

# Minority Franchise Recruitment Programs that Work

- Moderator – Jeff Sturgis, Vice President Franchise Sales & Development, Fantastic Sams
- Speakers
  - Norman K. Jenkins, Senior Vice President, North American Lodging Development, Marriott International
  - Cesar Saldivia, Emerging Markets Manager, Two Men and A Truck
  - Jerome Williams, Global Franchising Group, Regional Owner of Fantastic Sams

# Minority Franchise Recruitment Programs that Work

## Facts & Figures

# Minority Franchise Recruitment Programs that Work

## Demographics in America and in Franchising

- Minorities represent 32% of the US population
- African Americans, Hispanic Americans and Asian Americans represent almost 40% of the youth population
- US Census data shows that minorities will account for nearly 90% of the nations total population growth between now and 2050

# Minority Franchise Recruitment Programs that Work

## Demographics in America and in Franchising

Ownership of businesses by minorities is growing at a faster pace than ownership in all other demographic groups

The share of businesses owned by ethnic minorities increased by nearly 22% from 1997-2002

**Minority franchisees make up less than 10% of the overall base of franchisees**

- *Why is this? – awareness, information, money, misconceptions, lack of central flag bearer, franchisors lack of effort and understanding*

# Minority Franchise Recruitment Programs that Work

***Fantastic Sams***<sup>®</sup>  
**HAIR SALONS**

**Jerome Williams – Global Franchising Group –  
Regional Owner for Fantastic Sams in  
Northern New Jersey**

# Minority Franchise Recruitment Programs that Work

***Minority recruitment is the bridge that  
connects the growth of the US population  
and growth of the franchise industry!***

# Minority Franchise Recruitment Programs that Work

## *WHAT'S NEEDED:*

Leadership that can relate.

Growth through inclusion.

The benefit of having Minorities in visible field  
support positions.

Minority recruitment becoming a long term  
commitment and not a quick fix.

# Minority Franchise Recruitment Programs that Work

## *Corporate Self Examination*

Weakness may include:

Perception of the franchise industry as a whole.

Lack of visible goodwill in minority communities.

Brand reputation in minority communities.

Where and how your minority employees are  
placed within your organization.

**\* KNOW YOUR CUSTOMER FIRST!**

# Minority Franchise Recruitment Programs that Work

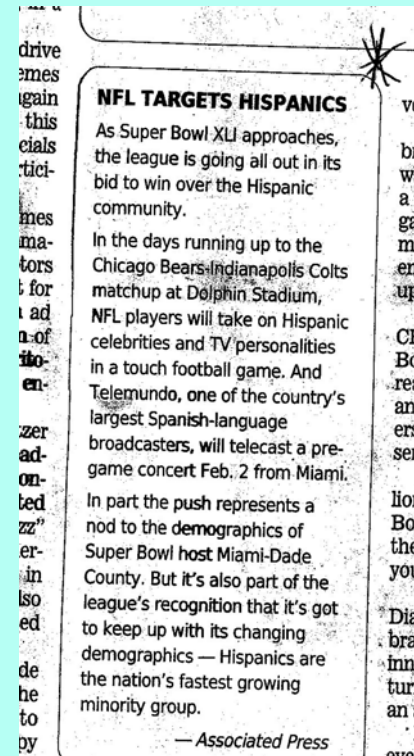
*Leadership that can relate:*

Xerox example.

Global Franchising Group example

## Minority Franchise Recruitment Programs that Work

***Growth thru inclusion:*** NFL  
Example



**NFL TARGETS HISPANICS**

As Super Bowl XLII approaches, the league is going all out in its bid to win over the Hispanic community.

In the days running up to the Chicago Bears-Indianapolis Colts matchup at Dolphin Stadium, NFL players will take on Hispanic celebrities and TV personalities in a touch football game. And Telemundo, one of the country's largest Spanish-language broadcasters, will telecast a pregame concert Feb. 2 from Miami.

In part the push represents a nod to the demographics of Super Bowl host Miami-Dade County. But it's also part of the league's recognition that it's got to keep up with its changing demographics — Hispanics are the nation's fastest growing minority group.

— Associated Press

# Minority Franchise Recruitment Programs that Work

## *Minorities in Visible Support Positions:*

Business Associate wanted to increase sales.

Solution: Diversify his sales force and he increased his profits by twenty five percent (25%).

Lack of Minorities in corporate sales positions contributes to lack of franchisees in that system.

# Minority Franchise Recruitment Programs that Work

How does a qualified minority with some franchise  
experience get a sales position?

Current Minority franchisee pool

Current Minority employee pool

Current Minority franchisee pool from other  
franchise companies

Experienced minority sales rep without franchise  
experience

# Minority Franchise Recruitment Programs that Work

## *JEROME'S TEST:*

Objective: To secure an interview for a corporate  
franchise sales position.

My experience: 19 years of sales (Xerox, J&J,  
Baxter Healthcare)

Six years in franchise sales (Regional Director &  
Owner)

# Minority Franchise Recruitment Programs that Work

Applied for approximately thirty jobs thru:

Career Builder

Monster

IFA Website

Three Franchise Brokers

No Invitations for an interview!

# Minority Franchise Recruitment Programs that Work

Test Continued:

Had a Minority franchise owner apply to ten  
jobs using the same sources

- No Responses!

# Minority Franchise Recruitment Programs that Work

## TEST CONTINUED

Had top achieving sales rep with 15 years  
experience selling office automation products  
apply for the same ten jobs.

No responses or invitation

# Minority Franchise Recruitment Programs that Work

## *Jerome's Survey:*

Twenty five professional African Americans responded to the survey.

Of 25 participants, 66% said they would invest in a particular franchise if they knew the franchise had **successful minority owners**. However, only **44%** knew a Minority franchise owner.

**80%** they would invest in a particular franchise if the franchise had **minorities in field support positions** yet only **24%** knew any Minority employees of any franchise system.

# Minority Franchise Recruitment Programs that Work

The take away:

Growth will occur when Minorities are in key, visible positions such as franchise sales and field operations.

Because there aren't many minorities currently involved in franchising, you may have to look outside the industry, invest the time & money to train.

# Minority Franchise Recruitment Programs that Work

Minority recruitment is a long term commitment

It's not so much about education but **employment**.

Must be willing to invest time, money & energy.

Franchise industry needs several minority ambassadors  
to visit colleges, universities, and organizations to  
educate, recruit AND hire.

Your company may need an ambassador.

Mentor or sponsor a minority college student.

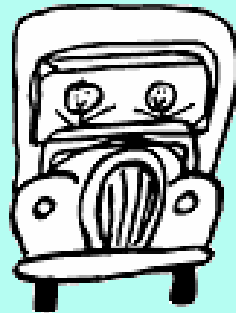
Develop your minority franchisees to become field  
operations personnel.

Whatever your strategy, **BE CONSISTENT &  
DEDICATED!**

# Minority Franchise Recruitment Programs that Work

Cesar Saldivia

Emerging Markets Manager



**TWO MEN  
AND A  
TRUCK®**

**"Movers Who Care.™"**

## TWO MEN AND A TRUCK<sup>®</sup>

- Nation's first and largest franchised local moving company
- 181 locations in 29 states
- Master licensee in Canada and Ireland/UK

# TWO MEN AND A TRUCK<sup>®</sup>

- **Emerging Markets Plan**

Create a decision making position to lead the charge

Develop your strategy with a clear mission, vision, and measurable goals

Assess thoroughly your current situation

Select one Emerging Market component to focus on

One market at a time approach

Generate short term wins/results

# TWO MEN AND A TRUCK®

- **Initiatives to Recruit Minority Franchisees**

- Develop relationships with multicultural related Chambers of Commerce, relevant organizations, and minority community leaders

- Partner with a multicultural marketing firm to create marketing strategies and materials aimed at multicultural prospects

- Conduct “Exploratory Days” for multicultural markets

- Work with a Minority Business Broker

- Work with a Minority Funding Consultant

- Internal Multicultural Franchise Program



## **Diversity Ownership Initiative (DOI)**

**Norman K. Jenkins**

**SVP, North American Lodging Development**

**Marriott International**



## DOI History

- Since the mid 1990's Marriott International has been one of the hotel industry leaders in recruiting and supporting diversity in the development and ownership of hotels.
- Today, in the Marriott family of premium brands, more than 400 hotels open or under development have diverse ownership.
- Moving forward, Marriott is committed to doubling the number of properties owned by minorities over the next four years.



## DOI Incentives

- Develop / educate / outreach
- Access to deal flow
- Key Money
- Loans
- Royalty / Application Fees Flexibility
- Credit Enhancement