle with distressful thoughts, feelings, and behaviors—thinking they're not good enough, or that they're failures—particularly at the nexus of an accomplishment, like a round of fundraising, or when they're teetering on the verge of burnout.

"A lot of the intellectually astute people I work with come to me knowing, on paper, that they are not a failure, that they are good enough, normal, OK, or free," she says. "And yet, there is a sense that these positive thoughts are not believable."

How, then, can people bridge that gap? Regedanz says it's important to grasp the difference between *implicit* and *explicit* knowledge. Explicit knowledge is consciously learned and can be verbally articulated, like knowing the capital of Alaska. Implicit knowledge is unconsciously learned as a felt sense, like riding a bike. Our emotional reactions are learned implicitly through formative experiences, which makes it hard to unlearn them through rational thinking alone.

That's why, when Regedanz works with clients to overcome their feelings of inadequacy, part of the process is helping them figure out what troublesome emotional responses they have learned implicitly.

The first step is for clients to identify a recurring pattern they want to change: a negative bundle of emotions, body sensations, behaviors, and thoughts. This is uncomfortable work, Regedanz says, because "you've got to really sit with it and let your body be the guide. Search for what it feels like, and when and where you felt that way before. Ask yourself, *What are the emotions? What does this remind me of?*"

In this way, people can gradually work toward identifying moments from their past where they may have learned to respond in a destructive way. "The memories we target have emotional resonance," Regedanz says. "When the person remembers them, they feel a twinge or an uncomfortable feeling in their body. There is something about these memories that's sticky. Often they have a sense of not being over."

One example might be a childhood moment when a person had more responsibility than they could handle. "A 7-year-old who is asked to take care of their 5-year-old siblings—they can't do that," Regedanz says. "They're not going to succeed. And if they succeed, that's almost worse because then they think they should be able to do it again. And they will fail."

When someone has identified a sticky memory like this, the goal is to build distance between it and the present. "We want to unburden that younger part of you and let her know, *You couldn't have taken care of all your siblings. You weren't ready for that. It doesn't have anything to do with your being a failure,*" Regedanz says. "This can take a while and might require a person to come back many times."

To begin exploring this outside a therapist's office, Regedanz suggests building small moments into your day—30 seconds, a minute, 10 minutes max—to sit with that part of yourself. Look in the mirror or down at your hands and ground yourself in the present moment. Remind yourself that you're an adult now, and the meaning you attached to that memory is not "you."

This can be painful work, so it's important to be in the right headspace. "If you can approach the part of you that thinks *I am a failure* with curiosity and compassion, and without judgment, go for it," Regedanz says. "But if a person is stuck with their current reality not shifting to believable—to *I am OK or good enough, free to make healthy choices for myself, safe*—they may want to pursue therapy."

The ultimate goal of processing sticky memories, Regedanz says, is to shift them from "short-term, active memory to long-term storage, so when the memory is recalled, it will feel like it is over." Ideally, grasping the truth that these experiences happened in the past will help you believe, implicitly, that you are good enough right *now*.

PHOTO ILLUSTRATION BY SHUTTERSTOCK/FGC

Time to Tag Yourself?

As you rush between meetings, losing your stuff is no longer something to worry about. Just use a tracking device. by CHYELLE DVORAK

When Eric Sanchez first bought a Tile—a Bluetooth-connected tracking device for absentminded consumers—he initially did what many people do: He stuck it on his wallet. "I've been late to meetings because I can't find my keys or wallet, and that's terrible," he says.

Then Sanchez realized Tile might solve an even larger, more personal issue. He is the CEO and cofounder of Revl, a video company that uses AI to record personal highlights in fast-moving environments like skydiving, and he has done more than 200 jumps himself. Now he plans to stick a Tile on his parachute so he can find it if he ever has to cut the line and use a backup.

"It means less anxiety and more productivity," he says.

Everyone has some version of Sanchez's anxiety—whether it's losing a parachute or just a laptop or phone. That's why multiple electronics companies are now releasing a trackable device.

They all work in roughly the same way. The device, which is the size of a button, sticks onto any object and connects to an app, allowing a user to pinpoint the item's exact location with a smartphone. But they have differences, too. When you double tap a Tile tag, for example, it will make your phone ring, even if it's on silent. (I tried it. It's very useful.) Apple's version, called AirTag, can be located simply by asking Siri where it is.

The products offer more than convenience, which is why many tech experts expect the tool to catch on. "How can we measure 'peace of mind'?" says Horace Dediu, analyst and cofounder of Micromobility Industries. "You won't spend as much time looking for things, but you also won't waste time worrying about where things are."

But the benefits come with a trade-off: There are genuine security concerns. You may not realize if someone plants an AirTag on you, and manufacturers are grappling with how to stop abuse. Some devices are programmed to buzz after eight to 24 hours, for example. With Apple, your iPhone will alert you if there's an unknown AirTag close to you. But many holes in the system remain. (If you see an AirTag in your bag or car that you didn't place there, call the police.)

As with every new product, predicting exactly how these tags will do in the market is difficult. "There are some products that AirTags are just not a good fit for, like eyeglasses," says Ross Rubin, a technology research analyst. "That said, they are relatively inexpensive devices in the Apple ecosystem, and it's easy to see them being purchased almost as an impulse buy."

While the future of tags isn't certain, one thing is for sure: The next time Sanchez leaps from an airplane, losing his parachute will be one less worry on his mind.

Three Trackers

Tile Sticker

Cost/ $40 for a two-pack

Best feature/ They're designed with an adhesive side that sticks easily to bikes, electronics, and even remote controls.

Apple AirTags

Cost/ $29

Best feature/ The "precision finding" feature allows you to see arrows on your phone, pointing you to the exact location of your AirTag.

Chipolo One Spot

Cost/ $28

Best feature/ It works with Apple's Find My network, so you'll be notified if someone with the app walks by your missing tag.

PHOTOGRAPHS COURTESY OF TILE; APPLE; CHIPOLO

You Can't Buy Product-Market Fit

You can buy marketing. You can buy sales. You can buy attention. But don't confuse those things for what's most important **by ADAM BORNSTEIN**

Q "I want to increase my sales. Does that mean I need to buy ads?"
—EDWARD, ST. LOUIS

SURE, you can buy sales. That's what paid media is—it gives you access to a large audience and helps you test your messaging. But there's a downside to it. Paid media can trick people into conflating sales with demand. It can also make entrepreneurs with smaller budgets feel like they have no shot at truly connecting with their audience.

I'm here to tell you that's not the case. You can buy your way into sales, but you can't buy your way into product-market fit—and *that* is the thing you should be most focused on.

A company that has achieved product-market fit (PMF) is likely doing great with sales, but that's not to say PMF is about making money. It means what it sounds like—that your idea is in demand, and it changes people's reality for the better. No amount of paid media can replicate that.

So how do you know if you've found it? When companies come to my consultancy, Pen Name, for guidance, we help them answer that question by focusing not on their product—but on their customer.

You should be obsessed with understanding the inner emotions and pain points that drive your customers' behaviors. What leads them to action? Survey data is a fine place to start, but it won't contain all the answers. You must go deeper to consider their mindset and actions, look at current behaviors, and suggest alternative options to assess how they react.

When targeting your customer, we recommend taking a very narrow and specific view of who will get the most value out of what you created. By identifying a smaller audience, you make it easier to determine when (or if!) you find PMF. Plus, it's cheaper.

Here's how to start. First, if you have a product, get it into your customers' hands. Ideally, they'll pay you for it, but you can start free, too. Heck, even PayPal started out by *paying* for their early customers.

Next, interact with them directly. Ask questions that give you insights into current behaviors, their level of satisfaction with what they do now, and the importance of the category you're trying to solve or improve. For example, you could ask, "What are you doing for [the problem] right now? How big of a priority is [the solution] for you right now?"

Your ideal consumer will already be doing something to solve the problem you've targeted, will have a high level of dissatisfaction with that current option, and will greatly desire and highly prioritize a new alternative.

Once you've collected answers, you can start to assess how much they need your product. You can even explain what you've created (or are creating) and ask how much they would pay for your offering.

While this is not a foolproof method, you'll be surprised what you find out. Because when you find PMF, your initial user base is insatiable. They get it, love it, and need it. Then they'll tell others—and their advocacy will lead to a second tier of consumers who might overlap with your initial narrow scope, or expand who you help.

Whatever you do, do not become so obsessed with the idea of growth that you overlook consumer insights and leverage. It costs less and is worth much more to the short- and long-term goals of your business. And the payoff is something you could never buy.

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

THE FUTURE IS BRIGHT

THE NEXT GENERATION IS MAKING THE WORLD A KINDER—AND MORE FUN!—PLACE. FROM SUSTAINABLE NUTRITION AND SAFER SCHOOLS TO REPRESENTATIVE ROMANTIC COMEDIES AND ROLLER SKATES THAT ACTUALLY ROCK, HERE'S HOW 15 FOUNDERS UNDER 27 ARE MAKING AN IMPACT.

→ **HAPPY PLACE**
François Reihani founded La La Land Kind Cafe, which hires foster youth aging out of the system.

Photographs / CARA ROBBINS

"WHEN YOU DO THE RIGHT THING, MAGIC HAPPENS"

François Reihani, 25

FOUNDER, LA LA LAND KIND CAFE

For François Reihani, one revelation changed everything: "I had, frankly, become a dick," he says. "Like, I wasn't being a good person."

Reihani was only a teenager at the time, but once he saw himself clearly, he knew he had to make a change. "I really wanted to go back to my core and just work on myself," the 25-year-old explains. So he took action—setting himself on a course for a new life in a new city, and ultimately building a company that stands by one simple slogan: "Don't be a dick."

That company is La La Land Kind Cafe, a Dallas-based coffee café chain that hires teenagers and young adults as they exit the foster system. The café helps them develop skills they need to build careers rather than slip into addiction and homelessness. And yet, there is no mention of this in the cafés themselves. No signs. No pamphlets. "We just believe that when you do the right thing, magic happens," Reihani says. That belief is paying off: La La Land Kind Cafe has opened five locations and already crossed $6 million in revenue.

In Reihani's view, all this was made possible thanks to a characteristic that often gets a bad rap: impatience. "I'm a very impatient person," Reihani says. When he sees a problem—whether it's in himself or the world at large—he does not wait to solve it. "Before I die, I want to make sure I got full value out of life. The only way to actually achieve something great is by taking crazy risks."

Where does this perspective come from? Reihani attributes it to his diverse upbringing. His parents were born in Iran, lived in France (hence naming their son François), and raised him in Mexico, where his dad ran a small clothing print shop. "It was a blessing for me," he says, because he absorbed the Mexican culture's love for family and neighbors. But at age 12, his family fled the violence of Mexico's drug wars and settled in Los Angeles, where he absorbed a very different culture of money and entitlement. "I felt like everything was a competition," he says, and so began his "dick" phase. By his senior year of college at University of Southern California, he'd had enough: Reihani transferred to Southern Methodist University in Dallas to be in an area with more Mexican culture.

One day in 2015, a friend from California visited him in Dallas and suggested they go out for poke, the bowls of raw fish that had become popular on the West Coast. Reihani was surprised to discover that the meal hadn't made its way to Dallas yet, and that's when his natural impatience kicked in. He was only 20 at the time, and had no experience in hospitality, but why wait to seize this opportunity?

"I just started going as if it were actually going to happen," he says. "I was looking for spaces to lease and making the business plan and putting together numbers before I actually had any sort of a deal. It wasn't real, and I couldn't fund it, but I acted like it was real."

Reihani persuaded a friend's parent to invest, then persuaded a landlord to lease him a property, and then persuaded a chef from the luxury sushi chain Nobu to join. (How? "Provide a vision and give a purpose to people that's much greater than just being a part of a regular chain," he says. "Because at the end of the day, what are you really doing with your life?") Soon, Reihani was a legitimate restaurateur. His poke spot, Pok, quadrupled its estimates within its first year and drew a line of young people that snaked around the block. Shortly after, he revived a dying bar called Bar Stellar, and that was also a hit.

But that's when his impatience kicked in again—and he came to terms with something many people fail to grasp until later in life. "I realized, *There's so much money coming in, but what am I* doing*?*" he says. "*Like, I'm just serving raw fish and collecting money. If I'm 90 years old and dying, what did I* do*?*"

That's when his sister's friend told him about a local nonprofit where she volunteers to help foster youth. Reihani visited and learned that more than 50 percent of the homeless population had been in foster care. "I went home, and I was like, *I'm never doing a restaurant again,*" he says. "*I'm going to start a nonprofit.*" He launched an initiative called We Are One Project to, among other things, help this at-risk population get jobs—but a year later, data showed that the kids he supported weren't keeping their jobs. He realized he needed to do more than find them jobs; he needed to teach them how to hold one.

The solution: He fused his entrepreneurial instincts with his newfound cause and created La La Land Kind Cafe. It would be the place where foster youth learn and serve.

Reihani believed that if the café was preachy about its mission, customers would treat it like a charity and his staff would feel on display. So he instead focused on making a hip café that would rival Starbucks, with an ethos that was felt in a different way. "I wanted to create a place where people just generally loved each other," he says. The aesthetic is all white, as if it's heaven on Earth. The cups are yellow because of its association with happiness. Coffee flavors, like the "campfire latte" with graham crackers and marshmallows on top, are meant to evoke nostalgia. And the staff is trained to tell customers, "I love you" (which sounds weird, but he insists it works).

The concept has been a hit, getting strong local press and many expansion opportunities. This summer, he opened a location in Santa Monica, and he is aiming to build seven more in 2021. "We've never paid for an ad," he says. Invisibly, on the back end, the café executes its true mission: Reihani has partnered with local organizations to build a mentorship program for foster youth, which he has started to export to other companies so they can join the cause.

Reihani also wants to share his impatience with others—because he believes his generation can make a massive impact, if only his peers are willing to move *now*. "Otherwise, by the time we're older," he says, "we're going to realize something, and then there's almost no time left to get it together." **—Jason Feifer**

GROOMING, HEATHER CVAR

PHOTOGRAPH COURTESY OF PARADE

"I WANTED TO TELL A NEW KIND OF UNDERWEAR STORY"

Cami Téllez, 24

FOUNDER AND CEO, PARADE

Everyone has an underwear story," says Cami Téllez. "It's the first piece you put on to create the foundation for your day. It touches the lines of gender and sexuality; it's a strong expression of our identities." Téllez grew up in New Jersey, where her parents settled after immigrating from Colombia. Like most American teenage girls in the past 20 years, Téllez went to Victoria's Secret when it came time to buy "grown-up" underwear. "I was a 32A cup," she says. "So I'd look at the bombshells and 'Angels' and think, *Is that what I'm supposed to be?*"

The answer became clear in college, when Téllez drilled into the disconnect between Gen Z's values of diversity and self-expression and the "sexy," exclusionary, unsustainably produced (and rapidly declining) Victoria's Secret brand. So in 2019, her senior year, she dropped out to found Parade. "I wanted to tell a new kind of underwear story," she says, "with bold color, dynamic design, and sustainable fabric innovation." Parade's aesthetic is fun and irreverent, featuring diverse models with every kind of body. Its fabrics are certified recycled with compostable packaging, and the company promises to be carbon-positive by 2025. Parade has raised $23 million and is now valued at $70 million. "I'm the youngest Latina founder to have raised that amount," says Téllez. "Our impact in such an emotional category takes my breath away. And we're just getting started." **—Frances Dodds**

“OUR DIGITAL ADVERTISING SKILL SET WAS A COMPETITIVE ADVANTAGE”

Oliver Zak and Selom Agbitor, 24

COFOUNDERS, MAD RABBIT TATTOO

For some founders, getting a wave of orders before you’ve developed a product might be a nightmare. But for Mad Rabbit Tattoo founders Oliver Zak and Selom Agbitor (*from left*), it was their whole game plan. In 2019, the seniors at Miami University in Ohio identified a potential opportunity after Zak got a tattoo and was looking for natural after-care products. “Tattoo after-care brands weren’t doing a good job of branding themselves digitally,” Zak says. “They were trying to develop their sales through contracting with tattoo shops—whereas our digital marketing skill set was a competitive advantage.”

To see if their hunch would pay off, Zak and Agbitor built a brand called Mad Rabbit *before* making the natural balms, sunscreens, and gels they would eventually produce. “We started running ads to the website,” Agbitor says. “Within the first few days, people were buying. Since we didn’t have inventory for those orders, we had to cancel them. But I think we knew then that this was going to work.” This March, the Mad Rabbit founders appeared on *Shark Tank,* where they earned a $500,000 investment from Mark Cuban, and they’ve already done more than $4 million in sales this year. “It’s not just about driving sales for us,” Zak says. “It’s about improving other things, like customer service and the value we bring to the tattoo market.” **—Matthew McCreary**

PHOTOGRAPHS COURTESY OF MAD RABBIT TATTOO (SELOM AGBITOR & OLIVER ZAK); TIGER ZHONG (CORINE TAN)

“TRUST IS THE FOUNDATION OF EFFECTIVE TEAM PERFORMANCE”

Corine Tan, 21

COFOUNDER, KONA

Corine Tan’s first internship was at her parents’ staffing company in the Bay Area, and as it came to an end, her mom sat her down for a talk. “When you leave our office, just know that it’s not OK to cry at work,” her mom said. “Folks will discount you if you do that once, because as Chinese-American women, we’re always seen as weak and feeble.”

That message never sat right with Tan—because, even harmful stereotypes aside, it just seemed unhealthy for workers to hide their emotions. “As Gen Z, we pride ourselves on being open about who we are,” says Tan, who also came out as queer last summer. “Tears are a sign of what it means to be human at work.” So she set about opening those lines of emotional communication. In 2019, she founded the startup Kona with her friends Siddharth Pandiya and Andrew Zhou. It makes a Slack-based app that, every day, asks teams, “How are you feeling today?” People respond with a green, yellow, or red heart emoji to indicate their mood, which they can then choose to explain to their colleagues. If that sounds scary, it’s supposed to be. “Folks owning up to their emotions aligns with the kind of trust and vulnerability that we’re trying to create, because trust is really the foundation of effective team performance—*especially* remote team performance,” Tan says. It also gives managers a valuable snapshot of overall team engagement. In December, Kona raised $1.2 million in preseed funding, and it already serves clients like Coffee Meets Bagel, The Athletic, and Happy Money. **—Frances Dodds**

"THE PROCESS OF FINDING CARE SHOULD BE THERAPEUTIC"

Mackenzie Drazan, 26

COFOUNDER, MIRESOURCE

During Mackenzie Drazan's freshman year of college, her worst fear came true: Her younger sister, Shelby, who had struggled with depression and an eating disorder, died by suicide. "I was beside myself," Drazan says. "Why weren't we able to get her the right care?" It wasn't for lack of trying on the Drazan family's part, or willingness on Shelby's part. "We were ping-ponged around the mental healthcare system," Drazan says, "going from residential program to residential program, three different psychologists, three different psychiatrists."

While physical health providers typically handle mental health referrals, there's often a frustrating disconnect between the two systems. In the years following her sister's death, that's what Drazan zeroed in on. She met cofounder Gabriela Asturias in a dorm room at Duke University, and in 2017 they founded MiResource, a service that helps patients find the right mental healthcare for their unique needs. "We empower health institutions," Drazan says. "Historically, that's been university counseling centers. We help them make better connections between students and local mental health providers. We're creating a system that guides you through that process of finding the right care. We try to take all the complications out of it, like understanding insurance, so the process of finding care is therapeutic in and of itself."

MiResource recently raised a $3 million seed round from investors including Blue Cross and Blue Shield of Kansas and Tim Draper. They also recently received a $1.2 million NIH grant, and are starting to work with insurance companies to connect members with in-network care. **—Amanda Breen**

"I WANTED TO HELP PEOPLE GET THEIR LICENSE"

Brandon Wang, 24, Athena Kan, 23, and Shiroy Aspandiar, 33

COFOUNDERS, DREAMBOUND

Athena Kan (*center*) grew up watching her dad juggle his day job as an insurance actuary with nights of studying to become an electrical inspector. As a kid, she couldn't wrap her head around it. "I just didn't really understand," she says, "Like, why would he not just hire someone to do that?"

The answer, she now appreciates, is because outsourcing skilled help is expensive. As immigrants to America—her father arrived from Malaysia, and her mother from post-Mao China—times were lean. "With that mentality," Kan reflects, "you think more about survival and less so how you can pay your way through the problem."

Two years ago, as a senior at Harvard, she began channeling that awareness into the concept of Dreambound (initially called Ladder). It's a gateway to gainful employment, which helps workers secure funds for job certification training and then placement in occupations like certified nursing assistant or truck driver. Then she assembled the right team to make it happen: Her friend Brandon Wang and his friend Shiroy Aspandiar (*from left*) had both worked with Teach for America and saw a lot of opportunity to build upon that work. The three cofounders launched Dreambound in early 2020, have since raised $4.3 million from investors including Union Square Ventures, and hired a staff of 20. "One of the big advantages of being venture-backed is that we're able to leverage all these resources that nonprofits are just not able to," says Wang.

For Kan, it's crucial that their employer clients carry most of the up-front educational costs, allowing Dreambound to, as she puts it, "reengineer incentives" that make entry into the workforce more accessible. "There was this one customer who told me about how she wanted to be a phlebotomist," Kan says. "But that class costs $300, and she wasn't able to afford it, so she had to work seasonal jobs. That kind of clicked in place for me: This is the same pathway my father took. I wanted to help people get their license." **—Kenny Herzog**

PHOTOGRAPHS COURTESY OF WHAT IF VENTURES (MACKENZIE DRAZAN); DREAMBOUND (KAN, WANG, & ASPANDIAR)

"PEOPLE UNIVERSALLY REALLY LIKE CHICKEN NUGGETS"

Ben Pasternak, 21

COFOUNDER AND CEO, SIMULATE

When Ben Pasternak founded his company, Nuggs, in 2019, the then-18-year-old Australian tech whiz had grand plans for the humble chicken nugget. "I wanted to create a techno-optimistic nutrition company that would protect the intersection of food and tech," he says. Translation: Pasternak had noticed an anti-tech sentiment in the food sector, and he wanted a plant-based, alternative meat product to build a bridge. "People universally like chicken nuggets, but it's also universally agreed that whatever is in them is probably not so great," he says. "Their negative reputation meant there was a low barrier to entry for people to try an alternative."

This wasn't Pasternak's first big idea. Back in 2016, venture capitalists spotted a mobile app game he'd created and paid him half a million dollars to drop out of high school, move to New York, and build whatever he wanted. He created the buy-and-sell app Flogg, and then a social networking company, Monkey, which he sold to Holla. That's when he set his sights on nuggets. "For most Americans, their first meat product is either a chicken nugget or a chicken tender," he says. "So getting them in at the ground floor is really important in the transition to sustainable nutrition. Plus, the nugget was really big in meme and internet culture." Nuggs, now a product of parent brand Simulate, was an instant success. It raked in $8 million last year, and current reports project $40 million in revenue by the end of 2021. In June, Simulate announced that it raised $50 million in Series B funding. "Being super young, you're super naive, which enables you to take risks perhaps someone older would not take," Pasternak says. "That's served me really well." **—Chloe Arrojado**

"I LOOKED FOR A DIFFERENT PERSPECTIVE"

Adrienne Cooper, 26

FOUNDER, MOONLIGHT ROLLER

When Adrienne Cooper told her boss at a catering company in Chattanooga that she was quitting to build an adults-only roller-skating rink, he said, "Okaaaay. Let me know if you need your job back." But between two investors, a Kickstarter, and her own savings, Cooper rustled up $100,000 and, in March 2019, founded Moonlight Roller. That was the most straightforward part of her soon-to-be wild journey.

While designing her dream roller rink with a bar-slash-lounge, she worked with a factory in China on rental skates; she wanted them to be comfy around the ankle and body-positive for all sizes. "When I started skating, I weighed 220 pounds," she explains. "Our boot is wide, with an aluminum plate, so no one has to worry about it breaking." To jump-start revenue, she did mobile pop-up roller parties, and she was booked for the Atlanta Comic-Con and Bonnaroo when the pandemic hit. "Everything just stopped," Cooper says. "Thank God we weren't under contract yet with the rink, because I would have gone bankrupt." Thinking quickly, she turned the 1,500 pairs of rental skates she'd started in production into Moonlight Roller's first retail line.

Then she sought guidance. "The big roller-skate companies are all run by white men," she says. "As a 25-year-old Black girl, it was really hard to make headway. So I looked for a different perspective and used the sneaker industry as my example." One tactic she borrowed was teasing a drop. She would do an untitled Instagram post or story, "something that people can screenshot and share around to get them excited," she says. She tried it before launching her skates, The Moon Boot, on May 15. "They sold out in, like, four minutes, all 1,500 pairs," she says. "We did $200,000 in sales in one day."

That's when she hired her first employee. As the skates kept selling, Cooper diversified her revenue. Taking another page from the sneaker industry, she looked for partnerships with brands she could see her customers connecting with. Now the company has done everything from giveaways with GoPro to a skate collaboration with Coach. Despite COVID-19, it did nearly $5 million in revenue in 2020, and Moonlight Roller—which now has three stores, a thriving mobile business, and 28 employees—projects $10 million for 2021. As for the bar and rink? It's finally set to open in early 2022. Cooper's toddler, Emmett, won't be able to come, but he got his first pair of skates this Christmas. "He's obsessed," Cooper says. "Now I have a three-nager human and a terrible-twos business." And they're all on a roll. **—Liz Brody**

PHOTOGRAPHS COURTESY OF ROMINA HENDLIN FOR SIMULATE (BEN PASTERNAK); MIDNIGHT ROLLER (ADRIENNE COOPER)

"SECURITY SYSTEMS PROVIDED TO SCHOOLS HADN'T REALLY CHANGED SINCE COLUMBINE"

Aaron Coles, 22

FOUNDER AND CEO, DRIFT NET SECURITIES

When Aaron Coles was in high school, school shootings were often on his mind. "I was always one of those kids who would look around and see where the exits were, where all my classmates were, where my siblings were, and I'd think about what I'd do if something happened," he says. On February 14, 2018, when he heard about the shooting at Marjory Stoneman Douglas High School in Parkland, Fla., his heart dropped. But Coles, who was 19 at the time, felt like he could do something to help: He had taught himself to code at age 12, and he set about building the robust security system he wished every school had. "The security services provided to schools—school resource officers and CCTV cameras—really hadn't changed since Columbine," he says, "and I saw that as one of the reasons we were getting the same results as in the '90s."

Coles' work would quickly evolve into the company he formed, Drift Net Securities. Its core product, KnowWhere, uses a combination of HD and thermal cameras, as well as artificial intelligence and mapping technology, to show school staff and law enforcement exactly where students and staff are in the building, and how many people are in each area. (He holds two patents on the product.) KnowWhere struck a nerve immediately—the parent of a Parkland victim made Coles an offer in the "double-digit-million dollars" to purchase it outright before Coles even had major customers or patents. But he turned down the offer, instead raising $7 million in seed funding through a group he was introduced to by a church acquaintance. "I was always scared of someone wanting to purchase KnowWhere, because I very much believe it's not about the number of dollars collected but the number of lives protected," he says. "We price our system to be incredibly affordable so that schools don't have to choose between safety and other things they need. That's led to some difficult conversations with our sales team."

In the nearly four years since, Drift Net Securities has grown to a team of 102 employees, and KnowWhere has been installed in hundreds of schools across the country. For his part, Coles is more passionate about his work than ever before. "I've always been a problem-solver at heart, which is what I think entrepreneurship is," he says. **—Jessica Thomas**

"GET READY IN FIVE MINUTES OR LESS AND DO SOMETHING AMAZING FOR THE ENVIRONMENT"

Jamie Steenbakkers, 24

COFOUNDER AND COO, BUSY CO.

When Jamie Steenbakkers was a college freshman, she sat in business class brainstorming a solution for every party girl's greatest dilemma—how long it takes to get ready. She and a classmate, Michael Leahy, started thinking about a number of products that could help, including disposable wipes. They're great when someone needs to freshen up quickly, but the duo soon learned that they're terrible for the environment. "No one was really doing anything about it," Steenbakkers says. "So we saw this huge white space in the market. We could help people get ready in five minutes or less and do something amazing for the environment at the same time." Thus was born Busy Co., a zero-waste beauty brand launched in 2018 that specializes in biodegradable wipes made of upcycled fabric scraps.

Now 24 and 25, respectively, Steenbakkers and Leahy are business partners and have raised more than $3 million in funding and made more than $2 million in revenue. The product has been picked up by major retailers including Kohl's and Macy's, and Busy Co. soon plans to launch a first-of-its-kind metal container for multi-packs. "It's really just about being committed to something and jumping in with full force," Steenbakkers says. "If you put all your effort into it, then you can make something happen." **—Emily Rella**

PHOTOGRAPHS COURTESY OF DRIFT NET SECURITIES (AARON COLES); NATASSJA EBERT (JAMIE STEENBAKKERS)

"IF YOU CREATE VALUE, THEY WILL LISTEN TO YOU"

Dmitry Dolgopolov and Kesava Kirupa Dinakaran, 21

FOUNDERS, DIGITALBRAIN

Many Bay Area programmers put their pride on the line during hackathons. But in 2019, Dmitry Dolgopolov and Kesava Kirupa Dinakaran (*from left*) had much more to lose than that. "There was a point when it was almost like life or death," says Dinakaran. Both he and Dolgopolov were newly arrived immigrants—Dinakaran from India, Dolgopolov from Russia—without legal full-time working status. Hackathon prize money is paid in cash, so for seven months, that's how the then-19-year-old friends (who met at, yes, a hackathon) scraped by.

At one hackathon, they built what would become DigitalBrain, a program that sits on top of customer service software to help representatives process tickets more efficiently. They were sure their product solved a real problem, but they weren't getting interviews with investors or accelerators. "You can't do hackathons all the time," Dolgopolov says, "because you stay up all night. It was exhausting and stressful." They were at their breaking point when they finally got an investment from immigrant-focused fund Unshackled Ventures. Two months later, they were accepted into Y Combinator, and they've now raised $3.4 million. "It was much harder than we expected," Dinakaran says, "but we realized if we did well, this country would welcome us." Dolgopolov agrees. "The Bay Area is filled with strange kids who didn't fit in where they grew up. The wonderful thing about people here is that if you create value, they will listen to you." **—Frances Dodds**

"THAT'S EIGHT BILLION ROM-COMS TO TELL"

Naomi Shah, 26

FOUNDER, MEET CUTE

Growing up in the '90s and early 2000s, Naomi Shah had her favorite romantic comedies: *Bend It Like Beckham, She's the Man, Legally Blonde, How to Lose a Guy in 10 Days*. "It didn't dawn on me until later that the characters in these stories all looked the same," Shah says. "And they didn't look like me." Shah's parents immigrated from India in their 20s and went on to found a software consulting firm in Portland, Oreg. But still, for many years, it never occurred to Shah that she could be the one to tell a different kind of rom-com.

After college, Shah began working at Goldman Sachs before moving over to VC firm Union Square Ventures. "I realized there was an underfunded area in media and entertainment," she says. The pitch sold itself: a production studio for rom-coms with diverse leads. "I started building out the business plan so I'd know this company when I saw it and we could invest." But by mid-2019, Shah still hadn't found that company. Apparently, it didn't exist. So the partners at Union Square Ventures asked if *she'd* be interested in founding it. She was.

In the months that followed, she built Meet Cute: It's a modern rom-com studio that tells stories through 15-minute podcasts, and so far its 300 podcast episodes have been listened to more than two million times. With $9.25 million in funding, Shah is now focused on making Meet Cute a go-to source for millennial and Gen Z listeners looking for inclusive, diverse, creative stories. "Something I love to think about is that there are meet-cutes happening millions of times a day," she says. "That's eight billion rom-coms to tell." **—Jessica Thomas**

PHOTOGRAPHS COURTESY OF DIGITALBRAIN (KESAVA & DMITRY); MARLON JAVIER (NAOMI SHAH)


Yes, We're
OPEN

THE Real Stakes OF THE "Future of Work" DEBATE

As companies and employees decide how, when, and where they should work in a post-pandemic world, let's not forget this overlooked fact: If you harm your company culture, your customers will feel the impact.

by **ERIC SOLOMON** and **CATHY CARTIER**

Illustration / ZOHAR LAZAR

We had a group of friends over for dinner the other day, and the conversation turned to work, as it sometimes does. "I can't wait to go back to the office," said one friend, who works at a technology company. "No way," said another, who works at a midsize law firm. "I'll quit if they make me go back."

"Well," piped in a friend who leads a customer experience team, "I think what we really need is *flexibility*. I'm exhausted. My team is exhausted. I know our customers can tell, and it's starting to hurt the business."

Our friends around the table nodded. This, we realized, was the real stakes of the debate. People have spent the past year and a half arguing over whether remote work would remain permanent, but that has largely ignored a more existential question. This isn't just an issue of how people work—it's that *the way* people work impacts their customers, and whether those customers stay loyal.

We are two former CMOs for very different organizations—Eric has overseen marketing at consumer-facing companies such as Bonobos, and Cathy for localities such as the Las Vegas Convention and Visitors Authority. We understand the complexity that surrounds brand perception, and we believe that the health of a company's internal culture is one of the most important factors. This should add a new dynamic to the conversation we're all having about work—because the decisions companies make today will define their culture, and therefore their relationship with their customers, for years to come.

This is a delicate moment. Businesses are deciding how their teams should operate and interact, including whether or how often employees must be in their physical offices, and they're making it up as they go. Some, like Twitter and Shopify, are allowing employees to work from anywhere indefinitely (at least at the time of this publication). Others, like Nike or Google, are investing in reengineered office spaces. Whatever happens, no one seems to think work will return to its pre-COVID form, with people stuck in a physical building nine to five, Monday through Friday. McKinsey Global Institute's *The Future of Work after COVID-19* report estimates that 20 to 25 percent of the workforces in advanced economies could work from home between three and five days a week—without a loss of productivity.

As all this happens, we couldn't stop thinking about the comment our customer service friend made at dinner. When teams are exhausted, customers notice and the business suffers. We wondered: As work cultures continue to shift, how will consumers' perception of brands shift along with it? When we raised this with our extended network of acquaintances, colleagues, and friends, we found few people thinking about the question. But once we brought it up, everyone wanted answers.

To get out of our own heads, we contacted several of our colleagues who serve in various senior or C-suite leadership roles. That included the former CMO of OpenTable, a managing director at Google, the CEO of H&R Block, the CMO of Penguin Random House, and the CEO of Bonobos. We spoke to them about what specific cultural changes they're seeing at their company and how those changes might influence perceptions of their brand. While no one has definitive answers, they helped us identify key things for leaders to consider as they strike the balance between what employees say they want and what will be felt by their customers.

This is an issue every leader should be thinking about. There are no right answers, but there is a right outcome. Everything may ride on it.

It may be hard to see a direct line from corporate culture to consumer perception. So let's start with two examples.

First, there is the most obvious arena: retail. Employees who meet with customers are also responsible for representing a brand's values, and unhappy employees will deliver unpleasant experiences. At H&R Block, for example, CEO Jeff Jones became worried that after a year of not directly interacting with people, his staff "may have lost some of those skills." It's why he now thinks a lot about "the basic human things" he needs to foster among his team to ensure that his tax professionals live up to consumers' expectations.

The same holds true in nonretail environments—because while these workers may not directly interact with consumers, they do make products that consumers use. At Google Travel, which is the department that builds the search giant's travel tools, managing director Rob Torres always believed that Google's workplace experience is key to its success. People from different teams interact and inspire each other, feeding off their shared mission to make users' lives easier. "How do you re-create that in the 'new normal' if people don't come back?" he asked. Sure, his team members will be able to execute on ideas, but will they be as inspired to identify new opportunities? Or will stagnation develop inside the company, and then be felt outside it?

These two examples raise questions about *the way* we work, and for many people, that's defined entirely by *where* and *how* we work. Should we work in an office? Are we on fixed hours? In Iceland, researchers recently shortened people's workweeks to 35 or 36 hours—and found that they were happier and more productive as a result. Maybe that's our future?

But hold up. Before we start building the structure of work, we have to understand the foundation—and the foundation is not about hours or offices. It is about people. Business leaders must first build, rebuild, or preserve human relationships.

This might be like saying water is wet, but consider what we've collectively been through. Over the course of the pandemic, we discovered what Zoom was good (and not so good) for. It turns out that many meetings could be conducted remotely, instead of requiring cross-country flights, and well-functioning teams could stay in touch easily and enjoy added flexibility. But new connections sometimes became harder to make. Interviewing or starting new jobs was awkward. Corporate team-building exercises were dicey at best.

As a result, HR experts told us, work culture has changed. Many employees feel disconnected from their employers and colleagues. Now companies are making policies that apply to both new and existing employees—without always thinking about how to strengthen the weak ties in their organization and ensure that the next wave of new hires feels connected.

Solving this problem requires new work models, with an intentional focus on collaboration and spontaneous discovery, and in alignment with the greater vision, mission, and values of the organization at large. Some of the most impactful customer innovations have happened during "watercooler" moments, when people have stepped away from their workspace and are able to interact with others. Purposely re-creating the space for those random interactions can be accomplished by creating shared organizational goals fueled by opportunities to interact with various team members. Lunchroom interactions with other teams is what has led to some of the Google Travel team's success, Torres said, and finding ways to continue those random interactions is important to continued innovation.

But the solution must also come from something more fundamental: This is a prime time for brands to strengthen their vision and mission, and to make sure that everyone at the company feels connected to it. "People are looking for that North Star," Bonobos CEO Micky Onvural told us. "Brands have a responsibility to use their voice, and this is truly an opportunistic moment. I think this is the time to double down on your brand story and your brand message."

A brand's mission is ultimately the thing that ties its people together, and it will be crucial as companies renew the emotional connections with their employees and their customers. Together, organizations must understand the heart of who they are—along with their end goal (vision), approach to reaching that end goal (mission), beliefs and behaviors (values), and how these elements influence the way they communicate with people, employees, and customers alike.

This goes beyond trotting out an old mission statement. Values have changed in the past year and a half; what mattered to employees and consumers in early 2020 may not match late 2021. Instead of simply giving them a statement of values, bring them in on the conversation so that, together, your entire team can create buy-in for a renewed mission.

Recently, we spoke with a friend who did just that. She spent the past year and a half trying to keep her company afloat, and she and her team were exhausted. As she began to look toward the future, she surveyed employees on what mattered to them most now. She was surprised by one of the top new needs: People wanted the company to provide pet care, like daycare, to address the separation anxiety pets are feeling. At first, she thought this sounded ridiculous. What do pets have to do with the company's values? Then she understood it: Many of her employees spent a year at home caring for their pets (and acquiring new ones), so a company that cares about *them* is now also one that cares about whatever *they* care about. The pet care issue also reveals how, since March 2020, different employees developed vastly different needs. Many corporate leaders scrambled to keep their business operating, while employees may have hunkered down in new surroundings with family or friends, or suffered personal traumas and loss. A leader cannot ignore this reality, or else these teams will feel disconnected from each other. Instead, everyone must be brought together with a set of values that acknowledges everyone.

If this sounds like hard and complicated work, that's because it is. But the leaders we spoke to kept emphasizing a simple starting point: *listening*. Listening to employees will require those in leadership to put aside their own biases and to open themselves to new ways of achieving overall company success. The path to brand health and ultimately brand growth rests in the hands of the very people who are responsible for it on a daily basis. Building and sustaining the link between what employees need and what a company can truly offer requires curiosity and willingness to view employee culture through a brand lens. Brands are, after all, built from the inside out.

Business leaders must first build, rebuild, or preserve human relationships.

Now that we've looked internally, let's look externally. What are our customers experiencing? Jessica Jensen, former CMO of OpenTable, shared a helpful way to look at it: *emotional distance*.

This is a concept she used to think about a lot. "OpenTable," she said, "is really based on relationships. People are emotionally connected to the brand, and we have a close tie with restaurants and their customers." But OpenTable is owned by Booking Holdings, which historically does not work with small businesses on the ground. This may put them further away from their customers, emotionally speaking. "I think that emotional distance from the customer matters," Jensen continued. "The closer the internal emotion is to the end user or customer, the greater the impact."

What a powerful idea. Customers can feel emotionally invested or emotionally distant—and the difference has nothing to do with marketing or product. This is precisely where the connection point is between internal employee morale and customer brand perception. Strong teams, who feel supported by their organization and inspired by a shared mission, will connect better with customers and solve their problems through innovative products and services. When those customers feel supported, their emotional distance shrinks.

Think about it like a journey that employees and customers take together; we like calling it the brand relationship arc. All relationships begin with acknowledgement: Customers and employees see each other and say, "I know you exist." The relationship then moves up the arc to understanding: A company's employees understand their customers' needs, and customers are aware of (or better yet, care about) the company's solutions. From there the relationship can deepen more—to the point where it becomes a core part of people's identities. This is when passionate employees stick around for decades, and when customers champion a brand the way, say, Nike fans proudly wear giant swooshes on their shirts.

How can leaders move everyone along that arc now? The answer is ever evolving. Customers, especially younger ones, may care more about what a brand stands for than what it actually sells. Customers (and employees!) are no longer the same people they were in early March 2020. Above all, leaders must respond to this by being flexible and creating a trusted environment.

Sound unpredictable? Many of the leaders we spoke to said it sounds liberating. "Our future has to move in waves," Penguin Random House CMO Sanyu Dillon told us. "The opportunity for redesign and reimagination has never been greater than it is now."

What was once thought impossible may now be possible. We can reimagine how a company functions, how it creates a work-life balance for its employees, and how it becomes meaningful to its consumers. This cannot simply be a conversation about where and when we work, because that will take us nowhere. This is a conversation about relationships. It starts with people.

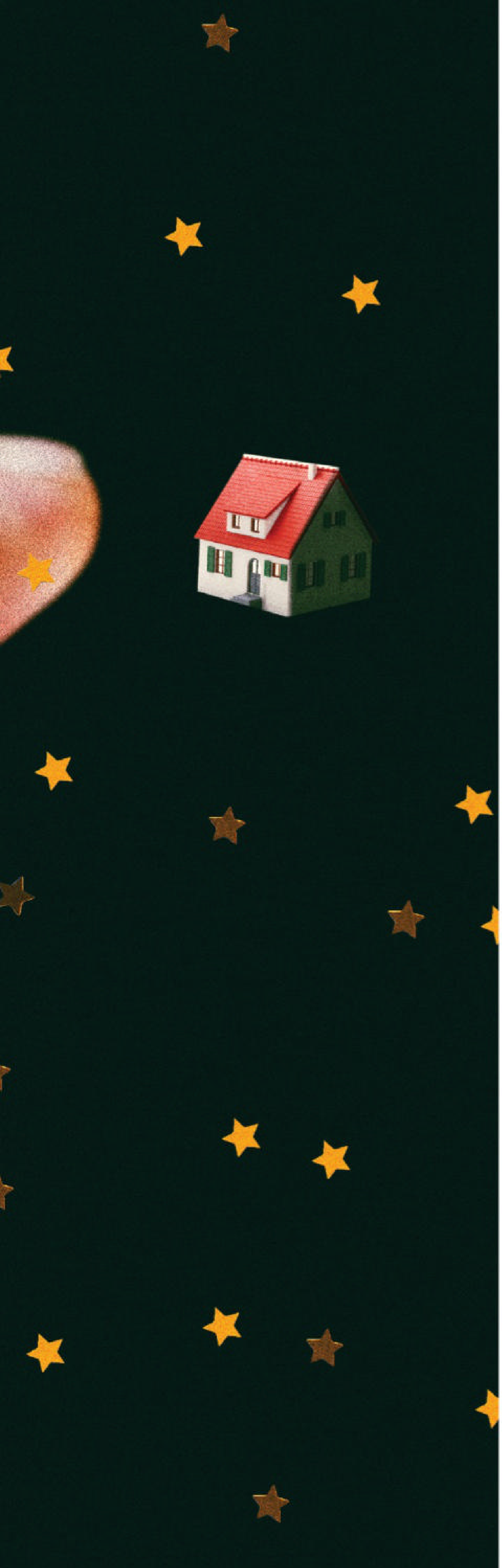
Cathy Cartier is the president of Cartier Global Strategies, and Eric Solomon, Ph.D., is the founder and chief brand officer of The Human OS.

HOW TO DO SOMETHING NOBODY HAS EVER DONE

ANKUR JAIN wanted to create a rewards program that helps people buy a home. Nothing like it existed. To become the first, he'd have to first fail over and over again.

by NATE HOPPER

Illustration / NICOLÁS ORTEGA



PHOTOGRAPH BY GETTY IMAGES/MIKE COPPOLA

In 2017, Ankur Jain had sold a company to Tinder, had become its VP of product, and was hating the conversations he was having. He was living in San Francisco, where Silicon Valley types would talk about solving big problems and bettering the world—"and then the kind of stuff I would keep hearing about was, like, 'We're building crypto stickers,'" Jain says. This in a state where the median household price had hit twice the national mark, and in a city that over the past five years had seen median home prices nearly double. And it wasn't as if the housing stock had astronomically improved. "The more these things became expensive, the less you got as a consumer," he remembers realizing. "In what world of private sector markets does that make sense? And that, to me, spells opportunities to change a whole model."

Even some highly educated, relatively well-paid San Franciscans—buoyed by lucrative jobs yet awash in student loans—could not afford to buy a house there, and homeownership nationwide had been largely dropping for more than a decade. "Then the worst part is, everyone tells you that the only way to ever build wealth in your life is homeownership," Jain says. This was made even more annoying by the fact that what people did spend to put a roof over their heads—often, especially for young people, paying rent—helped their homeownership hopes very little, even as nearly half of American renter households paid more than 30 percent of their income on the expense. As far as Jain could tell, reliably paying rent only sapped one's savings. Since few renters could pay rent via credit card, their reliability rarely, if ever, translated into an improved credit score despite rent being so many people's largest monthly expense. It didn't even earn you cash back or points like buying gas or groceries or airplane tickets did. Rent was an exceptionally big drag—which was, in its way, exciting.

Jain had been developing a theory of profitable betterment: Take young people's biggest problems—ones surrounding massive sums of expenditure, like student loans and healthcare costs as they and their

Illustration / NICOLÁS ORTEGA

> "We were building a distribution channel to reach millennials and Gen Z that nobody else had access to, around their largest expense."

parents age—and see if entrepreneurs could reshape them to actually improve one's life trajectory. "It's like the age-old adage of 'Follow the money,'" says Jain. "Where are people having to spend money? If you give consumers a better experience, you can disrupt legacy markets."

That was the guiding principle behind the venture studio, called Kairos, he began as he departed San Francisco and moved to New York. (The incubator shared the name with the wildly popular networking society for aspirant entrepreneurs Jain had founded while a student at Wharton. This had made him a darling to some of the world's most powerful business elites as they sought out connections to bright, young talent.) And that experience-centric principle drove two of Kairos' first companies: Rhino, which created a system that allowed renters to avoid paying an enormous up-front security deposit on an apartment and instead contribute a small monthly fee as insurance; and Cera, which aims to make home care for the elderly more affordable and is currently operating across the U.K. "People thought it was, like, a nice-to-tell story," Jain says of Cera. But he says that, today, both it and Rhino are $500 million businesses. "It's actually both helping people and making a lot of money because you're solving a real problem."

Yet rent—useless, savings-sapping rent—remained Jain's most loathed nemesis. He had his question, which was ambitious yet simple, as he liked one to be: *What if there were a way to help turn renting into a pathway to homeownership?* He just couldn't picture what the answer would look like.

Jain likens building a startup to putting together a puzzle. There's a mess of pieces—hundreds of them. But at any given moment, a founder and their team have to focus on where to put whichever they believe at the time is the most important piece. Only once that's set should they move on and look at what seems to be next. "If you try to piece it all together from the beginning, you'll be lost with where to even begin," says Jain. "There are so many issues that will happen, you'll never build the foundation." And while an entrepreneur may have an initial idea, a startup actually doesn't know in the beginning what it will build. "Imagine a puzzle where you don't have the image," he explains, "but you have to imagine what that image is."

Jain started asking around to see what was already happening in the homeownership space. He leaned on his formidable, possibly unparalleled-for-his-age network (he's now 31), asking for connections and conversations. Most of what he saw were techy takes on rent-to-own systems—which seemed innovative and cool, until they seemed useless and even sinister. He felt that the programs preyed on lower-income people by using nearly incomprehensible math to increase the prices over time. "You would never use these programs unless you absolutely had to, and that is the first sign something is predatory," he says. That clashed with Jain's ideals. "Technology companies, at their best, improve the quality of what's best-in-class and democratize access," he says. "Meaning, if you are someone with high income, you would want this product because it's better and more affordable. And if you are low-income, you also want it because it's better and more affordable."

So he kept having talks and leaning on his network, and eventually he developed what seemed like a vision worth pursuing: a rewards program. He spoke with Barry Sternlicht, founder, chairman, and CEO of Starwood Capital Group, who told Jain about Starwood Preferred Guest, the beloved hotel rewards program that Marriott International acquired when it purchased Starwood Hotels & Resorts Worldwide in 2016. Jain learned about how hotel groups and airlines thrived off not individual bookings but their loyalty programs.

Consumers know the basics of a loyalty program. It creates a form of currency, often called "points" (though airlines typically call theirs "miles"), which have a particular value. Sometimes that value is assigned essentially internally; a Starbucks Rewards card awards points that can be redeemed for Starbucks products. But the value of points can also be agreed upon by a pair of partners—including two distinct rewards programs. A hotel program could create partnerships with airlines in which the hotel members exchange hotel points for a certain amount of those airlines' miles. The customer doesn't see that once that exchange occurs, those points are actually sold from one company (the hotel) to the other (the airline).

Such systems have been invaluable to airlines during the pandemic, when United, Spirit, Delta, and American Airlines all collateralized their loyalty programs to raise billions while flights were grounded. American Airlines' offering this past March reportedly set an aviation industry record by raising $10 billion.

Jain saw a direct application to renters who wanted to one day own a home, by way of the people to whom they paid their rent. To landlords, renters have costly commitment issues. According to the institutional multi-family real estate scion Mitchell Moinian (who is a principal at The Moinian Group and an investor in Rhino, and became an early partner in helping Jain shape the real estate side of this nascent business), about a third of leases in higher-tier buildings aren't renewed, and that figure expands to about 50 percent of leases nationwide. The costs of that turnover—the vacancies not earning anything, the marketing to find new renters—are substantial. "If you can get an extra handful of people to stay one more year, two more years—massive difference," says Jain. And a reward program is a proven, popular way to inspire commitment. Jain imagined creating a program that would sell its points to landlords, who could then offer those points to renters as incentives to sign or renew leases or for making a rent payment; at the same time, Jain figured, the rewards program could make it so its points could be cashed in for a down payment on a mortgage—which he thought he could also make

money from by eventually getting a mortgage originator license. Landlords would see less turnover; renters would finally get *something* back for paying rent. All he thought he had to do was get real estate owners to sign up for this program and build from there. "It seemed like a no-brainer," he says.

He called in the lawyers and asked how he had to set this up. "Then our lawyers come back and say, 'Hey, love the idea. It might not be legal,'" says Jain. "And I was like, 'Sorry—what?'" Apparently, legally, Jain needed explicit approval from the Federal Housing Administration and Fannie Mae in order to allow people to put points toward a qualified mortgage, just as they can legally use personal savings or gifts from their parents. ("Why, by the way, gifts from your parents?" Jain says. "I mean, like, so rich kids can get benefits, but nobody else?") What had seemed simple now seemed impossible; the regulatory issues felt like a lethal blow. "Suddenly, my picture I'd imagined no longer worked," he says.

Jain set his sights elsewhere—including on seeking regulatory reforms around the country for Rhino so local governments mandated that all renters in the area have access to its security deposit alternative. Through that process, Jain found, to his Silicon Valley–jaded surprise, that politicians actually wanted to be of service. "We were not just saying, 'Move fast, break things, and screw you, government' but actually asking for help," says Jain. And Rhino received it. It was around this time that Jain reconnected with Tim Mayopoulos, who had recently ended a six-year tenure as president and CEO of Fannie Mae and who agreed with Jain's earlier thinking: *Why should loyalty points earned from paying rent be any different from personal savings? Earnings should be earnings, regardless of the currency.*

That renewed Jain's confidence in what had gained the internal code name of Project Casa, and he traveled to a meeting with the Department of Housing and Urban Development in Washington, D.C.—to find a roomful of high-powered officials, including the head of the FHA and the then HUD secretary, Ben Carson. It seemed that the government not only wanted to help but needed help. Young people were missing out on building wealth through homeownership—risking both a further rise in inequality and an economy in which boomers may soon struggle to liquidate their investments as they retire. "I get to this meeting, and I start to realize how big of an issue this is," Jain recalls.

Illustration / NICOLÁS ORTEGA

> **“How I’ve approached this program is: How can I put together a program that is relevant from your very, very first rent payment all the way to homeownership?”**

So began a nine-months-long gauntlet of working with federal policy and risk teams, asking and answering endless questions, and making adjustment after adjustment to ensure the program would be safe for consumers. The key was to balance conviction in the larger vision while maintaining the humility of knowing it was only a vision—maybe even an ill-informed one—and that reality would fracture it over and over again in instructional ways. “You feel excited and confident that other people share that [vision], but you’re also scared shitless because in the back of your head, you know that you’re trying to figure out the puzzle piece in real time,” he says.

Finally, Jain sent a letter requesting formal regulatory approval. Convinced that his team had done everything it could to get a yes, he flew to Chicago to meet with the Pritzker Realty Group and, at long last, pitch the no-brainer—that it should offer a loyalty program to its renters. But as he sat alone in his hotel room the day before, an email arrived from the FHA with a scanned PDF of its decision: Jain’s request was denied. He would have to cancel the Pritzker meeting. He recalls texting the team, “Guys, I think Project Casa just died again.”

Jain called everyone he had been in touch with—people who had helped guide him through the process but had no say over the ruling. He pleaded for another meeting with the government so he could explain the project’s intentions; he was certain something must have been miscommunicated. Soon he had his meeting, in which he made an impassioned case. And soon after that, he got official approval from the FHA. The months of work had actually paid off. “And the irony is,” says Jain now, “if you look back today, that’s such a tiny piece.”

At long last, around September 2019, it was time to talk with the real estate companies. Beyond what Jain believed to be the program’s obvious appeal, he had built a rapport and some credibility with several real estate owners through his work with Rhino. Friends in the industry had encouraged him when he’d soft-pitched them the concept. That made it all the more surprising when, Jain says, the first people he officially met with told him that it was just about the stupidest idea they’d heard.

Reflecting on his mistakes from those early pitches, Jain sees where he erred. For one, he forgot his audience. His early pitches played up the value the rewards program would provide renters but took the benefit to landlords (decreased turnover) a little bit for granted. He was gobsmacked by their skepticism; worst of all, some wondered aloud whether they wanted to encourage homeownership at all. (Their thinking went: *More homeowners equals fewer renters.*) But over about three months, he refined his presentation and worked through landlords’ abundance of concerns. They began to see the promise, even though the mechanics needed refining. But still they wouldn’t sign up. “Nobody wants to be first, except for a very rare group,” says Jain. So he leaned on owners who were involved in Kairos—people like Barry Sternlicht—to get on board, and once they were, he let FOMO slowly convince others.

Jain also knew that for any of this to work, he would need renters to really buy in on a program where rent earns points that can be spent on mortgages. But while homeownership may have been a deeply held goal, it was also the sort of thing young people typically put off. The team heard from potential customers that the program seemed interesting, and that they may sign up—when they were older. This got Jain wondering, *Why do we need to tell you what to do?* Yes, the program could enable someone to earn unprecedented points on an enormous expenditure; that would not be nothing. But why design a program in which you must use those points on homeownership—instead of one where you *can* do so? He wanted to offer not a command but an option.

Jain needed to find other things for which people could redeem the program’s points, but the greater rewards ecosystem was yet another unknown he would have to explore. He reached out to Dave Canty, a rewards-program veteran who had helped design the SPG program, build AutoZone Rewards, design and helm the loyalty side of JetBlue’s TrueBlue, and lead InterContinental Hotels Group’s loyalty programs globally, each of which has millions of members and brings in billions in revenue. “I think within two minutes of listening to what the vision was, I was fully on board,” says Canty, who joined as the project’s director of loyalty.

Canty knew that the major rewards programs heavily relied on people older than 50. Given the comparatively youthful demographics of renters, that presented an opportunity to build something for a new generation and guide it into the more established stages of adulthood. “How I’ve approached this program is: How can I put together a program that is relevant from your very, very first rent payment all the way to homeownership?” says Canty. Whereas some companies may see a loyalty program as a cost of doing business and build out their portfolio of offerings by seeing what their peers had already done, Canty wanted to be more selective and build from what these prospective customers would want to redeem the most. “Redemption breeds loyalty,” Canty says. He would ask himself, *What would I want?* Or he would ask his Gen-Z daughter what she would want.

One obvious space was travel, and so Canty leaned on his past contacts to start pitching. Jain also brought in Brian Kelly, founder of the website The Points Guy, as a senior loyalty adviser. Kelly saw two particularly attractive targets: American Airlines and Hyatt Hotels, which have some of the most valuable points of any independent airline or hotel, according to The Points Guy’s analysts; he brokered introductions and meetings. Jain, Canty,

Kelly, and Tina Moore, who was hired to be a senior director of loyalty and partnerships, divided and conquered.

It was the sort of sell that required the partners to look toward the future. But by wanting to help younger people in particular, Jain says, "we were building a distribution channel to reach millennials and Gen Z that nobody else had access to, around their largest expense, with a program they were going to earn a lot of points on." Ultimately, it was a convincing proposition. Some of the largest hotel and airline programs partnered up with the rewards program, including American Airlines and Hyatt. The array of choices for how to use the points—on rent, on a down payment, on travel, on fitness classes—expanded and started to feel like a central hub for not just renting but living. They stopped calling the program Project Casa and gave it a proper name: Bilt.

At the same time, the Bilt team wanted to go even bigger—to create not just a rewards program but also a credit card through which those points could be earned even faster. That would add a revenue stream: Bilt would make money whenever someone used the card on any purchase, via the merchant fees that stores pay to credit card companies for processing a purchase. It would also accelerate, beyond the baseline rewards program, how quickly customers would accrue points. That would both make money and, if launched simultaneously with the rewards program, be an immediate aid in creating the "brand stickiness" Bilt sought to create in a space that had little to no brands—unlike just about every other market on Earth, be it sports, beverages, or sports beverages.

To make a Bilt-branded credit card, among the multitude of organizations it would need to work with, Bilt particularly needed a bank and a credit card issuer. Jain got a meeting with U.S. Bank, in part by way of a connection made by Roger Goodell, the commissioner of the NFL and a board member of the Kairos venture studio. Jain and his team went in and once again passionately pitched until they learned exactly how wrong they were about something, at which point they would go back to the proverbial (or sometimes literal) whiteboard, rework what they had, then repeat. "It was, like, months of the U.S. Bank team being very nice to us, entertaining the conversation, while clearly recognizing we didn't have our financial models straight," says Jain. Over time, things started to align.

A similar process happened with Mastercard. Via a mutual business partner, Jain was introduced to Sherri Haymond, executive vice president of digital partnerships at Mastercard, whom Jain describes as Bilt's "fairy godmother." They met not long before the pandemic began and developed a partnership almost completely over phone calls and FaceTime. Slowly, the two companies worked out a payment flow—one that would enable people to pay their rent with the card for no fee. That would also be a boon to helping people better their credit score; counting rent could dramatically improve one's score, which could enable them to receive a better rate on a mortgage, potentially saving up to tens of thousands of dollars in interest (in addition to potentially redeeming points for the down payment). Conveniently enough, Mastercard had acquired SessionM, a loyalty platform used by partners like Starbucks, and would soon acquire Finicity, which had a wealth of experience in data aggregation for mortgages.

There were seemingly endless more things to figure out. The landlords needed Bilt to sync up with their various aging payment processing and accounting software systems. The company came up with a way of ensuring that people weren't going into debt due to their rent payments. It had to physically build a card—including a custom baby-blue magnet stripe—amid a global chip shortage. It needed an app that actually explained how to use the points. It created a program where specially selected young artists could sell exclusive art for points within that app, as well as an exclusive home decor collection. It kept pitching and expanding the number of real estate owners and rewards partners involved, who often had their own corporate or legal requirements and data-privacy restrictions and you-name-it.

Along the way, Jain was reminded of a lesson taught to him when he was a child by his father, Naveen, who founded the company InfoSpace during the nineties dot-com bubble and reportedly became a multibillionaire. (He is now CEO of the health-tech company Viome, which he founded.) Ankur recalls, "I was learning and just going to the office, and he was like, 'In every partnership, every stakeholder has maybe two or three things they really care about, and the rest are fungible. Sometimes they'll tell you what those are; sometimes they won't. Ninety-five percent of the time, two out of the three [things they care about] are at direct odds, so you just focus on the one, and the rest flows.'"

In Bilt's case, it wasn't just each individual partner's possible internal contradictions. It was a vast collection of competing needs. But it turned out, if you responded with a very clear yet ever-adaptable hypothesis and kept trying to rotate each piece of the puzzle in just the right way (and, sure, maybe tossed or tweaked a piece if absolutely needed), a simple yet complex possibility could appear: Everyone could stand to make money by rewarding reliable renters for doing what they already did.

Most people look back at how smart they thought they were a few years ago and laugh. It's a kind of reflection that one undergoes only occasionally. But as Jain puts it, he's spent the past three years looking back just about every week and realizing how naive he'd been a few days prior. Then, energized by those epiphanies or some new information or an exciting idea, he and his team would sprint off, only to collide with another brick wall. They'd rub their heads, plan what seemed like a wiser path, then—*thwack*.

But over time, the Bilt team could smoothly run a renter, a regulator, a bank, a reward program partner, and a credit card company through the value proposition. The brick walls eroded into predictable bumps—or at least ones the team was now informed enough to know it could manage without losing too much momentum. "That's the time when we felt, *I think we're ready to launch*," Jain says.

On June 22, Bilt Rewards and Bilt Mastercard debuted with points that could be redeemed through more than a hundred airlines and hotels, in addition to fitness class partners and other redemption options, including, yes, a down payment on a mortgage. It boasted a relationship with a collection of real estate owners whose properties added up to two million rental units that would roll out the program through the summer and into the fall.

It was a success—and just the start. Jain maintained his conviction, and his uncertainty. A couple of weeks before the debut, exhausted but exhilarated, he predicted, "At launch, our hypotheses will be wrong in five other ways. But we'll adapt then."

Nate Hopper is a reporter and an editor.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A View from Both Sides

Vinay Rama's experience as a hotel franchisee set him up for success when he unexpectedly became a franchisor—in the restaurant industry. **by CHLOE ARROJADO**

→ FRESH TAKE
Chicken tacos at Lime Fresh Mexican Grill in Lake Nona, Orlando, Fla.

Vinay Rama planned on a lifelong career in hotels—and that made sense, for a while. It began in childhood, with his family's motel businesses in Tennessee and South Carolina. Rama spent his teen years at boarding school in India but returned to the U.S. for college, and stayed. In 2015, he began developing a Marriott and a Holiday Inn Express in Orlando, Fla. Eventually, he'd open three more Marriotts in the area, plus two in Miami.

Rama had no plans to branch out from hotels, but in 2016, an unexpected opportunity presented itself. Ruby Tuesday was selling Lime Fresh Mexican Grill, a casual, made-to-order restaurant that had seven units in South Florida. Rama and four friends decided to go in on the $4.6 million deal together. At the time, he saw it as a passive investment to raise capital for future hotels. But when he didn't like the way his friends were operating Lime, he bought out three of them. Now he expects to grow the franchise to 17 units by the end of 2021, and he credits much of his success to the lessons he has carried from one side of the franchising world to the other.

When you took over leadership at Lime, you had never run a restaurant. Did you get any good advice?
I call myself an accidental restaurateur because I never planned on getting into the business. We hired a consultant, and I'm glad we didn't listen to some of their report. They said things like: "Put freshness cues into the design. Hang up posters that teach the customer about your brand." As a guest, do I really want to read all your propaganda and marketing? No. That's why when people walk into our restaurant, it feels different. It feels elevated in a nonfussy, comfortable way.

But there were a couple of bullet points from [the consultant's report] that kind of drove what we see today. They mentioned, "You're cooking everything from scratch, but nobody sees it." So the new prototype is an exhibition kitchen. It's like this big glass that you look into. We see that at upscale Chinese restaurants or Michelin-star restaurants, but you don't see it in the fast-casual segment. It's just about being open-minded and careful in decision-making.

What's it like shifting between the franchisee and franchisor mindsets?
As a franchisee, you're executing on a brand's vision and promise. It's nitty-gritty. As a franchisor, you're defining things in detail, but you're not actually doing them. You're depending on a franchisee, and you're just quality control. You're more on the creative side of things, which I love. Frankly, as a hotel franchisee, I was reaching a little bit of an intellectual plateau. It was like, *Buy another piece of land, find a brand, do the same thing, raise the capital.* So when the franchisor stuff came up, it added to my skill sets. I'm learning more, and our hotel teams are learning more, too.

What are the hallmarks of a good franchise?
The number-one answer that comes to mind is that the brand is ever-evolving. Everybody wants to define a brand and then replicate it. To me, that's antiquated. I want to create a brand that's dynamic. The other big one is: If you don't take care of your people, good luck. I've been fortunate to work with brands like Marriott and Hilton, which are franchisee-centric. It's a partnership. They know that without the owners, they can't be successful.

From Family Business to More Time for Family

For **Jon** and **Kari Murdock,** letting go of their family business was a tough but necessary step toward scaling up and building a better work-life balance. **by CHLOE ARROJADO**

Jon and Kari Murdock wanted to expand their plumbing business but weren't sure what to do next. The Kalispell, Mont.–based couple opened their company in 2015 as an independent operation—so when Mr. Rooter reached out at the beginning of 2020, inviting them to convert it into a Mr. Rooter and join its 200-plus North American locations, the Murdocks were conflicted. They decided the franchise aligned with their values, but giving up their business's branding and identity was tough. Ultimately, though, they made a decision based on their family: They knew it would take years to scale on their own and felt Mr. Rooter had the right model to help them grow. Becoming a franchisee would give them more time with their two daughters. Here, Kari explains how the transition went.

PHOTOGRAPH COURTESY OF MR. ROOTER PLUMBING

Was there something specific about Mr. Rooter that sold you on converting the family business into a franchise?
Hearing about Mr. Rooter's customer focus and the values they have for their company really struck both Jon and me. That was very important to us—having integrity and being honest. We wouldn't have done it had those values not been part of the package, and we really focus on that when we talk to people in the community. It's still us. The name changed, but the values didn't.

What were your concerns about growing the business independently?
Scaling up was a big challenge. There were a lot of trial-and-error type things we would have to work through if we did it on our own. We felt like going with a proven model would be a better way to make sure we weren't wasting time and money in growing our business. We work with a representative to develop a marketing plan and a budget. We got a new software system that helps us with our scheduling and invoicing. If we hire people in between the live training, there are online modules that explain our values and every step of our process.

What was the most difficult thing about transitioning?
It may sound silly, but the name change and losing our logo was the hardest step for us. It was so personal, having our name on the business. We'd hired a marketer and spent a lot of time developing our logo. But the most important consideration in the long run was for us to have a family life outside of the business, and the franchise really helps us do that. When it was a family business, we were on 24 hours a day, seven days a week.

What goals do you guys have for the future?
Our immediate goal is to find another journeyman plumber who wants to learn with us. We were told when we were first looking at the franchise that if you are required to be on-site for the business to run, you don't have a business—you have a job. That was a big *aha!* for us. So our ultimate goal is to own a business we can step back from and still have it run efficiently.

What are some of the pros and cons of being a franchisee versus being an independent small-business owner?
The biggest pro for us is the community and the support we get—not just from the company but from the other franchise owners. When you're a small-business owner, you're working hard for yourself, and at times it can feel a little bit lonely or isolated. Now we make better-informed decisions, but they're still our decisions to make.


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(WHERE IS EVERYONE?)

The nationwide hiring crisis is having an especially large impact on fast-casual restaurants. Owners are trying all kinds of tactics to attract and keep employees—and their efforts may change the industry forever.

by **MAGGIE GINSBERG**

Illustration / DAVIDE BONAZZI

Hiring

Jason Day's restaurants were packed. But back in April, he saw trouble coming.

Day is a Penn Station East Coast Subs franchisee in Nashville, and after a year of pandemic cabin fever, his newly vaccinated customers were out in force. They had stimulus checks in their pockets and were thrilled to be stuffing their mouths with Philly cheesesteaks. But Day's staff? Not so much.

"You could see the stress getting to some of the employees," he says.

Meanwhile, all over Nashville, HELP WANTED banners fluttered over drive-throughs, touting signing bonuses and beefed-up pay not typically associated with fast-casual jobs. Nationwide, media reports were rife with stunts to lure in workers—a $10,000 hiring bonus for an assistant manager at a California Jersey Mike's, free college tuition for Chipotle employees (even part-timers) after only four months on the job, massive "hiring parties" in Taco Bell parking lots.

Day was opening new restaurants—five since October 2020—but he'd found that he had to start the hiring process twice as early to attract a qualified applicant pool. Now he was beginning to worry about keeping the workers he already had.

"How do we compete to prevent them from going up and down the street?" Day remembers thinking. "Because you have to realize that anyone is going to hire them in two seconds if they walk out the door."

He had reason to worry. The "quit rate" for food-service and accommodations workers nationwide hit 5.6 percent this April, the highest it had ever been and twice the rate of other sectors. April also marked a year of the ongoing federal government's extended unemployment insurance, which added $300 to $600 a week to existing state benefits—a critical safety net for millions, but something many employers believe has dragged on far too long and helped create the worst labor market they've ever seen.

> MY QUESTION TO YOU: WHY WOULD WORKERS WANT TO RETURN TO RESTAURANT JOBS? EMPLOYERS NEED TO COMPLETELY RETHINK THEIR EMPLOYMENT POLICIES FOR RESTAURANT WORKERS AND BE CREATIVE ABOUT A RANGE OF POLICIES."

That includes people like Dawn Nielsen, COO and second-generation owner of the bakery and café brand Kolache Factory, which has 56 locations, mostly in Texas. When the pandemic hit and sales tanked but labor costs remained, Nielsen says she did everything she could to keep people employed—but it was impossible to recoup that cost on such thin margins. "There's only so much we can charge for a kolache," she says. "When the government is giving them $14, $15 an hour, we're losing people."

David Barr, a franchisee of 39 Taco Bell and KFC locations across Georgia, Alabama, and South Carolina, agrees—but says he doesn't blame the workforce. "They've made economic decisions that are smart for them, and I don't begrudge them," he says. "What I begrudge is that the competition for our employment, for the first time ever, turned into the federal government. I can compete for applicants. I can't compete against a federal government that incentivizes people to sit home."

In April, the International Franchise Association surveyed more than 30 franchise brands and found that around 60 percent were still struggling to rehire workers. That same month, job openings were at a record 9.3 million high, and eating and drinking establishments were short 1.7 million workers. And yet, 9.3 million Americans remained unemployed in May. Some of it is likely due to the unemployment benefit, experts say, but there's also the childcare struggle, fear and trauma among a workforce disproportionately impacted by a deadly virus, and the ongoing battle over the federal minimum wage, which hasn't seen a raise in 12 years.

Now we're heading into fall, and although the current federal unemployment benefit is expiring in September, many believe the labor issues the pandemic has highlighted are here to stay. This leaves franchisees, particularly in fast-casual restaurants, between two opposing forces: an influx of customers, still expecting a cheap, quick meal—and a dearth of workers showing up to serve them.

So what's the solution? *Entrepreneur* spoke to franchisees and franchisors on how they've approached staffing throughout this time and where they think the industry is headed. Some wonder if franchise brands can simply wait it out. Others believe the hiring crisis has revealed seismic shifts—and that for QSR franchises to attract and retain workers, much more change is needed.

ROSEMARY BATT is a human resource studies and international and comparative labor professor at Cornell University, and she makes no bones about her assessment: The restaurant industry is overdue for an overhaul.

"My question to you: Why would workers want to return to restaurant jobs?" she says. "Employers need to completely rethink their employment policies for restaurant workers and be creative about a range of policies."

In 2020, Batt and three colleagues published a paper in

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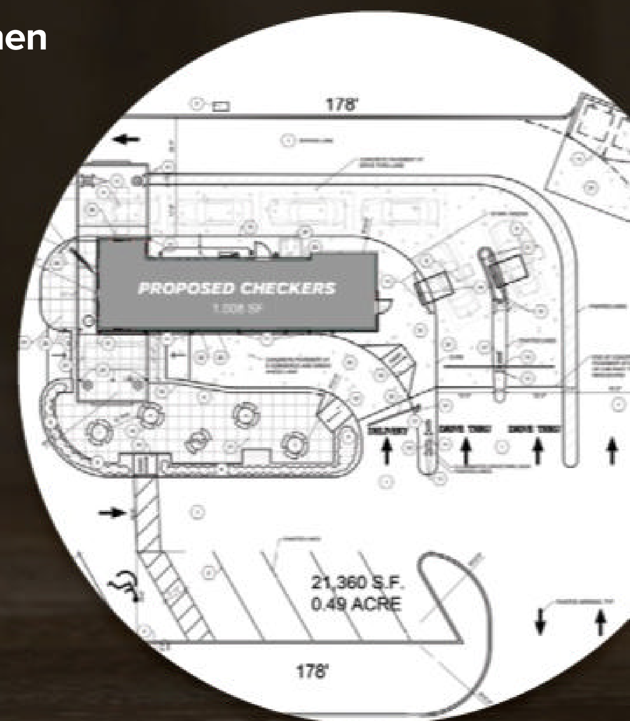

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the *MIT Press* that surveyed a random sampling of 1,150 restaurants—the first national survey of human resource policies in restaurants that they're aware of—with government and industry data, academic research, and investigative reports. The conclusion was bleak: "Eight out of the 10 lowest-paid occupations in the country are in restaurants," they wrote. "The Department of Labor has singled out fast-food franchisees as among the worst violators of wage and hour laws…Many workers also face understaffing, no paid sick leave, erratic schedules, occupational segregation, sexual harassment, job instability, and barriers to career advancement."

One factor is that so-called entry-level jobs were once primarily occupied by teenagers looking to make pocket money. Now they're filled by adults, many of whom are trying to support families. Between 2005 and 2017, the median age for restaurant workers rose to 29. Batt says there's been a dramatic drop in teenagers who are willing to work in fast food, plummeting to 17.8 percent of the restaurant workforce *before* the pandemic and helping set the stage for the current hiring crunch. This shift in the QSR labor force—from teenagers to adults—is a crucial piece of the equation, though the causes are complicated. One is that college has become unaffordable for many families, so competition for scholarships has driven an increased focus on education and extracurriculars.

Franchise executive coach Rick Grossmann saw this shift happen during his own career. His first job was as a McDonald's crew member at age 15, and by 17 he'd become a manager. Eventually, he left to become a franchisee himself. "It was intended to be an entry-level job. It wasn't really intended to be a lifetime career," says Grossmann. "It's kind of evolved into older adults staying in the job for a long time, and then that becomes a non-livable wage when they're having children and a mortgage payment and things like that."

It's clear that the industry must adapt to this, but so far there's no consensus on how. Luis San Miguel captures the tension well. He owns 60 Auntie Anne's, Cinnabon, and Carvel locations in spots along the Eastern United States. He thinks the "living wage" conversation is complex, and includes components like public education, healthcare, and retirement. But in the near term, what he's sure about is that he can't compete with restaurants paying $15 an hour—and especially the government unemployment subsidies. In some markets, he pays his lowest-wage employees just $1 to $1.50 above minimum wage. So instead, he invests in rewarding long-term employees with larger retention bonuses, and pays smaller bonuses for employees who step up to cover shifts. He also pays referral bonuses.

"There's a disparity taking place right now that we've tried to avoid, and that is 'Here's a $10,000 sign-on bonus for a guy to come in and manage a store,'" he says. "That's fine and dandy, but what are you doing for the people who have been working for you? Are you paying them $10,000 bonuses as well? I suspect not."

> IT WASN'T REALLY INTENDED TO BE A LIFETIME CAREER. IT'S KIND OF EVOLVED INTO OLDER ADULTS STAYING IN THE JOB A LONG TIME, AND THEN THAT BECOMES A NON-LIVABLE WAGE WHEN THEY'RE HAVING CHILDREN AND A MORTGAGE PAYMENT."

WHILE MANY restaurant jobs are now filled by adults, Taco John's franchisee Tamra Kennedy still recruits teenagers. It's not just a cost issue, she says. It's because teenagers' youthful energy has led to an overall positive culture and longevity among the 100-plus employees at her seven locations in Minnesota. She, too, invests in retainment more than hiring and says it has sheltered her somewhat from the worst of the labor crisis.

"Our goal is we have 90 days to capture the hearts of our new employees. I have employees who started as crew people and have been here 20 years," says Kennedy, who never closed or laid off employees during the pandemic. Still, some staff left out of necessity, and Kennedy came out of the pandemic with a 15 percent hiring gap. It was scary, as other businesses touted big signing bonuses. Even though her average wage is $13.25 an hour, the unemployment benefit was a tough competitor.

But Kennedy didn't implement any stunts; she just leaned harder on the systems already in place, like a generous employee discount on Mondays that extends to families and friends (especially popular during the early pandemic, when groceries were scarce and budgets were tight) and performance-based raises twice a year. "We had to love and respect the fact that people wanted to work during that time," Kennedy says. "We did everything we could to keep them."

Kennedy herself started young, as a secretary for a Taco John's and Burger King franchisee nearly 40 years ago. She worked her way up and bought her boss's company in 1999—so she knows the value of investing in young workers.

"I have a fundamental belief that the best employee we're ever going to have is somebody who is just entering the workforce," says Kennedy, who works with high schools, churches, and other local organizations to recruit teens looking for their first jobs—a group unaffected by the extended unemployment benefits, she points out, because they have no job history.

Kennedy also tries to offer as much flexibility as possible; that's a rarity in hourly work but may become more common as employers look to stand out. Kolache Factory California-based franchisee Kathy Skaff also offers flexibility and says it's the most important tool in her tool box. "Sometimes it's not about the

money, although everybody thinks it is," says Skaff. "I think for these hourly workers, that flexibility is underrated."

Skaff has only one location, just 1,400 square feet—but she has 16 employees on the payroll and builds her schedule around employees' ideal shifts. Maybe someone wants to work only from 3 A.M. to 7 A.M. so they can be home to care for children throughout the day and still have dinner as a family. Maybe someone is looking to bank as many hours as possible, or work only a few hours a night. It takes some juggling, but the shifts are covered and employees are happier. While businesses around her battle the hiring crisis like everyone else, Skaff has an employee waiting list.

> THE WAGE SITUATION ISN'T GOING ANYWHERE. THIS WAS NOT A SITUATION LIKE, 'OH, WE CAN HOLD OUT, EVERYONE WILL BE LOOKING FOR JOBS SHORTLY.' BECAUSE I DON'T THINK THE UNEMPLOYMENT BENEFITS THING WAS THE FULL REASON."

Of course, systems like this are difficult to scale. Kolache COO Dawn Nielsen, who oversees 27 company-owned locations, loves Skaff's flexible schedule but can't implement it herself.

"With the issues we have, being so short-staffed, and how hard it is for us to just get people who want to come in for an interview, we don't have that luxury," Nielsen says. "I hope one day we will, because that definitely is where the culture is going. Restaurants are going to have to figure out how we can become more flexible in a nonflexible environment."

Instead, Nielsen has increased starting pay to $12 an hour and added signing bonuses. She also implemented a new program that pays bonuses for good grades earned by employees who've been with the company at least 90 days.

"We're kind of a stepping stone for their careers," she says. "We can have maybe a couple of really good years with them and help them on their path to the future."

EVEN WHEN government unemployment benefits go away, higher wages may not. In May, Chipotle (though not a franchise) announced it was raising average hourly wages to $15. McDonald's raised average hourly wages to more than $13 in company-owned restaurants, with some restaurants getting to an average of $15 an hour this year, and all by 2024. That doesn't apply to its franchises, but the company released a statement saying, "We encourage all owner/operators to make this same commitment to their restaurant teams in ways that make the most sense for their community."

As higher wages become the norm, some workers are likely to face another problem: They may get paid more per hour but struggle to get full-time hours. Batt says that while the average wage for nonmanagement workers had grown to $13.14 an hour before the pandemic, the average hours worked per week was just 26 (in part because some employers are scheduling to keep workers below the 30-hour-per-week threshold that determines full-time status). By this math, a worker paid almost $6 higher than minimum wage would still only make $17,765 per year. For many, it just doesn't add up.

That's what Day, the Penn Station East Coast Subs franchisee, is trying to solve for now. After he realized that his staff was at risk of burning out, he reworked his entire pay structure to reward people who worked the most hours.

"We looked at our crew and said, 'The more you want to be in the building, the more we're going to pay,'" Day says. All 156 current employees across his 12 locations received an hourly raise of about $2, bringing the lowest-paid crew members from $9 to $11. But the real shift was in *how* they were paid. Crew members who work more than 25 hours a week and managers who work more than 30 hours a week now make more than those who work fewer hours—bringing shift leaders to that magic $15 wage at full-time hours. "We saw a big morale boost," Day says. "People who have been with us for a while, I mean, they cried."

Restructuring wages not only revitalized existing employees; it caused word to spread through the hiring pool. Within a month, Day cut his spending on Indeed ads by 65 percent—even as he opened a new location in June (where new hires benefited not only from the higher pay but $500 to $1,000 sign-on bonuses paid out after 45 and 90 days).

"The wage situation isn't going anywhere," Day says. "It's not like, 'Oh, we can hold out; everyone will be looking for jobs shortly.' Because I don't think the [extended] unemployment benefits thing was the full reason. I think a lot of workers have gotten jilted by the industry in general."

Craig Dunaway, president of Penn Station—which has 313 locations in 15 states, all but one of which are franchisee-owned—applauds Day's move. It's up to each individual franchisee to decide what's best for their business, he says, but he thinks business owners need to be realistic about where the labor market is. "The days of $9 and $10 wages are long gone," he says. "We'll never go back to that." It's time to look forward, to where the industry is going. E

Maggie Ginsberg is a regular contributor to Entrepreneur *and an associate editor at* Madison Magazine.

Franchise/ Suppliers

131 Top Helpers

From attorneys and marketing firms to technology services, here are the franchise industry suppliers getting rave reviews in 2021.

compiled by **TRACY STAPP HEROLD**

Accounting/ P.76

Banking/Financing/ P.78

Franchise Broker/Referral Networks/ P.80

Franchise Consulting/Development/ P.82

Legal Services/ P.84

Marketing/ P.88

Merchant Services/ P.90

Other Technology Services/ P.94

Public Relations/ P.98

Real Estate Services/ P.102

When you think of the franchise industry, you probably think of two groups: franchisors and franchisees. But there's another group behind the scenes that is just as essential to the success of franchising—the franchise suppliers. These third-party providers make it possible for franchise businesses to thrive, offering services and tools like consulting, financing, legal counsel, real estate, technology solutions, marketing, and more. And for the fourth consecutive year, we're honoring the best of these backstage heroes in our annual top franchise suppliers ranking.

To determine this ranking, we surveyed more than 750 franchisors, from emerging brands just getting started to well-established companies with thousands of locations. We asked them to tell us which suppliers they and their franchisees use, and to rate their satisfaction with those suppliers' services in the areas of quality, cost, and value. We then used those survey results to compute a score for each supplier, with the 131 top-scoring suppliers in 10 categories making up the final ranking, as seen on the following pages.

Remember that this list is not intended as a recommendation of any particular supplier. But whether you're a franchisor or franchisee, it can serve as a starting point to your own research to find what products and services will work best for your business's unique needs. For even more options, be sure to check out our franchise suppliers directory online at entrepreneur.com/franchises/suppliers-directory.

ACCOUNTING

ACCOUNTING SERVICES ARE essential for franchisors, who must include audited financial statements annually in their franchise disclosure documents and, of course, need tax and advisory services as well. Large, well-known firms are popular among franchisors, but so are small firms that specialize in serving the industry.

PHOTOGRAPH COURTESY OF DELOITTE

Deloitte

Deloitte is the oldest and largest professional services firm in the world, with more than 330,000 employees working in more than 150 countries and territories. So it's no surprise that many of the oldest and largest franchisors in the world rely on it for their audit and other accounting services.

Service descriptions come from respective suppliers.

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

2
PwC
Audit, assurance, consulting, and tax services

3
BDO USA, LLP
Professional services firm serving franchises worldwide

4
Plante Moran
Audit, tax, wealth management, and business consulting services

5
The Franchise CPA
Financial statement audits, royalty audits, and part-time CFO services

6
Citrin Cooperman
Accounting, tax, and advisory services

7
Reese CPA
Audit services for the franchise industry

8
Kezos & Dunlavy
Full-service CPA firm specializing in real estate tax and accounting, franchise audits, and related issues

9
KPMG LLP
Professional services firm

10
EY
Advisory, assurance, tax, and transaction services

11
RSM US LLP
Audit, tax, and business consulting

12
EisnerAmper*
Accounting and advisory services for franchisors and franchisees

** St. Clair CPA Solutions was the No. 12 company in the Accounting category based on our survey results. The partners and staff of St. Clair joined EisnerAmper in February 2021.*

13
A&G
Full-service accounting

14
CliftonLarson Allen, LLP
Advisory, outsourcing, audit, tax, and consulting services

15
Grant Thornton
Professional services firm offering audit, tax, and advisory services

Service descriptions come from respective suppliers.

BANKING/FINANCING

IF FRANCHISEES can't get funding, franchise systems can't grow, so it's incumbent on franchisors to know the best financing sources for their candidates. While some traditional banks made the list of our survey takers' favorites, alternative financing providers—including some that focus specifically on the franchise industry—rose to the top.

1
Guidant Financial
401(k) business financing, SBA loans, unsecured business loans, business valuations and appraisals, and other business services

2
FranFund
Funding solutions including 401(k) business financing, SBA loans, unsecured business loans, and equipment leasing

3
Benetrends Financial
401(k) rollover funding, SBA loans, and equipment leasing

4
BoeFly
Franchise financing

5
KeyBank
SBA and conventional financing, merchant and treasury solutions, deposits

6
Tenet Financial Group
Business rollover funding, SBA loans, unsecured lines of credit

7
ApplePie Capital
Franchise financing

8
First Financial
SBA financing for franchise startups, working capital, construction, and acquisitions; equipment leasing

9
Chase for Business
Deposit accounts, loans, credit cards, cash management, and payment processing

10
Live Oak Bank
Small-business banking

11
Citi
Banking, credit, lending, and wealth management services

12
DCV Franchise Group
Franchise financing and consulting services

13
Capital One
Banking, credit cards, loans

14
Wintrust
Banking, financing solutions, wealth management

15
Bank of America
Small-business banking, credit, and digital investing tools

PHOTOGRAPH COURTESY OF GUIDANT FINANCIAL

Guidant Financial

"Guidant was eager to work with us and our veteran applicants. Our account manager kept me in the loop, helped us close a record number of deals in 2020, and, most importantly, treated our applicants who did not qualify for funding with respect, offering suggestions to improve their credit scores and hope rather than just 'Sorry, you have terrible credit.'"—**JACK CHILD, founder, G-Force, a parking lot striping franchise for veterans**

FRANCHISE BROKER/ REFERRAL NETWORKS

FRANCHISE BROKERS—often called franchise consultants—work with people interested in buying a franchise and help them find the opportunity that fits them best. Usually, their services are free to the prospective franchisee. The franchisor pays them when a successful match (and sale) is made.

1
IFPG
Membership-based franchise broker organization

2
FranNet
Franchise consultants that match clients to business opportunities

3
BAI Business Alliance Inc.
Brokerage services for franchise companies and prospective franchise buyers

4
FranServe
Consulting service to prospective franchise buyers

5
FranChoice
Free consulting service to individuals considering franchise ownership

6
The You Network
Franchise consulting and education for senior level executives seeking franchise opportunities

7
Franchise Brokers Association
Franchise broker training and membership organization

8
FCC, The Franchise Consulting Company
Free consulting service to prospective franchise buyers

9
The Entrepreneur Authority
Franchise broker network

PHOTOGRAPH COURTESY OF IFPG

IFPG

"We love working with IFPG and the consultants in their network. They are by far our highest converting source of franchise signings from leads, at more than 10 percent! We know when we receive a referral from an IFPG consultant, the candidate will be qualified and match our ideal fit profile." **—CHRISTINA CHAMBERS, EVP of franchise development, shipping services franchise InXpress**

FRANCHISE CONSULTING/DEVELOPMENT

MOST ENTREPRENEURS don't know where to start when it comes to franchising their business, and even experienced franchisors can use some help from time to time. From starting a new franchise program to improving sales and operations to hiring the right leadership, a variety of consulting and development services are available to franchisors.

1
iFranchise Group
Franchise consulting and development services for emerging and established franchisors

2
SMB Franchise Advisors
Franchise consulting services for emerging brands

3
Big Sky Franchise Team
Franchise consulting, development, and marketing

4
Franchise FastLane
Franchise sales organization

5
Pinnacle Franchise Development
Franchise development services, including sales, strategy, and consulting

6
Fran Metrics
Franchise development, benchmarking, and bookkeeping for emerging brands

7
Global Talent Solutions
Franchise executive search, recruiting, and talent acquisition

8
Angela Coté Inc.
Solutions to improve franchise system performance

9
CGI Franchise
Technology, training, and coaching for franchise development

10
Premier Franchise Solutions
Franchise development consulting and recruitment services

11
M Squared Franchise Consulting
Franchise development services on a contract basis

12
Franchise Performance Group
Franchise consulting firm specializing in franchise development

13
Fransmart
Franchise development company working with emerging brands

14
Raintree
Full-service franchise design, marketing, and sales

15
Franchise Growth Solutions
Strategic planning, franchise development, and franchise sales organization

iFranchise Group

"iFranchise Group was an exceptional resource as we rolled out our franchising program. Their insight and counsel were key drivers in our creating a great experience for potential franchisees. They also helped us really hone in on who we were specifically targeting and helped us shape our resources to market and speak to that specific 'customer.'"

—LAUREN COULTER, director of franchise development, fast-casual brunch franchise Biscuit Belly

PHOTOGRAPH COURTESY OF IFRANCHISE GROUP, INC.

LEGAL SERVICES

A GOOD FRANCHISE attorney may be one of the most important service providers for both franchisors and franchisees, as navigating the unique legal ins and outs of franchising can be complicated and have far-reaching consequences if not done correctly. So it's no surprise that this is one of the most competitive categories in our ranking year after year.

FisherZucker LLC

"FisherZucker are true professionals who give back to the franchising community and provide best-in-class service. I worked with one of their FDD specialists, who was as smart as I have seen a legal adviser to be in the franchising business. She was an absolute pleasure to work with and was able to add great value to our FDD by addressing several compliance areas to protect the franchisor while being sensitive to potential franchisee concerns."
—CHARLES J. BONFIGLIO, CEO, auto appearance services franchise Tint World

PHOTOGRAPH COURTESY OF FISHERZUCKER LLC

Continued on next page

LEGAL SERVICES

Continued from previous page

1
FisherZucker LLC
Full-service law firm focusing on franchising and licensing matters

2
Spadea Lignana Franchise Attorneys
Full-service franchise law firm

3
Internicola Law Firm
Legal services for emerging franchise brands

4
Plave Koch PLC
Franchise legal services, including dispute resolution, transactions, and trademarks

5
Lathrop GPM
Full-service law firm with franchise and distribution practice team

6
DLA Piper
Legal services including franchise law compliance, mergers and acquisitions, and dispute resolution

7
Warshawsky Seltzer, PLLC
Boutique franchise law firm

8
Shipe Dosik Law LLC
Franchise legal services, including transactions, trademarks, and dispute resolution

9
Drumm Law LLC
Full-service franchise law firm

10
FranchiseSmith LLC
Nationwide and international practice specializing in franchise law

11
Franchise.Law
Legal services for franchisors

12
Manning, Fulton, and Skinner, P.A.
Franchise transactional and litigation representation

13
Cheng Cohen LLC
Full-service law firm exclusively representing franchisors

14
Larkin Hoffman
Full-service law firm exclusively representing franchisors

15
Quarles & Brady
Full-service law firm offering transactional, regulatory, and dispute resolution services

MARKETING

FRANCHISES NOT ONLY HAVE to market on two fronts—to prospective franchisees and to potential customers—but they also have to think about marketing at both a national and a local level while maintaining consistency brand-wide. So they turn to a variety of marketing and social media tools and services to help.

1
SOCi
Centralized digital marketing platform for multi-location brands

2
Hot Dish Advertising
Full-service strategic marketing agency specializing in franchising

3
TopFire Media
Full-service digital marketing and PR agency specializing in franchise lead generation

4
Integrated Digital Strategies
Digital marketing company specializing in franchise development and franchisee marketing

5
ClickTecs
Websites and digital marketing for franchisors and franchisees

6
Brand Journalists
Franchise development and lead generation marketing

7
Rallio
SaaS platform combining social media technology, artificial intelligence, and employee advocacy

8
Location3
Franchise marketing agency

9
Wheat Creative
Franchise lead generation, local consumer marketing, websites, digital and sales collateral

10
RevLocal
Digital marketing services

11
Scorpion
Digital marketing and technology solutions

12
DAS Group
Pay-per-click, search engine marketing, SEO, reputation management, franchise dashboard and integrations

13
Qiigo
Digital marketing for multi-location brands

14
C Squared Social
Full-service digital marketing agency

15
Curious Jane
Full-service advertising agency offering franchise-development and consumer marketing

PHOTOGRAPH COURTESY OF JORDAN PICKERING SOCI, INC.

SOCi

"SOCi was very hands-on, helpful, and informative during the sales process, and even during the onboarding process. I've worked with many companies in the past where that was the case, but once you were sold, the support dropped off. That has not been the case with SOCi. They are still very engaged and responsive, we have regular calls with our customer success manager, and their SOCi University portal is very robust with training and documentation." **—KIM KLIETHERMES, marketing manager, building maintenance franchise City Wide Facility Solutions**

MERCHANT SERVICES

ACCESS TO SECURE PAYMENT PROCESSING tools and services is a necessity for today's franchisees in every industry. Some franchisors require all of their franchisees to use the same provider, while others may make recommendations but allow their franchisees the freedom to choose for themselves.

Square

"We refer to Square as the 'Apple' of POS systems because of the ease of use of the back-end interface and sleek design. The Square POS system is so easy to use, the training process to teach a new employee how to ring up guests takes about five minutes. Our franchisees love the back-end reporting system to analyze their store's data and also love the ability to see a snapshot of their business from the Square Dashboard app."

—ROSS FRANKLIN, founder and CEO, juice bar franchise Pure Green

PHOTOGRAPH COURTESY OF SQUARE

Continued on next page

MERCHANT SERVICES

Continued from previous page

1
Square
Payment processing, reporting and analytics, POS software, and business services

2
Franchise Payments Network
Payment processing for franchise chains

3
Toast
Cloud-based restaurant point-of-sale and management system

4
Global Payments Inc.
Payment technology and software solutions

5
Intuit Quickbooks
Cloud-based software for accounting, payments, and payroll

6
Authorize.net, a Visa Solution
Payment processing and management system for businesses

7
Fiserv
Payments and financial technology

8
PayPal
Payment technology and software solutions

9
Elavon
Payment processing solutions

10
Stripe
Payments infrastructure and business applications

OTHER TECHNOLOGY SERVICES

TECHNOLOGY SOLUTIONS have become an indispensable part of running any business—and perhaps even more so for franchises, which often have to coordinate across multiple locations. The companies that franchisors identified as tops in this category offer a wide variety of tools for CRM, marketing, analytics, messaging, and more.

PHOTOGRAPH COURTESY OF FRANFUNNEL, A METRIC COLLECTIVE BRAND

FranFunnel

"FranFunnel has been the perfect solution for the needs of our brand. The app is dependable, affordable, and simple to use, and it keeps our leads management streamlined without any complicated extra steps." **—KARISSA JOHNSON, founder and CEO, fitness franchise Moms on the Run**

Continued on next page

Service descriptions come from respective suppliers.

OTHER TECHNOLOGY SERVICES

Continued from previous page

1
FranFunnel
Automated messaging software connecting franchisors with customers and leads

2
HubSpot
CRM, marketing, sales, and customer-service platform

3
Zoho
Cloud software suite and SaaS applications for business

4
FranConnect
Franchise management software

5
FranchiseSoft
SaaS-based franchise management software

6
serviceminder.io
Operating system for franchised home services brands

7
ClientTether
Lead response, sales, online review, client engagement automation, and CRM platform

8
Salesforce
CRM, cloud computing, sales, service, marketing, commerce, and analytics apps

9
MINDBODY
Technology platform for the wellness industry

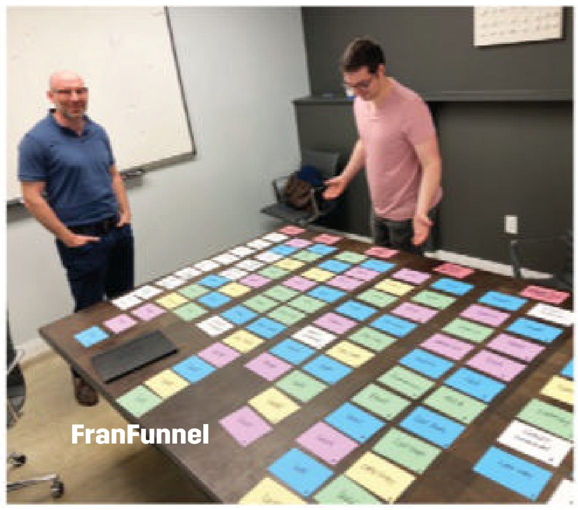
10
FRM Solutions
Software solutions for managing relationships between franchisors and existing/prospective franchisees

11
Vonigo
Business management software for mobile service franchises

12
Revel Systems
Point-of-sale platform for managing restaurant, quick-service, and retail operations

13
Infusionsoft by Keap
CRM, sales, and marketing software

14
IFX
Franchise management platform



PHOTOGRAPH COURTESY OF FRANFUNNEL, A METRIC COLLECTIVE BRAND

PUBLIC RELATIONS

WITH THOUSANDS OF franchisors and millions of franchisees to represent, it's no surprise public relations professionals have found franchising to be a prosperous industry to cater to. These agencies assist franchisors with attracting new franchisees, raising brand awareness, social media, crisis management, and more.

PHOTOGRAPH COURTESY OF BUZZ ORR MULTIMEDIA

Fishman PR

"As an emerging brand, having vendors that can scale with us and provide amazing service is critical. Fishman PR is one of the best at delivering A+ service and A+ results. Their team consistently goes the extra mile for us, and they were an invaluable partner during the struggles of 2020. Coupled with excellent business results, their focus on making me and my team feel important while always prioritizing our needs has us committed to a long-term relationship."

—TIM WEIDERHOFT, CEO, Wow Wow Hawaiian Lemonade franchise

Continued on next page

PUBLIC RELATIONS

Continued from previous page

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

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

3
All Points Public Relations
PR, social media, content marketing, digital and lead generation strategy

4
Franchise Elevator PR
PR services for emerging franchise brands

5
919 Marketing Company
Brand strategy, PR, social media, and digital marketing programs for franchise brands

6
BizCom Associates
Publicity, social media, content creation, marketing materials, and crisis counsel

7
No Limit Agency
Full-service communications firm specializing in franchise brands

8
Powers Brand Communications
Strategic public relations and content marketing for franchise brands

9
Sanderson & Associates
Media placement, media coaching, social media, communications, crisis management, and consulting for franchisors and franchisees

10
Ripley PR
Strategic communication services, including media relations, digital content, social media, and crisis management

REAL ESTATE SERVICES

FOR FRANCHISES that require a retail, office, or warehouse space, finding the right location at the right price can make a huge difference in the success of the business. Our survey takers identified the companies they and their franchisees rely on the most to help them find and develop the real estate that's right for them.

PHOTOGRAPH COURTESY OF RMA PHOTOGRAPHY

CBRE

"CBRE has learned the important details of our business and consistently helps our franchisees and company-owned clinics find ideal locations in a very tight real estate market."
—GREGG RONDINELLI, president, Anodyne Pain & Wellness Solutions franchise

1
CBRE
Commercial real estate services

2
RESOLUT RE
Analytics and brokerage services for tenants

3
Morrow Hill
Real estate technology and services for corporate and franchise organizations

4
Keyser
Commercial real estate tenant representation

5
LocateAI
Artificial intelligence and advisory services for retail site selection

6
Newmark Knight Frank
Commercial real estate advisory firm

7
Coldwell Banker
Full-service commercial and residential real estate brokerage services

8
Colliers International
Global real estate services and investment management company

9
Fischer
Corporate real estate services

10
Rep'M Group
Real estate and project management consulting for franchises

11
Windsor Realty Group
Target market real estate

12
Cushman & Wakefield
Commercial real estate services

13
JLL
Commercial and property investment services

SIMPLY THE BEST

Entrepreneur
FRANCHISE 500®
TOP HOME-BASED FRANCHISE
2021

TOP TOOL FRANCHISE

TOP FRANCHISE FOR VETERANS

VET★FRAN
A STRATEGIC INITIATIVE OF THE INTERNATIONAL FRANCHISE ASSOCIATION
GOLD SPONSOR

TOP TOOL BRAND IN THE WORLD

SNAP-ON® OWN IT FRANCHISE

Snap-on®

SnaponFranchise.com

Snap-on Tools Company LLC, Kenosha, WI
Minnesota Franchise Registration No. F-2327

THE TOP 150

HOME-BASED and MOBILE FRANCHISES

The value of being able to work from home or on the go has never been more evident, and these franchises have mastered the model.

compiled by **TRACY STAPP HEROLD**

PHOTO ILLUSTRATION BY SHUTTERSTOCK/BILLION PHOTOS

Over the past year, more people than ever have discovered the benefits—and challenges—of working from home. But for thousands of franchisees, that way of life was already old hat. There are hundreds of franchise opportunities that can be run successfully from home or from a car, a truck, or a van with no need for an outside office, a retail space, or a warehouse. Here, we've gathered the best of those opportunities in our ranking of the top home-based and mobile franchises.

The benefits of a home-based or mobile franchise don't end at a short commute. Such opportunities also tend to have lower startup costs than retail- or office-based franchises. Almost a third of the franchises on this list can be started for less than $50,000, and the average initial investment for all companies in the ranking is less than $115,000. Plus, some of these opportunities can even require a smaller investment of time, making them perfect side gigs. (To see even more franchises that can be run part-time, check out our ranking of the top 50 at entrepreneur.com/franchises/top-part-time.)

Companies on this list are ranked based on how they scored in the 2021 Franchise 500 evaluation, which analyzes companies based on 150-plus data points in the areas of costs and fees, size and growth, franchisee support, brand strength, and financial strength and stability. Keep in mind as you read that this ranking is not intended as a recommendation of any particular franchise, but as a starting point for your own research. Always do your homework—read the company's legal documents, consult with an attorney and an accountant, and talk to franchisees—before investing.

** Franchise can be run part-time.*

1
Budget Blinds
Window coverings, window film, rugs, accessories
STARTUP COST
$125.6K–$192.9K
TOTAL UNITS
(Franchised / Co.-Owned)
1,279/0

2
Jan-Pro*
Commercial cleaning
STARTUP COST
$4.2K–$56K
TOTAL UNITS
(Franchised / Co.-Owned)
10,118/0

3
Anago Cleaning Systems*
Commercial cleaning
STARTUP COST
$11.3K–$68.3K
TOTAL UNITS
(Franchised / Co.-Owned)
1,711/0

4
HomeVestors of America*
Home buying, repair, and selling
STARTUP COST
$72K–$431.3K
TOTAL UNITS
(Franchised / Co.-Owned)
1,046/0

5
Cruise Planners*
Travel agencies
STARTUP COST
$2.3K–$23.7K
TOTAL UNITS
(Franchised / Co.-Owned)
3,150/1

6
Snap-on Tools
Professional tools and equipment
STARTUP COST
$169.2K–$382.2K
TOTAL UNITS
(Franchised / Co.-Owned)
4,570/202

7
Matco Tools
Mechanics' tools and equipment
STARTUP COST
$78.1K–$274.3K
TOTAL UNITS
(Franchised / Co.-Owned)
1,808/1

PHOTOGRAPH COURTESY OF MATCO TOOLS

7/ MATCO TOOLS, Glory Martinez

GLORY MARTINEZ WAS WORKING as a middle school vice principal in Texas when her dreams of owning a business led her to trade her education career for a Matco Tools truck. She started her tool distribution franchise in October 2019, and by the end of 2020, she had the top-performing franchise in her region, was ranked the No. 11 Matco franchise nationally, and was named the brand's rookie of the year. Now Matco is a family affair, with Martinez's husband getting a truck of his own and her son looking into becoming a Matco franchisee as well.

* Franchise can be run part-time.

8
The Maids
Residential cleaning

STARTUP COST
$64.1K–$154.3K

TOTAL UNITS
(Franchised / Co.-Owned)
1,299/174

9
Kona Ice
Shaved-ice trucks

STARTUP COST
$145.6K–$169.2K

TOTAL UNITS
(Franchised / Co.-Owned)
1,286/19

10
Palm Beach Tan
Tanning

STARTUP COST
$624.4K–$926.8K

TOTAL UNITS
(Franchised / Co.-Owned)
319/223

11
Dream Vacations*
Travel agencies

STARTUP COST
$1.8K–$21K

TOTAL UNITS
(Franchised / Co.-Owned)
1,553/0

12
Transworld Business Advisors
Business brokerages; franchise consulting

STARTUP COST
$74.9K–$97.2K

TOTAL UNITS
(Franchised / Co.-Owned)
321/1

13
Monster Tree Service*
Residential and commercial tree services

STARTUP COST
$397.4K–$550.2K

TOTAL UNITS
(Franchised / Co.-Owned)
148/4

14
Stratus Building Solutions*
Environmentally friendly commercial cleaning and disinfecting

STARTUP COST
$4.5K–$79.8K

TOTAL UNITS
(Franchised / Co.-Owned)
2,030/0

15
NextHome
Real estate

STARTUP COST
$14.8K–$213.1K

TOTAL UNITS
(Franchised / Co.-Owned)
414/0

16
Rooter-Man
Plumbing, drain, and sewer cleaning

STARTUP COST
$46.8K–$137.6K

TOTAL UNITS
(Franchised / Co.-Owned)
732/25

17
Lawn Doctor
Lawn, tree, and shrub care; mosquito and tick control

STARTUP COST
$102K–$127.1K

TOTAL UNITS
(Franchised / Co.-Owned)
606/0

18
Mac Tools
Automotive tools and equipment

STARTUP COST
$131.6K–$287.2K

TOTAL UNITS
(Franchised / Co.-Owned)
1,122/1

19
PuroClean
Property damage restoration and remediation

STARTUP COST
$83.6K–$213.5K

TOTAL UNITS
(Franchised / Co.-Owned)
328/0

20
Mosquito Joe
Outdoor pest control

STARTUP COST
$102.9K–$137.2K

TOTAL UNITS
(Franchised / Co.-Owned)
319/3

PHOTOGRAPH COURTESY OF DREAM VACATIONS

11/ DREAM VACATIONS, Elizabeth Dominguez

ELIZABETH DOMINGUEZ'S DREAM VACATIONS franchise started out as a side hustle in 2014 and transitioned into a full-time business when she and husband Gonzalo decided to grow their family. Then in 2019, the unexpected happened: Their 2-year-old son, Gus (*pictured*), was diagnosed with a brain tumor. Dominguez was able to continue running her business—now a welcome distraction—without having to leave her son's side during his treatments. She even planned a fundraising cruise to benefit the Pediatric Brain Tumor Foundation. Gus finished chemotherapy earlier this year and is looking forward to starting preschool.

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*Certain restrictions apply. NOTE: This advertisement is not an offering. An offering can only be made by a prospectus filed first with the Department of Law of the State of New York. Such filing does not constitute approval by the Department of Law.

* Franchise can be run part-time.

21
Cornwell Quality Tools
Automotive tools and equipment

STARTUP COST
$59.5K–$272.8K

TOTAL UNITS
(Franchised / Co.-Owned)
705/0

22
Snapology
STEAM education programs

STARTUP COST
$40.9K–$220.5K

TOTAL UNITS
(Franchised / Co.-Owned)
163/1

23
FirstLight Home Care
Nonmedical home care

STARTUP COST
$112.9K–$199.4K

TOTAL UNITS
(Franchised / Co.-Owned)
190/0

24
911 Restoration
Residential and commercial property restoration

STARTUP COST
$70.1K–$226.9K

TOTAL UNITS
(Franchised / Co.-Owned)
220/3

25
Skyhawks Sports & Supertots Sports Academy
Sports camps and programs

STARTUP COST
$27.5K–$71.8K

TOTAL UNITS
(Franchised / Co.-Owned)
135/65

26
Novus Glass
Auto glass repair and replacement

STARTUP COST
$55K–$264.2K

TOTAL UNITS
(Franchised / Co.-Owned)
2,024/29

27
Home Helpers Home Care
Nonmedical/skilled home care; monitoring products and services

STARTUP COST
$97.1K–$139.3K

TOTAL UNITS
(Franchised / Co.-Owned)
310/0

28
Made in the Shade Blinds and More
Window coverings

STARTUP COST
$55.9K–$64.5K

TOTAL UNITS
(Franchised / Co.-Owned)
115/0

29
ASP, America's Swimming Pool Company
Swimming pool maintenance, repairs, and renovations

STARTUP COST
$101.1K–$138.3K

TOTAL UNITS
(Franchised / Co.-Owned)
299/0

30
Challenge Island
Educational enrichment programs

STARTUP COST
$48.3K–$62.95K

TOTAL UNITS
(Franchised / Co.-Owned)
144/7

31
Chem-Dry Carpet & Upholstery Cleaning
Carpet and upholstery cleaning, tile and stone care, granite countertop renewal

STARTUP COST
$68.1K–$191.2K

TOTAL UNITS
(Franchised / Co.-Owned)
3,577/0

32
Stanley Steemer Carpet Cleaner
Carpet and upholstery cleaning

STARTUP COST
$117.2K–$207.2K

TOTAL UNITS
(Franchised / Co.-Owned)
214/55

33
MaidPro
Residential cleaning

STARTUP COST
$57.6K–$222.5K

TOTAL UNITS
(Franchised / Co.-Owned)
275/0

34
Mosquito Hunters
Mosquito, tick, and flea control

STARTUP COST
$73.9K–$96.4K

TOTAL UNITS
(Franchised / Co.-Owned)
116/4

35
STEM For Kids*
Biomed, coding, business, and engineering programs for ages 4 to 14

STARTUP COST
$49.5K–$83.7K

TOTAL UNITS
(Franchised / Co.-Owned)
117/5

36
Estrella Insurance
Auto, home, and business insurance

STARTUP COST
$12.3K–$84K

TOTAL UNITS
(Franchised / Co.-Owned)
164/2

37
Restoration 1
Water, fire, smoke, and mold restoration

STARTUP COST
$87K–$195K

TOTAL UNITS
(Franchised / Co.-Owned)
261/0

38
Qualicare
Medical/nonmedical home care, concierge services, and patient advocacy

STARTUP COST
$84.6K–$194.6K

TOTAL UNITS
(Franchised / Co.-Owned)
62/3

39
CMIT Solutions
IT and business services for SMBs

STARTUP COST
$94.5K–$127.4K

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

40
Buildingstars
Commercial cleaning

STARTUP COST
$2.2K–$53.2K

TOTAL UNITS
(Franchised / Co.-Owned)
899/7

41
Sanford Rose Associates
Executive search and recruiting

STARTUP COST
$108.3K–$143.6K

TOTAL UNITS
(Franchised / Co.-Owned)
137/0

42
Fitness Machine Technicians (FMT)
Exercise equipment service and repairs

STARTUP COST
$71.5K–$118.5K

TOTAL UNITS
(Franchised / Co.-Owned)
45/1

43 Miracle Method Surface Refinishing
Kitchen and bathroom surface refinishing

STARTUP COST
$84.5K–$180K

TOTAL UNITS (Franchised / Co.-Owned)
159/1

44 Destination Athlete*
Equipment, apparel, fundraising, and performance solutions for youth, high school, and college sports teams

STARTUP COST
$28.3K–$93.6K

TOTAL UNITS (Franchised / Co.-Owned)
151/0

45 Signal 88 Security
Private security guard and patrol services

STARTUP COST
$59.2K–$223.2K

TOTAL UNITS (Franchised / Co.-Owned)
520/0

46 Totally Nutz*
Cinnamon-glazed almonds, pecans, and cashews

STARTUP COST
$59.9K–$216K

TOTAL UNITS (Franchised / Co.-Owned)
50/16

47 Patrice & Associates
Hospitality, retail, and sales recruiting

STARTUP COST
$90.6K–$108K

TOTAL UNITS (Franchised / Co.-Owned)
173/0

48 CertaPro Painters
Residential and commercial painting

STARTUP COST
$133.3K–$169.5K

TOTAL UNITS (Franchised / Co.-Owned)
373/0

49 British Swim School*
Swimming lessons for ages 3 months and older

STARTUP COST
$93.7K–$125.9K

TOTAL UNITS (Franchised / Co.-Owned)
121/0

50 Tutor Doctor*
Tutoring

STARTUP COST
$84.3K–$128.99K

TOTAL UNITS (Franchised / Co.-Owned)
686/0

51 Five Star Painting
Residential and commercial painting

STARTUP COST
$74.7K–$184.3K

TOTAL UNITS (Franchised / Co.-Owned)
203/0

52 Color World House Painting
Residential/commercial painting, repairs, gutter installation, power washing, holiday lighting

STARTUP COST
$83.9K–$166.9K

TOTAL UNITS (Franchised / Co.-Owned)
85/1

53 Window Gang
Window, gutter, roof, and dryer-vent cleaning, pressure washing, chimney sweeping

STARTUP COST
$80.9K–$118.3K

TOTAL UNITS (Franchised / Co.-Owned)
112/111

54 Bio-One
Crime-scene and trauma-scene cleaning

STARTUP COST
$85.5K–$133.5K

TOTAL UNITS (Franchised / Co.-Owned)
103/0

** Franchise can be run part-time.*

55
Soccer Shots
Soccer programs for ages 2 to 8

STARTUP COST
$41K–$55.1K

TOTAL UNITS
(Franchised / Co.-Owned)
234/8

56
Pillar To Post Home Inspectors
Home inspections

STARTUP COST
$40.4K–$49.5K

TOTAL UNITS
(Franchised / Co.-Owned)
557/0

57
Screenmobile
Mobile window and door screening

STARTUP COST
$91.98K–$183.8K

TOTAL UNITS
(Franchised / Co.-Owned)
130/1

58
HomeTeam Inspection Service
Home inspections

STARTUP COST
$50.1K–$76.8K

TOTAL UNITS
(Franchised / Co.-Owned)
190/0

59
Pop-A-Lock
Mobile locksmith and security services

STARTUP COST
$96.9K–$130.3K

TOTAL UNITS
(Franchised / Co.-Owned)
593/7

60
Mr. Electric
Electrical services

STARTUP COST
$103.6K–$239.8K

TOTAL UNITS
(Franchised / Co.-Owned)
171/0

61
National Property Inspections
Home and commercial property inspections

STARTUP COST
$40.7K–$43K

TOTAL UNITS
(Franchised / Co.-Owned)
222/0

62
Property Management Inc.
Commercial, residential, association, and short-term rental property management

STARTUP COST
$42.6K–$166.6K

TOTAL UNITS
(Franchised / Co.-Owned)
256/1

63
Sit Means Sit Dog Training
Dog training

STARTUP COST
$24.3K–$123.9K

TOTAL UNITS
(Franchised / Co.-Owned)
139/0

64
Leadership Management International*
Leadership and organization training and development

STARTUP COST
$20K–$27.5K

TOTAL UNITS
(Franchised / Co.-Owned)
462/0

65
YESCO Sign & Lighting Service
Sign and lighting service and maintenance

STARTUP COST
$65K–$352.2K

TOTAL UNITS
(Franchised / Co.-Owned)
57/39

66
Dippin' Dots
Specialty ice cream, frozen yogurt, ices, sorbet

STARTUP COST
$112.2K–$366.95K

TOTAL UNITS
(Franchised / Co.-Owned)
223/0

67
RSVP Advertising
Advertising

STARTUP COST
$97.4K–$277.3K

TOTAL UNITS
(Franchised / Co.-Owned)
67/0

68
Sir Grout
Grout, tile, stone, concrete, and wood restoration

STARTUP COST
$78.8K–$131.5K

TOTAL UNITS
(Franchised / Co.-Owned)
43/2

69
Assisted Living Locators
Senior-care referrals and senior-living placement

STARTUP COST
$67.5K–$87.2K

TOTAL UNITS
(Franchised / Co.-Owned)
135/4

70
First Choice Business Brokers*
Business brokerages

STARTUP COST
$61.9K–$89.8K

TOTAL UNITS
(Franchised / Co.-Owned)
41/0

71
Bin There Dump That
Residential-friendly dumpster rentals

STARTUP COST
$73.1K–$128.3K

TOTAL UNITS
(Franchised / Co.-Owned)
186/0

72
Spaulding Decon*
Crime-scene, meth-lab, and hoarding cleanup; mold remediation; house buying

STARTUP COST
$122.9K–$139.8K

TOTAL UNITS
(Franchised / Co.-Owned)
43/1

** Franchise can be run part-time.*

73
Five Star Bath Solutions*
Bathroom remodeling
STARTUP COST
$90K–$110K
TOTAL UNITS (Franchised / Co.-Owned)
61/1

74
Conserva Irrigation
Irrigation repair, maintenance, and efficiency upgrades
STARTUP COST
$81.8K–$102.3K
TOTAL UNITS (Franchised / Co.-Owned)
91/5

75
Spring-Green Lawn Care
Lawn and tree care
STARTUP COST
$89.98K–$106.3K
TOTAL UNITS (Franchised / Co.-Owned)
126/26

76
Pool Scouts
Pool cleaning and maintenance
STARTUP COST
$85.4K–$138.3K
TOTAL UNITS (Franchised / Co.-Owned)
41/2

77
Aussie Pet Mobile
Mobile pet grooming
STARTUP COST
$153.3K–$161.2K
TOTAL UNITS (Franchised / Co.-Owned)
342/0

78
Gotcha Covered
Window treatments
STARTUP COST
$75.95K–$94.2K
TOTAL UNITS (Franchised / Co.-Owned)
122/0

79
Outdoor Lighting Perspectives
Residential, holiday, and hospitality lighting
STARTUP COST
$72.6K–$143.1K
TOTAL UNITS (Franchised / Co.-Owned)
92/2

80
Maid Brigade
Residential cleaning
STARTUP COST
$110.3K–$130.3K
TOTAL UNITS (Franchised / Co.-Owned)
406/18

81
Weed Man
Lawn care
STARTUP COST
$69.5K–$86.6K
TOTAL UNITS (Franchised / Co.-Owned)
308/41

82
American Poolplayers Association*
Recreational billiard leagues
STARTUP COST
$20.99K–$29K
TOTAL UNITS (Franchised / Co.-Owned)
326/5

83
Kitchen Tune-Up
Residential and commercial kitchen and bath remodeling
STARTUP COST
$98.4K–$142.6K
TOTAL UNITS (Franchised / Co.-Owned)
209/0

84
Money Pages*
Direct-mail advertising
STARTUP COST
$82.5K–$148.5K
TOTAL UNITS (Franchised / Co.-Owned)
13/15

85
Painter1
Painting
STARTUP COST
$70.9K–$133.5K
TOTAL UNITS (Franchised / Co.-Owned)
23/0

86
1-800-Got-Junk?
Junk removal
STARTUP COST
$241.8K–$289.7K
TOTAL UNITS (Franchised / Co.-Owned)
152/1

87
ShelfGenie
Custom pullout shelving for cabinets and pantries
STARTUP COST
$33.2K–$109.5K
TOTAL UNITS (Franchised / Co.-Owned)
151/21

88
Heaven's Best Carpet & Upholstery Cleaning
Carpet, upholstery, tile, and wood floor cleaning
STARTUP COST
$59.6K–$110.1K
TOTAL UNITS (Franchised / Co.-Owned)
849/0

89
Furniture Medic
Wood restoration, repair, and maintenance
STARTUP COST
$80.8K–$90.1K
TOTAL UNITS (Franchised / Co.-Owned)
342/0

90
Sculpture Hospitality
Bar and restaurant management solutions
STARTUP COST
$40.9K–$69.6K
TOTAL UNITS (Franchised / Co.-Owned)
320/12

91 Fibrenew
Leather, plastic, and vinyl restoration and repair

STARTUP COST
$86.7K–$99.5K

TOTAL UNITS (Franchised / Co.-Owned)
266/0

92 Jantize America
Facility services and commercial cleaning

STARTUP COST
$8.4K–$49K

TOTAL UNITS (Franchised / Co.-Owned)
125/0

93 Color Glo
Leather, vinyl, fabric, carpet, and surface repair and restoration

STARTUP COST
$56.3K–$61.4K

TOTAL UNITS (Franchised / Co.-Owned)
137/0

94 IntegriServ Cleaning Systems*
Commercial cleaning

STARTUP COST
$3.1K–$50K

TOTAL UNITS (Franchised / Co.-Owned)
74/0

95 Zerorez
Carpet and surface cleaning

STARTUP COST
$69.1K–$190.2K

TOTAL UNITS (Franchised / Co.-Owned)
58/4

96 All County Property Management
Property management

STARTUP COST
$66.95K–$98.9K

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

97 Parker-Anderson Enrichment
Enrichment programs

STARTUP COST
$15.98K–$81.1K

TOTAL UNITS (Franchised / Co.-Owned)
19/1

98 Office Pride Commercial Cleaning Services
Commercial cleaning

STARTUP COST
$67.5K–$112.2K

TOTAL UNITS (Franchised / Co.-Owned)
148/0

99 Mint Condition*
Commercial cleaning, building maintenance

STARTUP COST
$4.6K–$32.4K

TOTAL UNITS (Franchised / Co.-Owned)
409/0

100 Concrete Craft
Decorative concrete coatings

STARTUP COST
$150.1K–$241.1K

TOTAL UNITS (Franchised / Co.-Owned)
62/0

101 Bloomin' Blinds
Window covering sales, installation, and repairs

STARTUP COST
$82.6K–$140K

TOTAL UNITS (Franchised / Co.-Owned)
65/0

102 AmeriSpec Inspection Services
Home and commercial inspections, ancillary services

STARTUP COST
$53.6K–$72.3K

TOTAL UNITS (Franchised / Co.-Owned)
267/0

103 Clothes Bin*
Clothing, shoe, and textile recycling bins

STARTUP COST
$156.1K–$199.97K

TOTAL UNITS (Franchised / Co.-Owned)
35/5

104 Jet-Black/Yellow Dawg Striping*
Asphalt maintenance

STARTUP COST
$55.1K–$125.3K

TOTAL UNITS (Franchised / Co.-Owned)
113/8

105 Lendio
Small-business financing

STARTUP COST
$30.2K–$117.1K

TOTAL UNITS (Franchised / Co.-Owned)
64/0

106 Acai Express Superfood Bowls
Acai bowls, smoothies, juices

STARTUP COST
$107.9K–$359K

TOTAL UNITS (Franchised / Co.-Owned)
15/6

107 Our Town America
Direct-mail advertising to new movers

STARTUP COST
$63.8K–$86.3K

TOTAL UNITS (Franchised / Co.-Owned)
63/0

108 Shack Shine
Interior and exterior window washing, gutter cleaning, power washing, house washing

STARTUP COST
$67.6K–$129.1K

TOTAL UNITS (Franchised / Co.-Owned)
42/0

* Franchise can be run part-time.

109
Fresh Coat
Residential and commercial painting
STARTUP COST
$53.9K–$76.8K
TOTAL UNITS
(Franchised / Co.-Owned)
158/0

110
Card My Yard*
Special-occasion yard sign rentals
STARTUP COST
$4.7K–$13.8K
TOTAL UNITS
(Franchised / Co.-Owned)
356/2

111
InXpress
Shipping services
STARTUP COST
$85.6K–$166.99K
TOTAL UNITS
(Franchised / Co.-Owned)
371/0

112
N-Hance Wood Refinishing
Wood cabinet and floor refinishing
STARTUP COST
$57.8K–$168.5K
TOTAL UNITS
(Franchised / Co.-Owned)
546/0

113
The Patch Boys
Drywall repair
STARTUP COST
$48.4K–$75.9K
TOTAL UNITS
(Franchised / Co.-Owned)
92/0

114
Cousins Maine Lobster
Lobster food trucks and restaurants
STARTUP COST
$187.2K–$815.5K
TOTAL UNITS
(Franchised / Co.-Owned)
33/4

115
i9 Sports
Youth sports leagues, camps, and clinics
STARTUP COST
$59.9K–$69.9K
TOTAL UNITS
(Franchised / Co.-Owned)
158/1

116
Network In Action*
Professional networking and referral groups
STARTUP COST
$19.7K–$47.7K
TOTAL UNITS
(Franchised / Co.-Owned)
58/3

117
Supporting Strategies
Bookkeeping and controller services
STARTUP COST
$77.9K–$103.2K
TOTAL UNITS
(Franchised / Co.-Owned)
103/0

118
Kidcreate Studio
Children's art education
STARTUP COST
$108.9K–$261.4K
TOTAL UNITS
(Franchised / Co.-Owned)
17/2

119
Acti-Kare
Nonmedical home care
STARTUP COST
$32.5K–$52.5K
TOTAL UNITS
(Franchised / Co.-Owned)
134/0

120
Amazing Athletes
Educational sports programs
STARTUP COST
$36.95K–$64.95K
TOTAL UNITS
(Franchised / Co.-Owned)
121/13

121
Hommati
3D tours, aerial videos, photography, augmented reality, and other services for real estate agents
STARTUP COST
$49.9K–$64.99K
TOTAL UNITS
(Franchised / Co.-Owned)
105/0

122
WIN Home Inspection*
Home inspections
STARTUP COST
$33.97K–$36.9K
TOTAL UNITS
(Franchised / Co.-Owned)
188/0

123
United Water Restoration Group
Water, fire, and mold restoration
STARTUP COST
$122.2K–$508.3K
TOTAL UNITS
(Franchised / Co.-Owned)
16/13

124
TSS Photography
Youth sports, school, and event photography
STARTUP COST
$20.4K–$74.7K
TOTAL UNITS
(Franchised / Co.-Owned)
177/0

125
Apex Leadership Co.
Elementary school fundraising and fitness programs
STARTUP COST
$79K–$109.7K
TOTAL UNITS
(Franchised / Co.-Owned)
98/12

126
Payroll Vault
Payroll and workforce management services
STARTUP COST
$49.3K–$65.8K
TOTAL UNITS
(Franchised / Co.-Owned)
64/4

127
Footprints Floors
Flooring installation and restoration

STARTUP COST
$75K–$97.6K

TOTAL UNITS
(Franchised / Co.-Owned)
56/4

128
HouseMaster Home Inspections
Home inspections and related services

STARTUP COST
$61.1K–$106.2K

TOTAL UNITS
(Franchised / Co.-Owned)
305/0

129
Oxi Fresh*
Carpet, upholstery, hard-wood floor, tile, and grout cleaning and odor control

STARTUP COST
$46.5K–$76.4K

TOTAL UNITS
(Franchised / Co.-Owned)
432/6

130
Hoodz
Commercial cleaning, maintenance, and repairs

STARTUP COST
$62.5K–$179.8K

TOTAL UNITS
(Franchised / Co.-Owned)
131/6

131
Frios Gourmet Pops*
Popsicles

STARTUP COST
$84.9K–$172.9K

TOTAL UNITS
(Franchised / Co.-Owned)
49/1

132
Abrakadoodle
Art-education programs for children

STARTUP COST
$38.1K–$81.9K

TOTAL UNITS
(Franchised / Co.-Owned)
490/2

133
Touching Hearts At Home
Nonmedical home care for seniors and people with disabilities

STARTUP COST
$52.9K–$75.6K

TOTAL UNITS
(Franchised / Co.-Owned)
72/0

134
Just Between Friends*
Children's and maternity consignment sale events

STARTUP COST
$38.5K–$54.9K

TOTAL UNITS
(Franchised / Co.-Owned)
154/12

135
Hi-Five Sports
Youth sports programs

STARTUP COST
$20.9K–$413.7K

TOTAL UNITS
(Franchised / Co.-Owned)
19/1

136
360 Painting
Painting

STARTUP COST
$99.1K–$139.5K

TOTAL UNITS
(Franchised / Co.-Owned)
119/0

137
Pet Wants
Natural pet-food stores/ delivery

STARTUP COST
$59.8K–$202K

TOTAL UNITS
(Franchised / Co.-Owned)
106/0

138
Window Genie
Residential window cleaning, window tinting, pressure washing

STARTUP COST
$104.5K–$190K

TOTAL UNITS
(Franchised / Co.-Owned)
130/0

139
Club Z! In-Home Tutoring Services
In-home tutoring

STARTUP COST
$33.5K–$52.4K

TOTAL UNITS
(Franchised / Co.-Owned)
382/0

* Franchise can be run part-time.

140
Caring Transitions
Senior transition and relocation, online auctions, and estate management

STARTUP COST
$58.9K–$82.7K

TOTAL UNITS
(Franchised / Co.-Owned)
212/0

141
CarePatrol
Senior living placement, referral, and consulting

STARTUP COST
$77.7K–$99.1K

TOTAL UNITS
(Franchised / Co.-Owned)
137/0

142
Little Medical School
Healthcare-themed after-school and summer-camp programs

STARTUP COST
$41.8K–$58.2K

TOTAL UNITS
(Franchised / Co.-Owned)
55/6

143
Vanguard Cleaning Systems
Commercial cleaning

STARTUP COST
$5.5K–$37.1K

TOTAL UNITS
(Franchised / Co.-Owned)
3,118/0

144
Fleet Clean USA
Mobile commercial-fleet washing

STARTUP COST
$160.3K–$715.4K

TOTAL UNITS
(Franchised / Co.-Owned)
30/3

145
Grasons Co. Estate Sale Services*
Estate sales, online auctions, staging

STARTUP COST
$48.9K–$73.6K

TOTAL UNITS
(Franchised / Co.-Owned)
25/0

146
Discovery Map*
Visitor-information maps and guides

STARTUP COST
$35.95K–$45.95K

TOTAL UNITS
(Franchised / Co.-Owned)
129/1

147
TruBlue Total House Care
Senior home modification, maintenance, and repair services

STARTUP COST
$65.1K–$91.4K

TOTAL UNITS
(Franchised / Co.-Owned)
48/0

148
Drama Kids*
After-school drama classes and summer camps

STARTUP COST
$33.8K–$73.5K

TOTAL UNITS
(Franchised / Co.-Owned)
221/0

149
The Grout Doctor
Grout, tile, and stone restoration, maintenance, and products

STARTUP COST
$20.6K–$33.7K

TOTAL UNITS
(Franchised / Co.-Owned)
79/0

150
Kinderdance*
Children's dance, gymnastics, fitness, and yoga programs

STARTUP COST
$18.2K–$47.9K

TOTAL UNITS
(Franchised / Co.-Owned)
173/2

OPPORTUNITY SPOTLIGHT

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

Upgrade Your Problems

by Pav Kudlac, cofounder and managing director, Ovyo

→ STILL SHARP
Kudlac holds up the pipe cutter that helped him solve an old problem.

I spent all my money buying my first flat—which meant I had no money to fix my first homeowner's problem. This was 2007, and I was a broke 20-something who'd pushed himself to the limit. I was sleeping on an air mattress because I couldn't afford furniture. Boxes were everywhere. Then I noticed a leaky pipe under the bath, which created a soggy puddle. I couldn't afford a plumber but didn't want to introduce myself to the neighbors by crashing through their wet ceiling.

What to do? I took the bus to a nearby store and talked with the nice chap behind the counter. He explained how to fix it, let me try it out on some junk they had lying around the place, and sold me a pipe cutter and a bit of pipework. I went back home, pushed my head under the bath, and—admittedly, with a little swearing—got the job done.

It taught me a lesson that has since become a bit of a mantra for me: *Upgrade your problems.*

Having a soggy bathroom floor is a problem—and the day before I bought the place, I would have had a landlord to call. But once the place was mine, this became *my* problem. I saw this as progress: You must own your own property to take care of this sort of situation.

Years later, when I founded my professional services company, Ovyo, with my business partner, Adam, this mantra became core to how we approach the business. There have been many problems, and there will continue to be new ones. However, we remember the reason we have these problems—it's because we run our own business! A late-paying customer is a problem, but it's one we encounter only if we have paying customers. A mistake at our Bengaluru office is a problem, but it's one we encounter only because we have offices internationally.

That is why I still keep my pipe cutter on my desk today. It reminds me that, no matter my level of frustration, I am fortunate to face the problems I do. The more I solve them, the more I upgrade to even better ones.

PHOTOGRAPH COURTESY OF PAV KUDLAC

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

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