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Franchise Pioneers

The opportunities in new and emerging franchise systems

By Gina Makkar

If your pioneering spirit is drawn to the vision and adventure of breaking ground on something new, an emerging franchise system may be the fit for you.

Getting in on the ground floor allows franchisees the opportunity to build the brand and expand the business while taking part in a fresh new venture. Who knows, you may just pioneer the next big name!

Wayne Maillet, Franchise Consultant and President of Franchise Specialists, says emerging franchises offer unique opportunities. "All great brands start with one location and grow from there," says Maillet. "You can enter at the ground floor and become a part of the evolution of the brand. There's a greater flexibility and opportunity to be entrepreneurial."

He says the benefits of an emerging system include the opportunity to select prime territories and locations and be a part of the evolution of the brand while it is in the infancy stage, often dealing directly with senior management.

As for challenges, he says emerging systems – like all franchise investments – are not without risk. He advises taking the time to ensure the franchisor is a financially strong, good leader.

He says emerging franchisors look for franchisees that are entrepreneurial, flexible, and willing to share in the evolution of the brand. Franchisees of emerging systems typically have the opportunity to influence everything from marketing to operations. "As a franchisee working in the day to day business, you'll often be first to identify where systems have not been defined or need to be refined to be more effective."

Souvlaki Hut

With years of experience in the family restaurant business, Nick Tsangaris, President of Souvlaki Hut, developed a unique blend of recipes and set out to open his first location in Clarkson, Ontario in 2000.

With four locations in Ontario's Mississauga and Oakville area, Tsangaris says, "We're still in the baby stages. We're still building the structure of the company, and we're careful of how we grow."

Tsangaris says the benefits are worth it. "It's your dream and you're full of energy. When it's new and fresh, you're not disappointed easily. It's a big thing."

As with all new things, he says overcoming obstacles, like finding the right people, can be challenging. "I hope to attract a franchisee that is as passionate about the brand and the business as I am. That's one of the challenges. We need to have people that are genuine."



He says he looks for potential franchisees that believe in the food, enjoy hospitality, and are fully committed to following the system. "After all," he says, "the franchisee is the one who is going to bring the business to its level of success."

Tsangaris says he's open to ideas from franchisees, and considers all suggestions that come to the table. "We listen carefully and we look at ideas to see if they make sense, but at the same time, we want franchisees to understand why we do what we do."

He says potential franchisees can benefit from the lower start-up fees of an emerging system. "We don't want to overcharge; we just want to build a brand. For a potential franchisee, it's a benefit."

He says franchisees should keep in mind that franchising is work. "You have to be there and put in your hours, and you have to have the willingness to give."

Salad Creations Canada

Brenda Bot and her daughter Jenna first stumbled on Salad Creations as they vacationed in Florida last year. Salad Creations offers a healthier alternative to fast food with "create your own" salads and wraps. Intrigued by the concept, Bot met with the head office and bought the rights for Ontario in April 2008. Now the Master Developer for Canada, Bot opened her first location in Toronto in January 2009.

With three new locations set to open in Brampton, Mississauga, and Toronto, Bot says being part of a new idea allows franchisees the opportunity to benefit from

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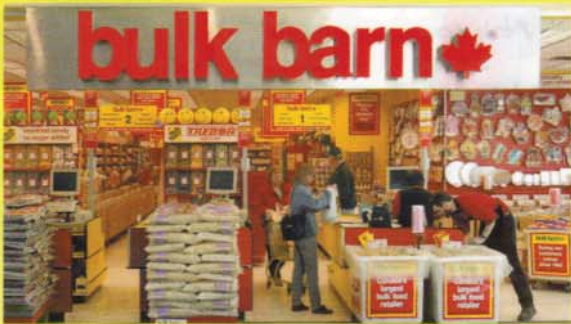


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Brenda Bot, Master Developer for Canada, Salad Creations.

new trends. "I just really believe that the excitement and passion of a new brand – and moving forward with the possibilities – are exciting," says Bot.

Bot, drawn to defying any obstacle, says that as an emerging system, things like brand recognition and sourcing qualified franchisees can be challenging. "The potential franchisee is enthusiastic and passionate about the brand and has the time to manage, train for, and follow a proven system. We, as a brand, have the requirement of meshing the franchisees with the brand."

As they continue to grow, Bot says she's always looking for suggestions, and that some of the best ideas come from franchisees. "Franchisees are the essence of the system. As we grow as a brand, new and fresh ideas are encouraged and awarded and we give them immediate attention."

For potential franchisees, there are many benefits to investing in something new. "It's something that is a healthy alternative, something new and emerging that is not being offered out there. It's not a wave that will come and go."

Rocky Mountain Flatbread

Armed with the desire to make a social and environmental impact, Dominic Fielden and his wife Suzanne started Rocky Mountain Flatbread, a restaurant that specializes in handcrafting organic, artisan flatbread pizzas that support the local community.

"We wanted to make a statement and do it with food. There's a big gap in the Canadian market for family-friendly healthy eating."

Fielden says the benefits of being involved in an emerging system include the ability to look at things with a fresh new perspective. "We have a chance to do something different, and from that perspective, it's special."

He also says that as a new restaurant, they're constantly learning and improving their systems, allowing them to have greater empathy for the challenges their franchisees face as well as an appreciation for the successes.

Fielden says they look for franchisees that share their values. "Are they people-oriented? Can they follow a system? Are they family-oriented? Do they care about the environment and eat organic food? Do they love food?"

They treat their franchisees like partners and will establish an advisory board once they've acquired more franchisees. "We speak, email, and meet regularly. We're dealing with things as a company to make changes," says Fielden.

He says that while they sometimes know what may or may not work, they're always open to suggestions. "We always stay open to new ideas because if we didn't, the gems would never come through," says Fielden.

He says that potential franchisees should be entrepreneurial enough to work on their own, but still be aware that a franchise is a partnership. "Franchisees need a healthy balance between being an entrepreneur and being risk adverse," says Fielden. "Working with the franchise concept through the good and bad times is important. A franchise is a business partnership you can have for many years."

Pro Fleet Care Franchising

For Greg Lawrie, President of Pro Fleet Care mobile rust control service, the benefits of an emerging franchise system are many. "We work as a team to increase market share



Rocky Mountain Flatbread's artisan flatbread pizzas support local communities.

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and build branding,” says Lawrie. “It allows us to feel like one big family.”

Lawrie says a vested interest is also important. “If the franchisee does well, they help build the business, and it helps build the company with greater ease.” He says that smaller staff sizes also allow them to remain in contact with franchisees.

He admits that some of the challenges include the lack of a strong national brand, but it’s “just like McDonald’s and

Tim Hortons. They were young once.”

Pro Fleet looks for customer service focused, motivated individuals with a strong work ethic who want to be a part of a winning team.

“We only approve those that are the right fit,” says Lawrie. “It’s not about expanding quickly, or about money, it’s about people and customers and what we call the Pro Fleet family. Though some systems may accept a franchisee with money in hand, I hope that when we are 35 years old and 50 years that we’ll be looking for the same people.”

Lawrie says they gather regularly to discuss business practices, and that all franchisees are involved with building the brand. “We have a great group of guys excited about our growth and it’s such a great thing to see happen. It’s truly a family getting together with a common goal. Their input is invaluable.”

In some cases, they’ve implemented suggestions that have streamlined the training process and increased efficiencies.

Lawrie says potential franchisees should be prepared to help build brand awareness. He also says franchisees will do well if they follow a franchise with a proven track record and resist over-creating the system.

“Franchising is great...it’s awesome. It’s a team business and you’re in business for yourself but not by yourself.”



Working as a team allows the Pro Fleet Care system to feel like one big family.



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