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Franchising 2009 in review

by Kelly Horn

Franchising

Unless you've been living under a rock, it's quite clear 2009 has been a trying year for myriad businesses. Though a number have tabled development plans, filed for bankruptcy or closed their doors completely, some smart franchisors slightly altered their businesses to compensate for the economy and have emerged from the recession victorious in more ways than one.

Oklahoma City-based Express Employment Professionals is one such concept that reacted quickly to the economic downturn with Accelerate 5. This program – created by corporate sales coaching manager Karen Billen – diagnosed the individual needs of 15 Express staffing offices and followed up with bi-weekly conference calls from corporate team members to improve in the areas of weekly client counts, new clients per week and temporary hours billed. Of the participating offices, franchisees Paul Marshall and Pam Rice of Lexington, Ky. posted the greatest increase: a 19.69 percent increase in average weekly clients, a 122-percent increase in new clients per week and a 149-percent increase in temporary hours billed. “The business world has changed and the only way to remain a part of it is to change with it. Express has and that's why we're still growing and succeeding when other companies are not,” said Marshall. “Though we still have the very first client we ever billed, Accelerate 5 helped us to diversify significantly to reach a wider base of potential clients and candidates.”



Pam Rice and Paul Marshall of Express Employment Professionals

more affordable lease elsewhere, they understand what needs to be done to keep all parties happy,” said Willerton. Tenants can then channel the money saved into other aspects of their businesses and landlords don't have to worry about finding a new tenant to take the place of one that went out of business. Thus far, 80-percent of tenants Willerton represents are granted some form of rent reduction – something they never would have thought possible without The Lease Coach's guidance.

With more landlords looking to secure and retain tenants than ever before, McAlister's Deli unveiled a new prototype this February in Columbus, Miss., featuring a smaller footprint – roughly 3,200 to 3,400 square feet down from 4,000 square feet – to give the Ridgeland, Miss.-based chain more flexibility in the development of prominent end cap and free-standing locations. The new prototype also includes a pick-up window reserved exclusively for call-ahead ordering and seating for approximately 100 to 110, which is also down from the 130 interior seats plus patio seating at traditional locations; McAlister's also value engineered everything within its restaurants' four walls to reduce build-out cost by at least 10-percent while maintaining the brand's trademark décor. According to McAlister's senior vice president of development Bill McClintock, the prototype will serve as



McAlister's Deli prototype in Columbus, Mississippi

the model for most future McAlister's Deli locations and will provide a competitive edge over other restaurants in its segment. “This strategy is not only going to help us in securing the locations we desire but also the franchisee multi-unit developers we're looking to partner with to bring McAlister's into new and exciting markets,” said McClintock.



New Tossed logo at Park Avenue NYC location

Like McAlister's, Tossed also introduced a new prototype for its upscale salad restaurants – down to 1,500 square feet and 35 seats from 2,400 square feet and 60 seats – to give the Fort Lauderdale-based chain more flexibility to grow in urban areas where space is limited. Tossed has also re-branded itself with a new logo and store design courtesy of Good Studio and JBI Interiors, respectively, to stand out amongst other restaurant concepts looking to expand in the same markets. “Our new branding is an evolution,” said Eric Clark, Tossed's chief operating officer. “The original Tossed in Manhattan was a cool, contemporary spot where we did something revolutionary – provide the finest salads quickly and at an affordable price. Our menu, service style and price point are still the best in class and with this redesign, our new restaurants will be even more attractive and comfortable for our customers.” Clark also revealed that Tossed executives will be launching free-standing kiosks in airports and on college campuses to increase brand awareness in early 2010.



Dale Willerton negotiates another lease reduction

“Most of the time, landlords are oblivious that their tenants are struggling because the tenant has been re-mortgaging their home or taking out additional loans to pay the rent. When we present the facts that they either renegotiate and keep the tenant or don't and risk them closing or signing a

For The Lease Coach® Dale Willerton, being an attractive opportunity to landlords is something every tenant should strive for...but sometimes, they need a little help doing so. Willerton found that rent reductions were what many of his clients needed this year to remain solvent and assembled a team of experts to negotiate with landlords mid-term.

The Ghosts of Recessions Past

by Matthew Shay, President & CEO International Franchise Association



Matthew Shay, President & CEO of the IFA

Franchising

Holiday shopping season is here, but for many, the ghosts of recessions past have awakened in them a determination, like Ebenezer Scrooge, to regain control of their lives and make meaningful changes.

Especially among those who have witnessed the impact of a shrinking global economy, there is a desire to find a career that offers opportunity for personal and financial advancement, possibilities which are often unavailable in a traditional nine-to-five job.

Owning a franchised small business is one option. While no business venture is free of risk, buying a franchise offers distinct advantages over starting a small business from the ground up.

Training, peer support, marketing and a market-tested business model are advantages that can save new-career pursuers untold amounts of time and effort.

Sure, it's December, but why wait until January 1 to get a jump on your New Year's resolutions? Begin your investigation into acquiring a franchise by visiting the International Franchise Association's Web site – www.franchise.org – where detailed information is available on more than 1,000 franchise systems.

There you'll also find information to help guide you through the investigation process, including the Federal Trade Commission's Consumer Guide to Buying a Franchise, which explains prospective franchisees' rights and responsibilities.

