

Noteworthy Events

Daylight Savings



March 12, 2017

St. Patrick's Day



Friday, March 17th

INTERNATIONAL FRANCHISE EXPO



June 15-17, 2017
New York, NY

The 5 Mistakes Entrepreneurs Make When Going From Employee to Self-Employed

Excerpts from an article by [Young Entrepreneurs Council](#)

- Thinking about leaving your cubicle for the thrills of the startup world? So have 27 million other people like you. The good news is that there are more resources now than ever to help you find success when making this leap. The bad news is that just one small misstep and you can end up right back in your 9-to-5 gig.
- Below, we compiled the top mistakes founders make and what you really need to know to make it as a true entrepreneur.

Not Finding the Real Niche

Knowing what you want to do -- and are passionate about -- is not enough to make it a business. Even having a business plan, a marketing plan and a whole lot of venture capital won't cut it these days. You must dive far enough into your concept to find the niche *within* it. If you can identify this niche within your "passion" industry, you will be truly distinctive and it will set you up for success.

Budgeting Incorrectly

Don't leave your career without a plan and enough money to get you through the first six months. A new venture always costs more than you think, and that includes "opportunity cost." When Darren first started his company, he knew if he had to budget and without a plan, he wouldn't get very far. It's worth hiring an expert for your budgeting (and making sure to budget for that expert!).

Underestimating Timeframes

New ventures always take longer than you anticipate. Darren advises that you should aim for validation within the first 12 months, and profitability within the first three years. I found this to be true: The companies I see succeeding wildly are able to bring a simple product to market and test it quickly, so they can make adjustments and improvements on the fly.

Not Being Selective Enough

You are only as good as the people you surround yourself with. Finding a co-founder who complements you is crucial, and if you make the wrong choices, it can tank you before you even start. We always eventually become what we are surrounded by, so choose your staff and partners very carefully. Both Darren and I learned to hire slowly (and fire swiftly) in our ventures.

Having Incorrect Definitions of Success

Not all success is measured in dollars and cents

A Quintessentially American Invention

Franchising is one of the most dynamic and least understood parts of our economy. Here's how the franchise formula turns one successful business into many:



1 Taking Something that Works

Franchising begins with a growing company that has proven practices, a trusted brand and a desire to expand in new communities.



2 Improving and Innovating

With growth comes the ability to serve customers even more quickly and cost effectively. Streamlined processes and innovative ideas make it possible.



3 Opening the Door for Others to Join

Individuals and families start their own small businesses under the franchise model with the support of the brand, bringing new products and services and jobs to the neighborhoods where they live.



4 Creating a Network of Opportunities

As local franchise businesses thrive, owners hire and train employees from nearby neighborhoods for positions that range from entry-level to senior management. Some employees even go on to own their own franchise businesses.



5 Giving Back to the Community

Franchise businesses give back to their local communities. Many franchise owners donate to local charities, support local sports teams and contribute countless volunteer hours for their neighborhoods.

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SBA Tweaks Lending Rule, Relieving Some Franchisors

By Beth Ewen, Franchise Times



In other SBA news, Linda McMahon was confirmed Feb. 14 as the 25th administrator of the U.S. Small Business Administration.

The Small Business Administration temporarily tweaked its new procedures governing lending to franchisees, to the relief of many franchisors and bankers who maintained the new rules would chill franchise lending.

Franchisors can now use contracts already approved by the SBA in 2015 or 2016 to certify their franchisees are eligible for SBA loans. This was a long-standing practice the new rules had scrapped in favor of one, standard SBA-issued contract that some franchisors said they would not sign. The new rules went into effect January 1, and the tweak was announced earlier this week.

“The SBA is demonstrating it listened to the small franchise businesses it serves and is alleviating some of the unintended negative consequences of the new procedure,” said Robert Cresanti, CEO of the International Franchise Association, in a statement.

The IFA held roundtables at its annual convention, Jan. 29-Feb. 1, featuring SBA staff, where attendees pushed back against the rules, said Nick Jellum, president of Anastasi Jellum, a specialty law firm representing SBA lenders around the country.

“I know there were some large brands that made some—for lack of a better term—global statements that they would not sign” the new standard addendum from the SBA.

“It’s a good move, but there’s still some gaps,” he added, meaning many franchises’ contracts are not covered by the tweaked rules. “Quite frankly I think there’s going to be continued discussion. They’re probably still digesting the response from the IFA conference.”

Meanwhile, lenders who want to make government-backed loans will still have to certify themselves that a borrower is eligible for an SBA loan—and forego the government guarantee to reimburse them if the loan goes bad and the SBA determines the borrower wasn’t eligible after all. “I’m still hearing lenders have a lot of heartburn,” Jellum said.

The changes are temporary, lasting until February 1, 2018, and will be subject to review like all SBA practices by its new administrator, Linda McMahon, who was confirmed by the Senate February 14.

“Small businesses are the engine of our national economy,” McMahon said upon her confirmation, according to an SBA news release. “I will work to revitalize a spirit of entrepreneurship in America.

“As an entrepreneur myself, I have shared the experiences of our nation’s small business owners. My husband and I built our business from scratch,” she said, referring to Vince McMahon. She is co-founder and former CEO of WWE, the publicly traded global wrestling enterprise with more than 800 employees.



FRANCHISE SECTOR EXPECTS TO CREATE MORE AMERICAN JOBS FOR AMERICAN WORKERS IN 2017

An Article by Jenna Weisbord, IFA

Optimism following election poised to boost small business franchise entrepreneurs and job creation

WASHINGTON, Jan. 24 – Following an election focused on bringing back American jobs, the International Franchise Association today unveiled its annual [Franchise Business Economic Outlook: 2017](#) report. The report finds the industry significantly outpaced the US economy in 2016, and projects a similarly strong performance in 2017.

“The Trump administration has made clear that creating more jobs in America for Americans is its number one priority. The franchise sector has shown for the seventh year in the row that it is meeting this test,” said IFA President and CEO Robert Cresanti, CFE. “We believe that our industry will continue to grow especially if the business environment improves, which could happen if the Trump administration and congressional leaders deliver on their promise to roll back onerous regulations and pass much-needed tax reform.”

Key findings from the 2017 report prepared for the Franchise Education and Research Foundation by IHS Economics include:

- Franchise employment grew 3.5% in 2016 and is expected to continue growing by another 3.3% in 2017, adding nearly 250,000 new jobs.
- Franchise establishments grew 1.7% in 2016 and are expected to grow 1.6% in 2017, an expected increase of over 11,500.
- In 2017, US GDP is projected to grow at 4.7% in nominal dollars, while the franchise sector is expected to outpace that at 5.2%, growing to \$426 billion. The franchise sector will continue to account for about 3% of US private GDP.
- Franchise output was up 5.8% in 2016 and will continue to grow another 5.3% in 2017, surpassing \$700 billion.
- Within the franchise community, the number of establishments is expected to grow fastest in Personal Services, at 2.3%, followed closely by Quick Service and Full Service Restaurants, each projected to grow at 1.9% in 2017. The two restaurant business lines will continue to lead in employment and output growth.

While the outlook for the economy and especially for franchise businesses looks positive in 2017, and there is expectation that federal regulatory relief will further enhance opportunity, uncertainties remain about the speed of changes under the new administration as well as some new legislative priorities that could have negative impacts on franchising.

“Our industry is optimistic, but we are monitoring closely the public policy arena particularly issues like the new joint employer standard, to ensure on-going job growth provided by franchised businesses,” stated Cresanti.

New polling results conducted by Morning Consult on behalf of IFA show strong support to reverse the new joint employer standard and allow franchises ability to operate as independent businesses in neighborhoods across the country. According to the data, 66 percent of voters would like the Administration and Congress to focus on policies that support local ownership of stores and restaurants while 74 percent have a favorable opinion of franchise businesses in their communities.

IHS Economics Senior Economist Karen Campbell added that “the report’s in-depth look at franchising sectors and performance in individual states provides a complete snapshot of franchising in 2017, and will help policymakers understand the potential benefits of this growth.”

ST. PATRICK'S DAY FUN FACTS

1. Saint Patrick's real color was a light shade of blue, green became the official color when the holiday was linked with Irish independence.
2. It is a national holiday in Ireland and Northern Ireland.
3. Saint Patrick wasn't even Irish! His parents were Roman and he was born in Scotland or Wales.
4. The city of Chicago dyes the Chicago River green on St. Patrick's Day with over 40 tons of food coloring
5. A shamrock became a symbol of the holiday when St. Patrick used a three leafed clover to show the holy trinity of Christianity.

