



YOU HAVE TO DRIVE IT!

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By Bob Phibbs

I was the CMO for the second-fastest growing company two years running in Los Angeles County. It was a franchise I hooked up with, taking it from start-up through about 125 locations across the US.

I was always surprised at the mentality of some franchisees who expected hanging a known brand out in front of their showroom would bring fortune to their doors. Nothing could be farther from the truth. Quite simply for any business, not just a franchise, you get out of it what you put into it.

Many franchisees are having a great year. Through running a business they are able to use all their gifts to live a life few have the guts to even dream about. It is like they bought a Maserati (the franchise system) and have learned how to drive it.

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drive itself. But you can’t buy any business and expect it to run itself. You have to understand it if you want to make money. Despite whining by some franchisees about the recession, things like putting in gas are things neither the economy nor the franchisor is responsible for.

In a franchise, you have to have a reliable, duplicable experience. If not, customers won’t come back. That means you are there every day to see that customers are getting what they expect. You don’t get a second job to support your franchised location – unless you want to fail. But I’ve seen it.

To succeed means you have to change your schedule to accommodate the business, not the kids, the school or the spa. And don’t put your kids in charge of the Maserati!

It isn’t easy and during a recession, small business owners are bound to come face-to-face with a critical choice.

This is the same choice franchisees would face within a tough few months after opening when I was COO and CMO of a franchisor. They would tell me they were in crisis, weren’t making money and were going back to their corporate job “to pay the bills”.

At that point they left their store to an employee or family relation who had no reason to make it work. Those people were placeholders where the owner needed firecrackers.

YOUR PRESENCE IN THE RESTAURANT MATTERS

It was a slippery slope from then on. Quality, guest satisfaction and cleanliness issues quickly cropped up in their restaurants. Next it became difficult to find the owner at all because they would work nights or Sunday mornings – when it wasn’t busy and couldn’t really manage the crew. They’d try to justify it to me by saying they were still “in their store”.

Next came word they were had dropped their milk delivery and were driving to a Sam's Club or Costco, loading up with dripping milk jugs, cream cheese, etc to save a few bucks. Then staffing levels dropped.

It was sad to watch yet it happens all the time with businesses, services and franchisees, they couldn't keep up with the demands to grow the business because all they could see was money bleeding out of their bank accounts.

The reality is that your competitors like Starbucks have the appearance that everything is fine. Their stores are clean, well staffed and never out of product. You have to be just as committed to your business as your competitors!

While I attended Glendale High School, I was in a production of *Godspell*. One of the characters made the point: "No man can serve two masters. He will either love the first and hate the second (they jumped into someone's arms) or hate the first and love the second (sneers and jumps out of the first person's arms to the other)." You can't be in two places equally.

I know this from experience, I heard the siren call of a corporate job and left my consultant business a distant second for a title and regular paycheck. I wish I hadn't done that because it sapped my creativity to further my own business, which became, by default more of a hobby. The smartest thing I ever did was give notice and say, "I believe in myself".

DAY JOB VS DREAM CAREER

When I was on MSNBC this week, the question asked was: "What would you tell a person who wanted to start a new business, but didn't want to give up the safety of their day job?"

Here's my advice: If you have a plan, a talent, the means and the drive – quit and follow your dream. Don't listen to the siren song any longer. But don't think you can just quit without a plan and be successful.

If you've jumped away from the safety of a steady job already, don't go back. While it may seem easier, it will ruin your chances of your own business making it.

Small business owners are by nature optimistic and resilient and worth celebrating every day. Don't give in to fear – you can do this! You can tell the commitment level of franchisees by how often you find them in their store, restaurant or office. It usually shows in the customer's hit-or-miss experience. You can also tell when you ask to see the owner and are told, "Oh, they're never here".

SIX TIPS FOR BEING A SUCCESSFUL FRANCHISEE

1) **Be careful you aren't seeing your discovery day through rose-coloured glasses.** Many times your franchisor will tell you the honest truth: "It takes work to make money." If they tell you it takes eight months or eight years to be profitable, don't kid yourself into thinking, "yeah, that's other people – not me." There's confidence and then there's kidding yourself.

2) **Follow the system to the letter.** Your goal is to always be in compliance. There is a reason you paid money for a system, they know what works and doesn't.

3) **Don't make suggestions about how to do things "better"** until you've been open at least six months and preferably a year. That could be about systems, products or marketing. It is all new to you so concentrate on duplicating the system 100 percent with every customer.

4) **Be careful who you talk to.** You want to hang with the winner franchises, not commiserate with the losers. Ask the best how they did it and then do what they say. Your goal is to not become a wall everything bounces off of but a sponge that absorbs everything.

5) **Don't wait on the fence and judge every marketing initiative or new programme your franchisor puts out.** Do it with an open heart. You bought the system as a whole meal, not a la carte to pick and choose.

6) **Don't be so focused on how much a franchise has cost you prior to opening to begin looking at every customer with dollar signs in their eyes.** Build outs, contractors and delays are all expensive. Focus on that and you'll be looking backwards with the "coulda, woulda, shoulda" mentality that keeps you from welcoming the new customers. They can feel it, smell it on you and will exit with, "we'll think about it". A successful profitable business assumes everyone is worth your time to talk to when calling on the phone or visiting your store.

Pride of ownership. It's what successful franchisees demonstrate every day. You want to succeed with your franchise or your independent business? Don't leave the Maserati parked in the driveway, grab the steering wheel, fill it up and drive it.

ABOUT THE AUTHOR



Bob Phibbs is a sought-after speaker on how to grow sales and maximise marketing, especially when your customer base is challenged. He is a frequent guest on MSNBC's *Your Business*. His programmes and his works have been featured on PBS as well as in *Entrepreneur* magazine, the *New York Times* and the *Wall Street Journal*.

In 1994, Phibbs started his own company, The Retail Doctor (<http://retaildoc.com/blog>), providing consulting services to independent businesses on how to successfully compete in today's retail environment. In 1998, the *Los Angeles Times* courted Phibbs to perform business makeovers. He began speaking about his success principles, which grew to include manufacturers and trade associations around the world.

First as COO and then as CMO of It's A Grind Coffee, a start-up, he helped the business grow to over 125 franchised locations nationwide, created a lot of buzz as the featured coffeehouse on ShowTime's *Weeds*. It was the second-fastest growing company in Los Angeles County two years running.

Phibbs put his successive strategies for improving a business into his book, *You Can Compete: Double Sales Without Discounting*. He has consulted with some of the country's best-known retail brands, including Yamaha, Caswell-Massey, Viking, LEGO, and Brother.