

Franchising: The Facts Are In

Most people develop their perceptions, or misconceptions, of franchising by their experiences as a consumer. If you're considering a franchise, you will want to separate out the facts.



Franchising: The Facts Are In

While franchising has been around for more than a century, the majority of its growth has occurred in the past 50 years.

A recent report, published in 2013 by leading research firm, *IHS Global Insight* (for the *International Franchise Association*) documents the important role the franchising industry continues to play in the U.S. economy. Here are some of the 2013 report's findings:

FRANCHISE BUSINESS ECONOMIC OUTLOOK, 2007-2013

	ESTIMATES						FORECAST
	2007	2008	2009	2010	2011	2012	Mar 2013
Establishments	770,835	774,016	746,646	740,098	736,114	747,359	757,438
% change		0.4%	-3.5%	0.9%	-0.5%	1.5%	1.3%
Direct Employment	7,994,000	8,028,000	7,800,000	7,780,000	7,930,000	8,101,000	8,257,000
% change		0.4	-2.8%	-0.3%	1.9%	2.2%	1.9%
Output	\$675 B	\$696B	\$674B	\$699B	\$733B	\$769B	\$802B
% change		3.2%	-3.2%	3.7%	5.0%	4.9%	4.2%
GDP	\$403B	\$410B	\$405B	\$414B	\$434B	\$454B	\$472B
% change		1.8%	-1.2%	2.2%	4.8%	4.6%	4.0%

2013 Highlights:

Franchising is responsible for:

- Over 750,000 businesses in the U.S.
- 8 million+ American jobs
- Over \$800 Billion in sales contributing to the U.S. economy
- And over 4% of the total U.S. gross domestic product

What causes franchising's popularity and growth?

In general, there are four influences that are contributing to the growth of franchising in the U.S. today:

1. Acknowledgement that career success won't happen – unless you make it happen

Unrest among U.S. workers started to “heat up” in the 90's – when we began hearing terms like “flattening the organization” or “re-engineering” (which were simply fancy words for layoffs, and elimination of the middle management worker.) The loyalty that once existed within U.S. corporations was quickly becoming a thing of the past.

As a result of this trend toward new, flatter organizations, more and more U.S. workers began to realize that they could no longer rely on their performance at work to survive – *that even with stellar performance, they could be let go*. Hundreds of thousands of individuals – both men AND women -- sought out franchising, or started their own business in an effort to regain control of their lives.

Today you will find new articles on career management --speaking about “Managing Your Personal Brand.” In other words, managing YOU. No matter what you call it, we live in a world without guarantees today – where you have to manage your own destiny – and franchising is benefitting.

2. Franchising WORKS for its owners

Anyone who has operated their own (non-franchised) business will tell you “you have to wear MANY hats.” One moment you're the company accountant, the next moment, the customer service representative, and the next – the marketing director, and so on. It can be overwhelming. AND, because you have so many learning curves to conquer, your chance of failure is quite high.

Franchising takes many of these “hats” away from your plate so that you can concentrate on making your business, and your unique skills, work for YOU. The franchise company has already experienced the learning curves for each required function – and has worked out a solution for each one. So, when you purchase their proven system for operating that business, you also get:

- Comprehensive training that gives you all you need to get started – including operations manuals and *in most instances*, back-room instruction, software, and support
- Professional support staff providing day-to-day (or 24/7) advice and help
- Easy-to-implement marketing and advertising programs THAT WORK
- A network of other owners who have “been there, done that” who can help you accelerate your learning curve
- Personal control and flexibility of time management

The bottom line of the franchising model is that it offers you a business with less risk – as so much has already been done for you. Think about the popular *Verizon* TV commercial – where “The Network” is behind you. In effect, this kind of “backup support” is what a franchise provides you, i.e., you are never “alone” having to make decisions in a vacuum.

The lower risk associated with franchises is manifested in the very fact that it is generally easier to gain financial loans for franchises than for non-franchise, independent businesses. Bankers are very aware of the high failure rates of non-franchise businesses, and tend to prefer what they see in franchises.

You should also know that *The YOU Network* will only show you the more attractive franchise business opportunities – those that have repeatedly demonstrated higher levels of success – unless you ask to see younger, more unproven business models. We also have YOUR interests in mind.

3. Power to the Brands!

In this world of nano-second attention spans and multi-tasking, the power of the brand is larger than ever before. It's just EASIER...we are conditioned as a people to understand that, with a brand, things have somehow been “checked out” – and so deciding to buy something from them isn't going to require brain surgery. Do any of these companies sound familiar to you: *McDonalds, Burger King, Wendy's, Subway, 7-Eleven, KFC, RadioShack, ServiceMaster, Marriott, Dunkin' Donuts, Merle Norman, Dairy Queen, Molly Maid, Cinnabon, Lawn Doctor, AAMCO, MAACO?* All of these companies are successful franchisors we all use every day.

And even those younger franchise brands that aren't necessarily “major household names” yet – consumers have been shown to feel an affinity toward them. These brands are better “packaged” and “professional-looking” – saving the buyer a lot of time and headaches in the decision-making process. They are far more likely to at least TRY these franchise brands if they need the product or service – versus a wholly unknown entity.

4. Information is MUCH, MUCH easier to obtain

We are WAY beyond the “information age” in this country. We are at the “*How do I weed through all the information?*” age. In fact, there is SO much information that it has fueled the growth of social networking sites, such as *Facebook* and *LinkedIn* – where it's just easier to have others help you in information dissemination and decision making process.

Years ago, you heard about a franchise by attending seminars – or by responding to newspaper ads. Today, you can have at least some information about many of the estimated 3500 franchise companies in the U.S. – within several minutes of plodding through the internet.

Because information about franchising is so much easier to find, it has obviously fueled growth. The downside of this information “tsunami,” however, has been a flood of MIS-information, increasing the need for groups like *The YOU Network* as well. Until there are “gatekeepers” on the internet, it's hard to know what information is valid, and what isn't – and that's the kind of service *The YOU Network* provides its clients, among many others.



The one fact we'd like to leave you with is that A LOT of people come to *The YOU Network*, believing they would like to buy a *Subway*, or some such similar brand that they might use every day as a consumer.

You see, they fall in love with the product – without really thinking about whether or not the business model is appropriate *for their skills*. While *Subway* might be fine for some – it is NOT for others. And you need a resource like *The YOU Network* to help you figure out what IS right for you and your family.

For thousands of individuals, franchising has provided the environment and culture they have been seeking, without their knowing it, for years – PLUS an ability to build equity and personal freedom. The YOU Network process is simply designed to help candidates determine if they are one of those individuals.

Call today, at 623.975.9709, or contact us at www.theyounetwork.com.