

Noteworthy Events

Halloween



October 31, 2017

FRANCHISE EXPO WEST



November 2-4, 2017
Los Angeles, CA



FAT Brands files \$24M 'mini-IPO' to buy Richardson Restaurant Company

Los Angeles-based FAT Brands Inc. is filing a "mini-IPO," with a portion of the proceeds going toward the acquisition of a Richardson restaurant company.

Homestyle Dining LLC, the parent of the Ponderosa Steakhouse and Bonanza Steakhouse brands, is being acquired by FAT in a \$10.5 million deal. The two concepts will be added to FAT's portfolio of restaurant chains, Fatburger, Buffalo's Cafe and Buffalo Express. FAT is also planning to develop a fast casual version of Ponderosa, it said in a prepared statement. It executed a similar strategy after acquiring Buffalo's Cafe in 2011, launching Buffalo Express in 2012. The California Company will likely use franchising to grow its existing and newly-acquired brands. Of its more than 200 locations open and under development in 18 countries, almost all are franchised, including 100 percent of its Fatburger brand. Most of Homestyle's footprint is also franchisee operated.

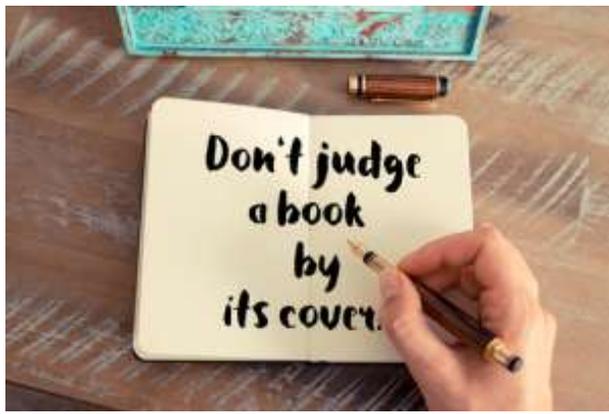
Franchising has been lucrative for FAT. In 2016, the company generated \$10.1 million in total revenue, including \$6 million from royalties and \$4 million from the sale of franchises. "They franchise because that takes the company out of the risk window (franchisees have to build and remodel) and allows for lower franchisor general and administrative costs," said John Gordon, principal and founder of restaurant consulting firm Pacific Management Consulting Group. "But there's not much of a attraction unless franchisor has a vision and works and proves corrective business expansions." In its most recent earnings, for the quarter ended March 26, FAT saw a net income bump of 3.4 percent to \$1.66 million, but revenue declined 5 percent to \$2.4 million, Nation's Restaurant News reported. FAT will have to put more work into revenue with the Homestyle brand, which has seen its unit number decline over the past few years. In 2013, its two brands operated 211 locations. Today, it has a total of 120 units open and under development.

In conjunction with the acquisition, FAT kicked off an initial public offering on Thursday, pricing its stock at \$12 per share in hopes of raising \$24 million. Shares are trading on the NASDAQ exchange under the symbol FAT. The stock debut falls under an IPO rule known as Regulation A+, part of the 2012 JOBS Act. It allows companies to crowdsource a stock offering by selling stock directly to consumers, according to NRN. Following the offering, investors will own 20 percent of the company, with FAT's president and CEO Andy Wiederhorn's franchising company Fog Cutter Capital Group retaining the rest. Proceeds will be used for the Homestyle deal, as well as for working capital, domestic and international expansion and to retire debt. "Once closed, the acquisition of Ponderosa and Bonanza will be one of many milestones as we take FAT Brands public, acquire other restaurant concepts and expand our global reach," Wiederhorn added. But the stock is debuting as analysts say investors are losing their appetite for burger and fast casual restaurant IPOs. Kathleen Smith, principal at Renaissance Capital, an IPO investment advisory firm, told the Wall Street Journal that recently the stocks "really underperformed, and it's going to be challenging when it comes to generating investor enthusiasm."

An Article by Korri Kezar - Staff Writer, Dallas Business Journal



See original article [HERE](#)



Big Mistake... Don't Judge a Book by Its Cover

By Shep Hyken at SHEPHYKEN BLOG

There's an old proverb that says, "Outward appearances are not a reliable indication of true character." In other words, you can't – and shouldn't – judge a book by its cover.

One of my favorite examples of this is from the movie *Pretty Woman* starring Julia Roberts and Richard Gere. This classic movie from back in the 1990's was about a wealthy man, Edward Lewis, on a business trip in Beverly Hills who falls in love with a prostitute, Vivian Ward. Edward wants Vivian to attend some of his business functions throughout the week, so he gives her some money (as in thousands of dollars) to buy some conservative, less revealing, clothes. In her "working clothes" Vivian walks into an upscale store where the employees won't sell her anything and asks her to leave. Dejected, she returns to the hotel. The next day, the hotel manager takes her to a different store and gets her outfitted in some beautiful clothes. As she is walking back to the hotel, dressed in one of her new outfits and carrying several bags with different Beverly Hills store logos on them, she stops back into the store that asked her to leave. She asked the salesperson if she remembers her from yesterday. She reminds her, and then comes the famous line from the movie: "Big mistake. Big. Huge! I have to go shopping now."

I experienced something similar years ago when I was looking to buy a new car. I was just 22 years old and driving an older car that had 170,000 miles on it. I'm not exaggerating! I walked into the dealership and none of the sales people would talk to me. I knew it was the car. They saw me drive up in an old car and decided I didn't have the money to buy a new car.

The next day I went back, but this time in my father's car, which was quite nice. This time I was approached by numerous salespeople. I had no trouble finding a sales person who wanted to sell me a car. I shared the story with the manager of the dealership, who was quite embarrassed. As a way of apologizing, he sold me a car at a fantastic price.

In business, it can be economically dangerous to make a snap judgement based on someone's looks, what they are wearing, the car they drive and more. The founder of Walmart, Sam Walton, used to drive a pick-up truck. He didn't look like a man who was worth billions of dollars. How many times did he "fool" people with his unassuming looks? It wasn't intentional. It was just who he was.

Unless they prove otherwise, customers should be treated like... customers. Don't make the mistake of judging a book by its cover. As Vivian Ward said in *Pretty Woman*, "Big mistake. Big. Huge!"

Give Your Content a Visual Boost: 4 Tips to Designing More Visually Appealing Content

By Larry Alton | In: Content Marketing

1. Think strategically about color selection

Color scheme matters more than you may know. Many marketers arbitrarily choose a color scheme that looks good to them, or default to company colors, but more attention should be given to the color facet.

Advertisements

“Recent studies indicate that certain colors can trigger a whole spectrum of emotions and behaviors associated with purchasing,” explains Skilled.co content development manager Kintan Ayunda. “Having an understanding of the role that colors can play in creating harmonious visual presentations on a website can increase conversion rates.”

For example, did you know that women tend to prefer blue, purple, and green, but dislike gray, orange, and brown? Men, on the other hand, prefer blue, green, and black, but show a disdain for purple, orange, and brown. Blue is often used to cultivate trust, while orange encourages impulse decisions.

If you aren't giving color selection enough focus, you could miss one of these important details and do your content a disservice.

2. Balance between visuals and information

Balance is huge when you're creating engaging content. You want the content to be informative and persuasive, but you also need it to be visually pleasing and easy to consume.

This is easier said than done. Sometimes content is rendered ineffective because it moves too far toward one extreme.

[This page from RISE](#), an online lending platform, is a sterling example of how to do it right. Notice how there's plenty of textual content and valuable tidbits packed inside, but the color, imagery, and charts provide enough visual relief to keep you engaged.

That's exactly the sort of balance you should aim for.



3. Image selection matters

Images are often an afterthought for content marketers. They spend all their time coming up with content ideas, fleshing them out, and selecting headlines. When it comes time to publish, they realize they could use some images, so they run a quick search for stock photos and paste in a few convenient shots. Such images clearly fill space, but they don't necessarily add any value.

You have to be more conscientious about the images you choose, down to the last detail. Two images with people, for example, can produce very different emotions in readers, even though they look very similar.

These are just a few examples of how vital image selection can be. Spend some time investigating and plan ahead. If you really want your content to be engaging, you need to select images as you develop the written content.

4. Make it skimmable

Effective content is easy to skim. Whether a reader accesses it via a desktop browser or mobile phone, the experience should be simple and seamless. This means using subheads, images, and other visual relief elements to keep the user reading as long as possible.

Notice how it uses lots of images and bold subheads, as well as an orange tracer at the top of the page that tracks the user's progress through it.

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Top Questions from Entrepreneurs Part Four: Can I Use My 401(k) to Start a Business?

Author: Molly Klein - Benetrends

Entrepreneurs have options when it comes to financing their small business dreams. Bank loans, grants, and help from family members are all options, but may not do the full job when it comes to providing needed startup funding.

As seen in the article, *Top 20 Web Resources for Business Newbies*, there are multiple resources that can provide guidance and recommendations, including the use of existing retirement savings as a funding source. This article explores how this option works.

How Does Using 401(k) Funding for Startups Work?

The Rollovers as Business Startups (ROBS) plan lets you use existing qualified retirement account funds, such as a 401(k), 403(b) or IRA, to fund your business without accruing taxes, debt, or penalties.

What Steps Do I Need to Take?

Using retirement funds for your startup involves four key steps. When working with an established, experienced partner, you can be sure each step is done correctly and you have your funds quickly.

- **Step 1: Establish a C Corporation.** Your new business needs to be established as a C Corporation, which has tax advantages that allow for the use of retirement funds with the right legal structure. Read "*The Ups and Downs of Using a C Corporation*".
- **Step 2: Create a New Retirement Plan.** You need to establish a new qualified retirement plan in the new corporation to avoid withdrawal penalties and maintain a tax-deferred status. A Benetrends retirement plan expert will work you to understand your long- and short-term goals and structure the retirement plan accordingly.
- **Step 3: Transfer Retirement Funds.** After the new plan is designed, a plan custodian is designated. The custodian creates the new retirement account and helps with the rollover of funds from your existing retirement account.
- **Step 4: Launch the New Business.** Once your retirement funds are in place in the new account, they can be invested into stock in your new company. If you designate an investment in the company from among the plan's holdings, the plan buys stock, giving you the capital required to buy or start running your company.

What Are the Major Advantages?

Using retirement funds for startup costs has several major advantages, including:

- *Tax Benefits.* Under the ROBS plan, you maintain tax-deferred status and do not face any early withdrawal penalties.
- *Flexibility.* The funds can be used for many different purposes. The money can be used against cash requirements for a Small Business Administration loan, to pay franchise fees, build or renovate a site, or buy equipment. You can even use the funds to pay yourself a salary. You do not need to use all the funds you're transferred, either.
- *Ease and Speed.* In some cases, you can get access to your funds in as little as 10 days. Accessing your funds does not depend on your credit score or having a completed business plan.
- *Peace of Mind.* Using your retirement plans means you are not incurring additional personal debt or having to negotiate with lenders for needed funding.

Funny Pumpkin Carvings!

1. **The Bad Seed** – Here's a three-dimensional jack-o-lantern that landed himself being pumpkin spice bars!



2. **That's no harvest moon...** – This intergalactic space station is filled with tasty seeds, instead of imperial Stormtroopers! (This is modeled after the Death Star, Darth Vader's station in Star Wars)



3. **A "gourdy" site** – If you love pumpkins, avert your eyes. This creative placement is for the horror movie fans!



4. **Lost Lunch** – Looks like someone enjoyed a little too much Halloween candy and paid the price!

