

PARTNERING FOR SUCCESS

Dream of owning a business? Find out whether franchising is right for you.

ARTICLE AND PHOTO BY ERIC F. FRAZIER



When Meg Marion advises prospective business owners about investing in a franchise, she not only understands their hopes and fears, she brings firsthand experience to the conversation. In 2004, she became a franchisee of The Entrepreneur's Source, a business and franchise coaching organization with more than 200 career coaches across the nation.

"I have experienced both the emotional and technical aspects involved with making such a tremendous career evolution, and I believe that makes me better able to coach my clients," she says.

Before starting her business, MSM Franchise Consulting Inc., Marion worked for two decades as a marketing executive at Fortune 500 companies, most of that time with Hanesbrands.

When she and her husband started a family, she sought a change. "I was looking to fulfill financial and lifestyle goals," she says. "I no longer wanted all the business travel that my corporate job had required, and I was looking for greater flexibility and control over my schedule."

To prepare for her new role, she completed an intensive training program offered by The Entrepreneur's Source. She participates in ongoing training and keeps a keen eye on the self-employment industry in general and the more than 300 franchises she represents.

"I enjoy being in a position to help my clients reach a point of clarity as to whether or not franchising is for them, and learning so much along the way about them personally—their

goals and their dreams," she says.

Over the past six years, Marion has guided hundreds of people interested in self-employment through a discovery process designed to identify the types of opportunities that best fit their goals and needs. Her services are free to the client. If a client invests in a franchise, the franchisor pays her fee.

How much money is required?

That totally varies by the type of business model. Franchises can be home-based, service-based, van-mobile, or require a physical location, such as a retail store. The range of investment can be anywhere from less than \$25,000 to more than \$750,000. With respect to investment, we take into consideration where our clients currently are financially and where they would like to go. I rarely "stretch" my clients with respect to investment level.

What background do you need?

Franchises offer a proven system, and if the franchisee follows it, he or she should be successful regardless of background. That said, I feel more confident in a franchisee's potential for success if they have at least some experience in marketing or sales or management. That covers a lot of the workforce. Surveys have found that while 75 percent of workers would like to have their own business, only 7 percent realize their dream. Fear, lack of spousal support, financial constraints, and the daunting range of choices are the main reasons for the discrepancy. Working with an experienced career coach who understands the franchising industry is the best way to address these issues.

What are the advantages of a franchise?

Compared to independent startups, franchises have significantly higher rates of success. Franchises protect against the top two reasons independent businesses fail, which are undercapitalization and lack of know-how. Franchise organizations provide franchisees with a proven operating system to follow, training, ongoing support, buying power, a network of other franchisees, and either an already recognized brand or support in building brand recognition.

How long does it take to get up and running?

It depends on the franchise model. Some can be up and running within 45 days of signing on; others can take more than a year. Many factors come into play, including the amount of training involved, how well the franchisee already knows the market in his or her territory, how large and strong their circle of influence is, and whether the business requires setting up an office or physical location outside the home. If so, being affiliated with a franchise can be helpful in securing a lease.

Are people starting new businesses in this economy?

Absolutely. The percentage of self-employed people in the United States has grown to 7 percent from less than 5 percent over the past couple of years. There are so many downsized executives not wanting to uproot families, with capital to invest and no luck finding a job—this forces them to pursue their dream of self-employment. And the current economy is a great time for retail startups due to lower lease rates and room for negotiation. During recessions, it is typically small business startups and existing small businesses that fuel employment.

What is the most common misperception about franchising?

Many people assume that you can't make money because of the franchise fees and royalties. There would not be 900,000-plus franchised units in existence if franchisees weren't making money. A new franchise business opens every eight minutes in the United States, and franchises today account for a large portion of America's economic activity, generating \$1.6 trillion in sales and 9.9 million jobs.

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