6 Franchising Misconceptions Debunked



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Franchising is big business in America. The International Franchise Association (IFA) estimates 745,000 franchise establishments in 2017 generating a payroll of \$270 billion and an economic output of \$711 billion. Franchises provide jobs to 7.9 million people.

One reason for franchising's popularity is its favorable perception by the public. When polled by the IFA, 76 percent of all voters responded they had a "positive view of neighborhood family-owned franchise businesses," which they felt were "more likely" to support their local communities. The IFA says the franchise industry has been growing 1.7 to 1.8 percent each of the last several years.

Turf recently contacted Brandon Moxam, vice president of <u>U.S. Lawns</u>, to discuss six of the top misconceptions associated with buying and operating a franchise. U.S. Lawns, founded in 1986 and now numbering more than 250 locations, is the nation's largest grounds management franchise serving commercial clients.

Myth No. 1: You relinquish ownership of your company.

"There's the thought that if I join a franchise, I no longer own my business. We often hear that from candidates. That's false. The franchisee owns their business 100 percent through and through. When you are awarded the opportunity to become a franchise you are operating under an agreement that grants you the right to go to market as that franchise, in our case U.S. Lawns," Moxam says.

"Additionally, that individual will be obligated to offer some specific services and they may also be required to avoid certain services based on the specific core business of the franchise. This is done to ensure consistency across the board from location to location on the services being offered.

"But that person still has complete ownership of their business and still has

complete autonomy over all the decisions that need to be made within the company including hiring and managing employees, determining what prices they want to charge customers and so on."

Myth No. 2: All you get is a name and a brand, and that's about it.

"While being part of a well-recognized brand certainly has its benefits, lending credibility in a local market, the branding is just one benefit of joining a franchise like U.S. Lawns. We're considered a business-format franchise. This means that we provide our franchisees with the operating procedures, business systems, training materials and tools to run a successful grounds care company focusing on larger commercial accounts," Moxam continues.

"A landscape business owner faces many challenges every day, things like how to hire and retain employees, bidding work correctly, managing cash flow and implementing the best way to build infrastructure within their company so that their business is not solely dependent upon them. These are all things a franchise like U.S. Lawns can help them with."

Myth No. 3: As a franchisee, you can't go wrong.

"There is this myth among some people that if they join a franchise their business is automatically going to grow. Or, worse, they believe that the franchisor is responsible for selling work for them," Moxam says.

"A franchisor like U.S. Lawns can certainly provide marketing and sales support; and we do offer robust marketing programs that help our franchisees generate leads within their territories, everything from SEO to digital advertising packages to email campaigns and postcards, for example.

"We also have an inside sales bullpen that sets appointments for our franchisees with commercial decision-makers that are interested in the services we offer. Knowing who to contact and who to market to and who to sell to is really half the battle. But there is rarely an easy button a franchisee can hit to achieve financial growth. It's still ultimately up to them to grow their businesses."

Myth No. 4: The franchise makes your equipment choices.

"Certain franchises operate this way, but not all. We all know how emotionally charged people in this industry can be about the color of their equipment," Moxam says. "U.S Lawns has a fantastic, robust purchasing program that provides our franchisees with discounts and preferred pricing for equipment, supplies and even for business services like insurance. Our franchisees have access to what's essentially a national buying program.

"Also, as a small business owner, do you really want to be spending your time researching and pricing equipment and materials? Or would you rather spend your time going out and generating more business? Our franchisees are not required to use our purchasing program although all of them do."

Myth No. 5: Once you're up and running, you're on your own.

"It can be a lonely world out there for a small business owner because they don't have other small business owners to share their experiences and concerns with, other people that truly understand what it's like to own and run a business like theirs," Moxam says. "In a franchise like U.S. Lawns, your fellow franchisees aren't competitors. They operate the same systems and approach business the same way that you are.

"I would describe the culture of U.S. Lawns as a culture of competitive camaraderie. Every owner has goals they're trying to achieve, and our owners are constantly challenging each other to achieve their goals. The camaraderie piece is the support piece, the way the franchisees educate and try to help each other, share best practices and the things that have worked for them and things that haven't. It's what we call the power of the network here at U.S. Lawns."

Myth No. 6: You'll be working just as hard.

"Early on, when you make the conversion to a franchise, you will be working just as hard because there is a learning curve and you're educating yourself on a new way of thinking," Moxam advises. "You're implementing new systems and processes. But coming out of that transition period it's a much different story. You will be working smarter because you're developing a business that is not solely dependent upon you for every aspect of its operation.

"You have implemented infrastructure and systems within your business that now allows you, as the owner, to focus on things that really count like strategic planning, and getting your arms around your customers and your employees."

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