The Soar Podcast E57 - Diane Pleuss

SUMMARY KEYWORDS

franchise, business, people, company, buy, rai, franchisee, franchise fee, person, diane, invest, option, window coverings, run, franchise owner, guide, pay, industry, started, questions

SPEAKERS

Rai Cornell, Diane Pleuss



Rai Cornell 00:02

Welcome to Season 2 of the Soar Podcast, the place for creative entrepreneurs who want to build healthier, happier, more profitable, self employed businesses. I'm your host Rai Hyde Cornell, business mentor at Chiron Consulting and CEO and Senior Copywriter at Cornell Content Marketing, get ready to soar! Welcome to the SOAR podcast, I am super excited to introduce Diane Pleuss. Diane, please explain your business to us. What is it that you do?

Diane Pleuss 00:42

Happy to, Rai. I am a franchise consultant, which means that I'm basically a franchise matchmaker or a franchise fitter, if you will. Many times I work with people who are in career transition. And they don't know what their next step is for sure, they're looking at jobs, sometimes they're considering businesses, specifically franchises, but they don't know which are the good ones, and not so good ones. So I work with people to first learn about them, their goals, their interests, their dreams, and what they want. And then I look for franchise companies that are available where they are, that would meet their goals, make introductions and coach and guide them through the franchise investigation process.



Rai Cornell 01:33

Wow. So that's I mean, you really handhold them and really guide them and help them advise them the whole step of the way.

Diane Pleuss 01:40

I certainly tried to, they're going to be doing the hard work, they're going to be talking directly with the franchise companies. But I'm going to be somewhat in the back, over their shoulder, say, be sure to look at this, be sure to ask these questions, keep these goals in mind, it's going

to be exciting, and it's also going to be scary. So hopefully I can be that sounding board as they go through the process.



Rai Cornell 02:05

So it sounds like you really help them, minimize the trial and error process and just get to trial-success, trial-success, trial-success, as opposed to trial-error, trial-error, trial-error, trial-success.

Diane Pleuss 02:17

Exactly. Sometimes people think that, well, let's just say many times they limit themselves and they don't consider certain options. And they could be very good at running a variety of businesses, but shortchange themselves and say, well, because I know this, I could only do this. And in many respects, with a franchise, they're looking more at, at people that can run a business, that can hire people that want to be involved in the community that understand financials. So it's broader than just a person, for example, who knows how to code or has a certain language. That might be somewhat restraining.



Rai Cornell 02:59

Yeah, and I love that earlier you said, you help people identify the good ones, and the not so good ones, because I'll be honest, I have kind of a love hate relationship with franchises. There are some where I'm like, why are you putting yet another subway, in that strip mall, subway has the most locations of any fast food chain around the country. We don't need another one. We already have 20 in my little tiny dusty Texas town. But then there's ones like Orangetheory fitness, where I was an Orangetheory member for years leading up to COVID, before everything got shut down and all that. And they do so much to get into the community. They do so many partnerships with other businesses around. And so there's some that are really great, and I can definitely see the potential in those. And then there are other ones where I'm like, this is just another kind of turnkey sort of thing without a soul to the business basically.

Diane Pleuss 03:28

Yes, just about everyone has at least one horror story. Uncle Harry, who invested his money and lost his shirt or invested it with the wrong company. And they didn't have the training. They didn't have the support. Maybe they didn't have good what we would call unit economics that was profitable enough. Maybe they put-maybe they didn't advise him properly on the location, although sometimes franchise owners overrule recommendations and I have seen that as well. So sometimes we can't necessarily point fingers, we have to do some checking first but certainly we try to work with the companies that do provide the good training the support, where the person can be happy and very successful.



Rai Cornell 04:51

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so I tend to look at franchises as kind of tribs gray area between being a wz employee and being, you know, that kind of traditional employment world and being an entrepreneur. Is that kind of how you see it, or what's your take on franchise as a whole?

Diane Pleuss 05:10

Well, I'm certainly very biased here, I think of the middle path and the best path because you have a parent company-the franchisor, that has a vested interest in your success, I like to use the analogy of a proud parent. So that new franchisee is like this baby. And they usually don't know the industry, they don't know the ins and outs, and that proud parent is taking them by the hand, and they're showing them and they're saying, "Do this, don't do this, follow this," and they're nurturing and guiding them. So it's your own business with the help of someone that has said, I went down this road, these are the lessons I've learned, learn from me, and follow it. And yet, it's not an employee, because you're running the business so you have autonomy, but yet you have a framework to work with. And so if we think of McDonald's, they don't offer tacos on Tuesdays or hotdogs, they have their menu, and they want you to stick to it. So even though you might make the best baked potato with all these luscious toppings, they will first say, Well, let's look at that. Let's talk to our chefs in our test kitchen, and explore that a little further before you just go off and add it to the menu, you can't do that. So there is that framework to work within. And you have to be comfortable and see that value.

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Rai Cornell 06:48

So, I'm going to ask you a couple of questions here so that I can better understand the franchise world because I come from a world where I've built both my businesses from scratch. 15 years, I just, it's all I know, and it's my own little world. And so the idea of buying into a franchise or investing in a franchise, and having this business model handed to me, it sounds to me, and I'm probably very biased here ut I'm open to you correcting my bias. It sounds to me like the creativity is kind of sucked out of it. Is that the case? Or is there room for franchise owners to get creative and put their own personal spin on it? Is there any wiggle room like that?

Diane Pleuss 07:33

That will depend upon the franchise, certainly some franchise companies, there is more wiggle room, they want you to be involved in the community, they want you to be part of that fabric, if you will, I can share with you and it's especially relevant since this is October when we're chatting, and it's Cancer Awareness Month, one of my placements when the man that I had worked with a lot of franchise and the cancer awareness was very near and dear to him. He bought a painting franchise, not where he was doing the residential or commercial painting. But he had a crew that did that. And he decided that for the month of October, they talk to a very large building along the freeway, and they painted it bright pink for Cancer Awareness Month. And at the end of the month, on November 1, they turned it back to the beige, they got a large billboard next to it. And I thought that was pretty creative, at his part to do that, to raise awareness, to raise funds for an organization. So I think, again, we may limit ourselves in that area. Many franchise companies will have charities that they sponsor like to be involved with. So if that's something that you like, that might be an opportunity. And as part of the investigation, I would recommend that you talk with the company, you want to feel that they're helpful, that they've gone ahead, smooth things out. That is this path that you can safely

follow, but that you would also enjoy it and there is enough creativity, whether that be in hiring the people and training them and being involved in the community and being the employer of choice, or being a company that is voted Best Place to Work For in the Workplace. So, many times people find those types of things very rewarding and that's how they might channel their creative energy.



Rai Cornell 09:46

Yeah, I like that example of the the breast cancer awareness, or maybe I think pink, I think breast cancer in particular. But I love that idea. So from a personality perspective, who would you say franchising is for? And who is it not for?



Diane Pleuss 10:06

Sure. If we think on a spectrum, Rai, and we have 1 to 10, and one is the person who needs that guaranteed paycheck every 2 weeks, they should stay in their job, they would not be comfortable, because there's no guaranteed paycheck. So they need to stay where they're at. At the other end of the spectrum, the 10 might be the person that is what I would call that renaissance person, they're good at a lot of things. They have the big idea. They're comfortable creating a website, they're comfortable hiring and managing people, developing ads, the marketing strategy, they like it all, and they're good at it all. They would not like a franchise because it might be constraining to them. So if we look at between q and 10, if you look at let's say the people that fall in between 3 and 7, would probably be a good fit.



Rai Cornell 11:03

Yeah, that need of the bell curve. And so what about things like risk tolerance, I expect that people who tend to be creative entrepreneurs, freelancers, freelance writers, designers, etc., we tend to have a very high risk tolerance because we're putting the entire responsibility of our business on our own shoulders. There's a lot of ownership and kind of like, you know, bravado independence that comes with that, that kind of helps us handle that risk tolerance. But I imagine that for people who are not as comfortable with that high risk, a franchise system might be better, because you're still getting the independence, you're still getting the kind of like that self employed vibe of it all. But without the "Oh my god, no, I have to start from scratch" kind of oh shit moment.



Diane Pleuss 11:56

Exactly. And for the person, and depending upon their background, some people might like an emerging company that has only a few units open, and they can have a big voice and a lot of input, and maybe more free reign to develop some things. They could really blossom in that type of scenario. And someone else might say, I want a company that's tried and true, well established, has lots of locations open. And maybe my location isn't as important as knowing that the company has hundreds or a thousand plus units, because I want everything figured out. I don't care if I'm, you know, possibly a number I want. I want that comfort, knowing that all these other people have gone ahead with me.



Rai Cornell 12:47

Yeah, so you're describing quite a range of franchises. And I think this is again, where kind of like, my limited understanding of franchises comes into play because when I think franchise, I think McDonald's, I think Starbucks, I think Orangetheory, these ones that are very prominent, but you mentioned a painting franchise, and I'm racking my brain. I'm like, why on earth is a brand that is franchising their painting services that I never knew that existed. So what are some of the kind of, unexpected franchises that you've worked with, that people might not even know are options?

Diane Pleuss 13:25

People are very surprised when I start giving some industries. So for example, there's now a franchise in the mental health space. And because we're coming out of the pandemic, and there's such a need, there has been tremendous interest in that and they have grown rapidly. There has also been a lot of interest in service based businesses, because they were generally deemed essential businesses during the pandemic and they did not have to shut down. And because many of us were at home, and then people said, gee, I'd like to fix this or crack this or whatever, many of those businesses thrived. There are also businesses that can be done usually Monday through Friday, they're set appointments, the margins are usually pretty good, investment is lower, so it has great appeal. And there's a wide range. So if you think of a home, there are businesses, there are franchises for roofing, for insulation, for gutters, for painting, handyman, electrical, plumbing, HVAC, flooring, window coverings, residential cleaning, lawn care, pool care, pet care. These are service based businesses senior care that generally run out of an office. It could be an office suite in a commercial building, it could be a home office, and you're running it out of a vehicle. But it's a business where there's a need, people like these types of businesses because Amazon usually can't provide it, and it can't be done offshore. So it needs to be done usually in person, and they can provide the staffing to do that.



Rai Cornell 15:27

I like that you mentioned that Amazon can't provide it. That's kind of like a litmus test, I would guess, to can this be franchised?

Diane Pleuss 15:35

And that's where people started looking at some of these businesses that they would have never considered and say, "Hmm, that's pretty interesting." And yes, Amazon isn't going to be doing it, I'm not going to be ordering it online. And, and having the little technician come to my door, but I want a franchise for the service, because it's probably more reputable, they have buying power, I'm probably going to be getting a notice or a text that the text is that the tech is on the way, the estimate is going to be professionally done, they're going to hold to it, I can probably look online and see reviews easily. And there's just a lot of things that make sense. And, and actually, during the last downturn, franchising again, fared well, they were hearing from customers, gee, I was thinking about calling you or calling this other business that might be independent but I didn't know if that independent business was going to make it through

these tough times. And I thought that the franchise, I just felt longevity. And if I'm buying window coverings from them, and they're come, it comes with a guarantee, I just felt more comfortable doing that. So sometimes, during tough times, the franchisees still fare well.



Rai Cornell 17:04

Oh, that's interesting. And it's hard. It kind of like tugs at my heartstrings, because on the one hand, I want to support the mom and pop businesses and the independence and you know, these go at it on your own kind of folks. But at the same time, you want to make sure that you're choosing an option if you're becoming the sole financial provider for your household, for example, and you are launching a business, you want to give it as much of a chance of survival as possible. And with franchising, it sounds like what you're saying is you're not only buying the business model, and having all these kinks worked out for you in advance, but also you're getting the credibility that comes with that brand name. So you don't have to build a reputation for yourself, you're adopting an already strong reputation if you choose the right franchise.

Diane Pleuss 17:54

Yes, and sometimes, the buying power that they bring is pretty unmatched. So for example, if you're doing a roof, the franchisees can get tiles at an incredible rate because of their buying power. Or if you're doing window coverings, again, usually have options where you can go with the big brand names or they have private label, but they have a lot of clout, and they can exercise that clout via pricing. So one of the advantages and keep in mind, I also am a big supporter of businesses in general. But when you have a franchisee, there are local business people that invested in a franchise but they're local, and they want to give the best support, they want to provide the best product and service to their customers as well.



Rai Cornell 18:53

Yeah. You're talking a lot about businesses that I would imagine as brick and mortar businesses, you know, ones that have an office or have a building that has the business name, the franchise name across the top of it, are there franchise options that are not brick and mortar for someone who doesn't want to have to go to an office and unlock the door at 8am every morning. And what do those look like?

Diane Pleuss 19:19

Many of those are the service based businesses, usually they'll have an office but it might be in a commercial area of town, where they're storing supplies or where they're keeping vehicles. They don't need to invest and be at the intersection of Maine and Maine and pay that kind of rent, but they need a facility usually so they can be found via Google and and possibly to store equipment or have supplies.



Rai Cornell 19:48

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Okay. So, what-now long have you been doing this by the way? You're very well informed on this. So imagine you've been around the block for a while in this world.

Diane Pleuss 19:58

I've been doing franchise consulting for 18 years and I worked for a franchisor before that, so it's more years probably than what I like to admit at this point.



Rai Cornell 20:08

Okay, so in 18 plus years, what is the most, kind of like, creative outside the box wouldn't expect it to be a franchise franchise that you've encountered?

Diane Pleuss 20:22

Well, I just worked with a person. And I always ask the people that I work with to keep an open mind, to really challenge them to keep an open mind, and understand their goal. So this person had a very good job, it was going to be difficult to leave at cold turkey and wanted a business that he could transition into, where he could hire a general manager, hire staff, run it, and he could oversee it, keep his job and, hopefully, eventually seque into that. And one of the companies I introduced was a roofing company. And he basically said, a roofing company, there's probably no industry that has, what's perceived lower standards than someone doing roofing. And I'm very much of a high quality, high integrity person, why in the world, would you introduce a roofing company to me, and I said, because this roofing company is doing things differently, and they will be the high quality option, they will be the national brand, it doesn't exist, I think there's real opportunity here. So if we look at that, and we go back a few years, or more than a few years, if you think of, for example, 1-800-GOT-JUNK has a fascinating story. But here was an industry that was basically shipped slipshod, if you will, independence, trucks breaking down, people not showing up on time, everything done poorly. But the founder said, "Gee, I see an opportunity that if I can show up on time, or my techs can, and vehicles that are clean and are new, and we can provide a service and price it accordingly, there is a need and we can fulfill that need." So sometimes we look at these businesses, and we say there's no national brand, they're lacking in technology, they're lacking in service, they don't have any buying power, they don't have any marketing. Gee, it looks like there's an opportunity to meet. So that's part of what I do. I personally love these services, because the people are using their skills, their efforts, they're combining with the franchise company, but they're really running that business. And they're involved in that community. And hopefully, they're building it well, and something that they can be proud of.



Rai Cornell 23:10

So you're really looking, kind of, a bird's eye view, you're kind of zooming out and going, okay, which industries and services in our society have a bad reputation? And that means there's opportunity to fix it and to do it better, to heal the pain points that people have experienced with previous service providers in those areas.

Diane Pleuss 23:34

Or just convenience, if you look at residential cleaning, yes, everyone can clean their own house. But how many people want to and there's a point in your life, when you say I don't have the time, and I have the resources to pay to have it done. And you don't want to worry about it, you want to go online, you want to request it or you want to have someone clean your house every Tuesday or Thursday or whatever day to decide, and know that it's done and know that you can pay via credit card. And if the person is sick that day, someone else is hopefully going to fill in or you're not going to get a call that my car broke down or whatever the case is. So you look at it and you say I have this need, this company fulfills it. It's, they're helping me, I can be more efficient, I can spend my time wiser in another area.



Rai Cornell 24:30

I have so many more questions for you. We are going to take a super short commercial break and we will be right back. Hey, Rai here. Ever wish this whole creative self employment thing was easier? Like wouldn't it be nice if there was, I don't know, a step by step guide for building a successful freelance business? You know where I'm going with this right? That guide does exist. Back in the day when I first started out hustling and side gigging, I wish I had a roadmap to fast track my way to self employed success. So I made one for you. No matter where you are in business, I guarantee you, this guide can help you get to the next stage faster, and the next, and the next! Whether you're still deciding if ditching the W2 is right for you, or, if you're struggling with your pricing, business formation, client acquisition, sales, or even health insurance, this guide has everything you need. Get your free copy of The Complete Guide to building a successful freelance business at chironconsulting.us/guide. All right, we are back with Diane Pleuss. So Diane, one of the things that you mentioned earlier is this idea of investing into the franchise and immediately, keep in mind, I'm like super entrained, in my own little entrepreneurial world. And so to me, the idea of getting a business loan and investing heavily into something that makes me bristle and pull back a little bit because everything I've ever done was started with nothing, and I built up from there, and I didn't get a business loan, I didn't go into debt in order to start my business. And I, I try to steer the creative entrepreneurs that I work with, away from taking on business loans and debt in order to launch their businesses. But I'm assuming, correct me if I'm wrong, that in order to get into franchising, there is some element of that where you have to, you're going to be forking over quite a bit of money to get started. And does that involve a business loan? Does what does that actually look like? Because that's where I kind of stop and go, I'm not willing to go beyond this point. Kind of correct my misconceptions, or fill in some blanks here for me.

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Diane Pleuss 26:47

Think in terms of a house, when people buy a house, they usually get pre-approved, most of the time, people don't write out a check for the full amount of the house, most of the time they get a mortgage, and they pay a percentage and borrow the rest. Likewise, with a business, think of a business as an asset that you're going to start with, and you're going to build and grow. So most people look at it and they say the franchise fee is x, i need x amount of working capital, it's going to take me this long to hit breakeven. And they will learn these types of things and can verify them with existing franchisees and can then look at how do I want to fund my business? It might be with an SBA loan, it might be with home equity, it might be with

rolling over retirement funds. And what's interesting there is people look at that, and they say, Hmm, there is a special way to do that where they can invest retirement funds in their own business, that is penalty free, and there are some tax advantages with that. So it's not something they can do on their own companies do that. And I always encourage people to get educated on that to see if that would be a viable option. And again, when people are doing their franchise investigation, and they're talking to, you know, Bob and Jane and Frank and Sam, one of the questions they can ask is how did you find your business? Not saying that what someone else did is right for you, but you can learn about the range, and you can also learn about the business entity that they chose, for example. So again, you get to ask all of these questions in advance. I will share too, sometimes, when I'm talking with people and I work with some very accomplished people. And sometimes I just asked them, so why are you looking at a franchise? You have the background, you have the skills, why aren't you doing something independently? And usually, they'll say, Well, I considered it but I just thought, how many months is it going to take me to develop everything and that has value? And when it comes time to sell, what is going to be the value of Joe's business versus the franchise brand? And so I would like to look at the franchise because I think it's going to give me that head start, I think I'm going to be able to have a bigger business, and I think I'm probably going to be able to sell it for more.



Rai Cornell 29:27

So from that financial perspective, yes, there's an initial investment, but also you're gonna hit profitability faster. And then, if you do want to sell in the future, you know, I've had people offer to buy Cornell Content Marketing, I mean, I put decade and a half into it. But probably no one is ever going to offer to buy Chiron Consulting, my other business. And so it's one of those things where if you kind of start from scratch and you build your own brand, there's really probably not as much likelihood that you can actually sell your business and use that as a retirement plan or exit strategy. But with a franchise, there's kind of that sellability built into it.

Diane Pleuss 30:10

Certainly, that's one thing to look at, and look at the customer list, look at the employees that you have. Are you the key person and the only person who could do that? Or can someone buy the business, go to training, and step in and draft behind you with all the goodwill that you've generated, and the existing accounts that you have?

Rai Cornell 30:34

So what are, if you can throw out general numbers and ranges, what are we looking at in terms of what someone would expect to invest to get started in a franchise, you know, is there kind of like a smaller franchise list that would require a lower investment, all the way up to maybe starting at I would guess, like a McDonald's or a Starbucks would be the higher end of the investment spectrum?

Diane Pleuss 30:59

Certainly there are franchises that cost a million nlus likewise companies that are again

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what we would call service based that can start out of a home office. And that might be something like business coaching or senior care that you're going to start small and grow. So if you look at, for example, Senior Care, usually you're starting with a couple of caregivers, and you get a couple of clients, and then your clients need more care. And so you hire more caregivers, when you grow and scale the business that way. So you might outgrow an office. And many times those people do, and they're very happy then to move to the next office, because the revenue is there to support it. So usually, in those types of businesses, they'll say, just invest in something that is small and reasonable. Because we need to have you in an office for, so it's professional, but it doesn't need to be elaborate. And you can buy used equipment, if you'd like to get started, I mean, they can make it economical, a franchise company's going to look at your net worth and liquidity. So usually there are some requirements for that. And again, if they have a liquidity requirement of let's say, 50,000, that doesn't necessarily mean that you have 50,000 in the bank, it might be a combination of savings, stocks, retirement, home equity, etc., that you can use towards that, but they will have requirements. And again, that's to protect both you as the investor in the business, and the franchise company, if they should award a business to someone that, let's say is undercapitalized and the pandemic happens, and they couldn't withstand it. And they close, it is terrible for them. But it is also a black mark for the franchise company because they have to just close that. So if you're looking at a franchise company, and you see Gee, they closed here, and they closed there, and they closed there, you're gonna go, I don't think so I think I'll look somewhere else. Again, it's a mutual process and a mutual investigation. You're looking at them, and they're looking at you, and good franchise companies make an award because they think that you would run a successful business and follow their program.



Rai Cornell 33:35

So what is that? You may have said it, but I might have missed it. What is that lower end of the spectrum, what's kind of the lowest investment that you've seen someone paid to get started?

Diane Pleuss 33:45

There are some franchises where the franchise fee is 15,000. Most of the time, it's in the 50,000 to 70,000 range. I somewhat hesitate, because sometimes people say Oh, for example, a Subway franchise has a \$15,000 franchise fee. Call me and they'll be all excited because they'll say I've got 20,000, I can buy a Subway. And then I have to be the bearer of very bad news and tell them that's one component and you're going to need more money because you're going to have to have money for signage, you're going to have to do construction, you're going to have to do build out, you're going to have to have product, you're going to have to have advertising. It's much more than that. So I am concerned whenever I give numbers because there's always a greater story behind it, and I never want to mislead people.



Rai Cornell 34:40

Yeah, well, and you bring up an excellent point because I've always wondered about that. You know, in my Orangetheory days, I was working closely with the owners and they're wonderful people and I got to write their newsletter and things like that. And so I got to see the inner workings of their business a little bit. And they were opening up locations all over West Texas

and in the back of my head I'm going, man, these rowers, these treadmills, the interior design, the merchandise, everything is so high end. I'm wondering, does the franchise owner, that location owner, pay for all of that startup cost? Or does the franchise help out with that? When they say, Okay, you're investing in us so we're going to, are they going to give you some equipment? Or you know, you mentioned the signage, that's the cost of the franchise owner? How does that all work?

Diane Pleuss 35:33

That's a detailed question. But let me give you a broad overview. And usually the franchisee-the franchise business owner, will have an option to lease equipment. And they're going to look at what the lease looks like. The franchisor will probably have negotiated a very good deal on that equipment, to be able to say we're going to be selling hundreds of treadmills or thousands of treadmills, what price can you give us? So that again, they're getting a great price. So they're going to look at that and say, should I lease it? Other times they might look at equipment, if we look at, there are businesses, for example, there's a franchise and this is another one of those sexy, exciting ones, where you have a dumpster with porta potties attached, and it's patented, a very good business, but it's equipment intensive. And so a person there would look at and say, do I want to lease this? Or do I want to buy it? Because from a tax strategy, there's a section 179, and they can depreciate it. So they're probably going to be talking with their accountant and saying, what is the best strategy for this? Do I want to lease or do I want to buy? And evaluate it.

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Rai Cornell 36:56

Okay, so there are a lot of moving parts here. I mean, there's the financial side of it. There's the equipment and setup side of it, there's the staffing and personnel side, there's the marketing and making sure people know about your new locate. I mean, there's so many moving parts. This is one of those things where I feel like I could get overwhelmed very easily. So if someone's interested in exploring this franchise path and not being overwhelmed, where do you recommend that they start?

Diane Pleuss 37:27

Well, I would hope they would give me a call, to chat and talk to, and learn, give me a chance to ask them some questions. But keep in mind, when we do a franchise investigation process, it's just that it's a process, we're not eating that elephant all at one time. So usually, franchise companies are pretty efficient. And they'll schedule a number of calls. And the first call is usually an overview call. They'll give the background of the company, the history, the founders, and their vision-where they're going, they'll talk about their process of how many calls and what they do. And after that, they'll usually talk about the investment piece and what that entails. And they'll have, for example, the franchise fees, a set fee, it's not negotiable. But other things, they'll give a range. And they'll have a range for marketing and will depend upon your market, your area. And you'll learn about that and you'll sell! Well, if you're in Texas and might be right in the middle, if you're in Dallas or Houston might be on the upper end. If you're in a suburb or rural it might be on the lower end. So again, you'll start to get a feel for this. And they will go through and you'll learn about the training, the support, the infrastructure, and

then, you'll usually spend a dedicated call going through the legal document called the Franchise Disclosure Document. After that, you'll have enough information that they will say, we'd like you to talk to our franchisees because we know you're going to have more questions and you want to verify everything. So it's one thing if I say we have fabulous training, but it's another thing if you call Joe with a franchisee, and you ask, So Joe, Diane tells me that your training is pretty top notch. What was your experience? and he'll tell you and usually they'll say, yeah, it is very good. I will say that, you know, on Wednesday afternoon, we had the CPA teach us about finance and personally, I thought that was kind of boring, but nonetheless, it was all good info. So they will give you incredible insights. It's their personal opinion. Sometimes you have to take that with a grain of salt, but they're, again, they're sharing info. So a franchise, when you look at it should be pretty transparent, if you will, but take the time and ask the questions. Occasionally Rai, someone comes, calls me and they say, we are just on vacation and we discovered this business and it's fabulous and the line was out the door. And then we want to open one. And I'll just go, you know, timeout here. Let's take a look at it. Because that line is going to evaporate, and what hours, how many employees? What's the investment? Is this going to meet your life goals? Let's look at it, it might be a great business, it might not. Let's evaluate it. And sometimes people fall in love with a business and they don't do their investigation. And that's where you run into problems.



Rai Cornell 40:44

Yeah, so it's kind of like this, this dichotomous situation where on the one hand, franchises are great for people who want to turn key business model where they just want to, they don't want to worry about the ramp up, they don't want to worry about the launch, they just want to jump in, they want to have a business model that's designed, a lot of kinks worked out for them, and get right to it. But at the same time, you can't just jump right into that and assume that it's going to be successful, you have to do your due diligence to make sure that you're matching yourself with the proper franchise and business model, so that you can survive the long haul.

Diane Pleuss 41:20

Exactly. And I was talking to a franchise development rep. And I was asking about their training program. And for this particular company, they have five different training sessions. So week one and week five are in person. And there's time in between, and training sessions two, three and four are virtual. So as the person learns more, and graduates to bigger jobs, many times, if we look at, again, a service based business, they might start doing residential work. But as they grow and become more comfortable, and see opportunity, they might want to do commercial work, which is bigger, they have to make sure that their estimates are on target, they have to make sure that they're adequately funded, because usually they don't pay right away whereas with a residential customer, you run their credit card right away. So they have to be ready for a 30 or 60 day gap.



Rai Cornell 42:22

Oh, those cash flow issues.

Diane Pleuss 42:25

So cashflow issues, another thing. So again, franchise companies know this, and they will say this is as much information-this is the information we're going to give you right now that's appropriate, and learn it and be successful, and then we'll grow. Also, for example, in senior care, many times they will start giving the basics for the senior. And then if the franchisee wants, or if they've invested in a franchise company that allows them to do medical care, they might then also want or want to offer that as an option. Usually they don't just start because the franchise company wants them to be successful. They want them to crawl and walk and then run and work into that. Again, it's about learning and being successful.

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Rai Cornell 43:20

Yeah, so you're not going to hit the ground running and that's a good thing and they've tested out what works and what doesn't. So if someone was interested in getting started maybe starting this exploratory process and learning more, where can someone find you? Where can they check you out?

Diane Pleuss 43:38

Sure. They can find me on my website, which is simply my name, dianepleuss.com. They can find me on LinkedIn, Diane Pleuss, the Franchise Fitter, I will spell my last name because no one can spell it. It is P as in Peter, L-E-U-S-S as in Sam,Sam. Fortunately on LinkedIn, I have listed common misspellings. So if you get it wrong, you can usually find me, Diane has one N in it. I post regularly on LinkedIn. So you can check out the articles and get a feel for me and my approach and how I like to work with people.

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Rai Cornell 44:23

Wonderful. And we will put all of your links in the show notes so nobody has misspelling as an excuse not to get in contact with you. Thank you so much.

Diane Pleuss 44:32

Also, if I might quickly add, because of the complexity with my last name. If someone wants to schedule a call, they can simply go to quickchatwithdiane.com. Yeah, schedule a call.

(F)

Rai Cornell 44:45

Very smart domain play there. Excellent. Well, thank you so much for being here, Diane. I learned a ton about franchises that I never knew. And I love that this is kind of a solid middle ground option for people who are not ready to just start from scratch building their own brand. And yet also don't want to be a traditional W2 9-5 employee. So thank you for sharing everything that you know.

Diane Pleuss 45:11

Thank you for having me. I love to give people options and choices and help them explore and help them decide what is really best.

Rai Cornell 45:20

Yeah, and that's exactly what you have to do in order to figure out the right path forward for you, is what's actually best for you not just what looks nice and shiny and maybe has a long line out the door on the surface.

Diane Pleuss 45:30 Well said, thank you.

Rai Cornell 45:32

Thanks, Diane. Hey, Rai here again, thanks for listening. If you liked this episode, please subscribe and rate us in your favorite podcasting platform. Want to be a guest on the show or know someone who has an amazing story of entrepreneurship? Apply on our website at chironconsulting.us/podcast.