2014
VETERANS IN FRANCHISING
A PROGRESS REPORT

Prepared by Franchise Business Review for the International Franchise Association

A report on the results of Operation Enduring Opportunity, a campaign of the International Franchise Association’s VetFran Program

For more information please contact:
International Franchise Association
1900 K Street, NW, Suite 700
Washington, DC  20006
(202) 628-8000
www.vetfran.com
203,890 veterans have started careers in franchising.

5,608 veterans have become franchisees.

36% of franchisees indicated that "finding qualified veterans" was their number one challenge to reaching their hiring goals.

14% of franchisees surveyed indicated that they are veteran business owners themselves. The research results also showed that veteran franchise owners are nearly a third (30%) more likely to hire other veterans, or at least be more aware of a person’s veteran status.

70% of franchisors surveyed indicated that they have either hired a veteran/spouse of a veteran as a corporate employee, and/or recruited a veteran as a franchisee, in the past 12 months.

49% of franchisors surveyed indicated that they had successfully recruited at least one veteran/spouse of a veteran as a new franchisee in the past 12 months.

65% of franchisors surveyed indicated that the total number of veterans being recruited into their company has increased in the past 12 months. 19% said the rate has increased significantly over the past 12 months.

99% of franchisors surveyed indicated that veterans are a good fit as employees within their company.

97% of franchisors surveyed indicated that veterans are a good fit as franchisees within their company.

SINCE 2011,

A STRATEGIC INITIATIVE OF THE INTERNATIONAL FRANCHISE ASSOCIATION

★ SINCE 1991 ★
EXECUTIVE SUMMARY

In 2011, the International Franchise Association (IFA) launched Operation Enduring Opportunity (OEO), the franchise industry’s campaign to hire as employees or recruit as franchisees, 80,000 veterans, wounded warriors and military spouses through 2014. The following report outlines the results of the OEO’s impact on veterans and military spouses as employees and franchise business owners within the franchise industry. OEO is built on IFA’s VetFran Program, which has worked to make franchise ownership and employment more accessible to veterans since 1991. Franchise Business Review was engaged for the third consecutive year to conduct an industry-wide survey between Oct. 6 and Oct. 25, 2014 to measure the campaign’s progress.

After we reviewed the survey’s findings, we found the results far exceeded our goal of 80,000. Since 2011, the franchise industry has enabled over 203,000 veterans, military spouses and wounded warriors to start careers in franchising. In total, 198,282 veterans found employment since 2011, with over 645 IFA companies participating in the VetFran program, which include franchisors, franchisees, and franchising supplier companies. Additionally, the survey showed an increase in veteran franchise ownership, bringing the total of veteran franchise owners since 2011 to 5,608, for a total of 203,890 new veterans and military spouses in franchising since 2011.

While it is impossible to account for every veteran that has found an opportunity in the franchise sector since January 2011, based on these representative survey samples, Franchise Business Review estimates that over 250,000 veterans have been hired as employees or recruited as new franchisees since 2011.

Methodology:
Covering a range of industries, business models, and company sizes in order to approximate the diversity of the franchise sector, IFA franchise members were invited to participate in an on-line survey conducted between Oct. 6 and Oct. 25, 2014. There were 1,250 franchise companies (franchisors) invited to participate in the survey. 207 franchisors (17%) completed the survey. Approximately 500 franchisees were invited to participate in the survey. 107 (21%) franchisees took part in the survey. Additionally, 37 companies that are suppliers to the franchise industry took part in the survey.

Key findings:
- 203,890 veterans have started careers in franchising since 2011.
- 5,608 veterans became franchisees among companies according to industry surveys.
- Veterans hire veterans. 36% of franchisees indicated that “finding qualified veterans” was their number one challenge to reaching their hiring goals.
- 39% of franchisees surveyed indicated that their franchisor was a member of VetFran, while 15% indicated that their franchisor was NOT a VetFran member, and another 46% were not sure.
- 14% of franchisees surveyed indicated that they are veteran business owners themselves. The research results also showed that veteran franchise owners are nearly a third (30%) MORE likely to hire other veterans, or at least be more aware of a person’s veteran status.
- 70% of franchisors surveyed indicated that they have either hired a veteran/spouse of a veteran as a corporate employee, and/or recruited a veteran as a franchisee, in the past 12 months.
- Half (49%) of franchisors surveyed indicated that they had successfully recruited at least one veteran/spouse of a veteran as a new franchisee in the past 12 months.
- 65% of franchisors surveyed indicated that the total number of veterans being recruited into their company has increased in the past 12 months. 19% said the rate has increased significantly over the past 12 months.
- 99% of franchisees surveyed indicated that veterans are a good fit as employees within their company.
- 97% of franchisees surveyed indicated that veterans are a good fit as franchisees within their company. Of the 3% that indicated that veterans were not a good fit to be franchisees, “high level of investment being a barrier” or “required specialized industry/professional training not common among veterans,” was given as the primary reason.

BACKGROUND

With nearly 1 million veterans transitioning out of military service over the next few years, the International Franchise Association (IFA) answered First Lady Michelle Obama’s call to assist in the transition effort through the White House Joining Forces initiative. On November 10, 2011, IFA President & CEO Steve Caldeira joined the First Lady to announce Operation Enduring Opportunity, an unprecedented commitment by the franchise industry to hire as team members and recruit as franchise business owners 80,000 veterans, wounded warriors and military spouses through 2014. Operation Enduring Opportunity expanded IFA’s VetFran program, launched in 1991 to help veterans of the first Gulf War, adding a hiring component in addition to its original franchise owner development mission, to address the immediate needs of returning veterans. Veterans have a proud history of success and service in franchising.

According to an analysis of the 2007 Census Bureau Small Business Owner survey by PricewaterhouseCoopers for the IFA, there were 66,275 veteran owned franchises, supporting 814,600 jobs, generating $139.3 billion in sales and contributing $41.6 billion in contributions to GDP, at that time.

The PwC study showed that the average veteran-owned franchise businesses compared very favorably to all veteran owned businesses, generating average gross receipts of $2.1 million compared to $445,487 for all veteran-owned businesses. Veteran-owned franchises also employed more workers (12.3) than the average veteran-owned business (3), indicating that veteran franchisees are stronger job creators than their non-franchised peers in business ownership.

Since the launch of Operation Enduring Opportunity, over 645 companies are now actively hiring and developing veterans as franchise business owners.
Why are veterans successful in franchising?
- Veterans acquire strong leadership skills and a thorough understanding of teams. Military experience includes leading people, improving processes, and accomplishing the mission. Just like in the military, in franchising, the mission is accomplished by the team.
- Franchises run on systems. Implementing systems and following procedures with precision, emphasized in military training, leads to success in franchising.
- Franchises provide training. Veterans are trained and taught very specific skills to be used to carry out very specific tasks. Franchises have comprehensive training and support built into their opportunities. This means a veteran can enter into a completely new field, follow the franchisor's proven business model, and receive the training, guidance, and support a new business owner needs to succeed.
- Franchises offer support. In franchising, veterans are in business “for” themselves, but not “by” themselves.

SURVEY RESULTS

Results include survey findings from franchisors, franchisees and suppliers, as well as veteran satisfaction and performance statistics from Franchise Business Review:

Key Findings from the Franchisee Survey
- 27% of franchisees surveyed indicated that they had hired at least one veteran/spouse of a veteran in the last 12 months.
- The most popular industry sectors for hiring of veterans/spouses of veterans by franchisees are food (65% report hiring a veteran), Automotive (27% report hiring a veteran), General Services (13% report hiring a veteran), Residential/Home Services (15% report hiring a veteran), and Commercial Services (9% report hiring a veteran).
- 98% of franchisees surveyed believe that veterans are a good fit for employment within their franchise business.
- 36% of franchisees indicated that “finding qualified veterans” was their number one challenge to reaching their hiring goals.
- Only 8% of franchisees surveyed indicated that they have specific programs in place for recruiting veterans as employees.
- 39% of franchisees surveyed indicated that their franchisor was a member of VetFran, while 15% indicated that their franchisor was NOT a VetFran member, and another 46% were not sure.
- 60% of franchisees surveyed indicated that they are single-unit operators, and the remaining 40% indicated that they are multi-unit operators. Not surprisingly, multi-unit operators were nearly twice as likely to have hired a veteran as single-unit owners... 40% of multi-unit operators indicated hiring at least 1 veteran, vs. only 23% for single-unit owners.
- 14% of franchisees surveyed indicated that they are veteran business owners themselves. The research results also showed that veteran franchise owners are nearly a third (30%) MORE likely to hire other veterans, or at least be more aware of a person’s veteran status.

General Franchisee Demographics
- Business Tenure – Two thirds (67%) of franchisees surveyed have owned their business more than five years, while 46% have been in business over ten years. 19% have owned their business less than two years.
- Units of Operation – 60% of franchisees surveyed indicated that they were single-unit operators, while the remaining 40% indicated that they are multi-unit operators.
- Employment – The median number of employees per franchisee surveyed was 7, with 54% of those positions being full-time positions and 46% being part-time or contract positions. 17% of franchisees surveyed had no full-time employees, while 9% had no employees at all.
- Geographic Distribution – Of franchisees surveyed, 17% were from the Northeast, 32% from the Midwest, 30% from the South, and 21% from the western US.
- Market Size – Of franchisees surveyed, 22% were based in small markets (under 100K population), 25% were in medium-size markets (100K – 250K population), 20% were from large markets (250K – 500K population), and 33% from major metro areas (500K+ population).
- Gender – Of franchisees surveyed, 76% are male and 24% are female.
- Age – The majority of franchisees surveyed (69%) are between the ages of 45 – 64 years old. Median age is approximately 50 years old.
- Ethnicity – Of franchisees surveyed, 76% indicated that they are Caucasian, 10% African American, 5% Asian, 6% Hispanic, and 4% Other.
- Education – 63% of franchisees surveyed indicated that they held a bachelor’s degree or advanced degree.

Key Findings from the Franchisor Survey
- 70% of franchisors surveyed indicated that they have either hired a veteran/spouse of a veteran as a corporate employee, and/or recruited a veteran as a franchisee, in the past 12 months.
- In total, 493 veterans/spouse of veterans were hired as corporate employees by franchisors.
- In total, 51,771 veterans/spouse of veterans were hired by franchisees at one of 13,170 business locations in the past 12 months (as reported by franchisors).
- Half (49%) of franchisors surveyed indicated that they had successfully recruited at least one veteran/spouse of a veteran as a new franchisee in the past 12 months.
- In total, 416 veterans became new franchisees at one of 62 franchise brands.
- Most popular franchise industries among veterans coming into franchising include Automotive (16%), General Services (17%), Food (14%), Residential/Home Services (14%), and Business Services (9%). Based on an independent Franchise Business Review surveys of 637 veteran franchisee that purchased a franchise within the past 2 years (completed 9/30/14).
- 65% of franchisors surveyed indicated that the total number of veterans being recruited into their company has increased in the past 12 months. 19% said the rate has increased significantly over the past 12 months.
99% of franchisors surveyed indicated that veterans are a good fit as employees within their company.

97% of franchisors surveyed indicated that veterans are a good fit as franchisees within their company. Of the 3% that indicated that veterans were not a good fit to be franchisees, “high level of investment being a barrier” or “required specialized industry/professional training not common among veterans,” was given as the primary reason.

73% of franchisors surveyed indicated that they DO NOT have specific programs in place for recruiting veterans for employees.

67% of franchisors surveyed indicated that they DO have specific programs in place for recruiting veterans for franchisees.

**General Franchisor Demographics**

- Industry – Franchisors surveyed by industry: 9% business services, 20% food, 21% home services, 3% retail (non-food), 2% automotive, 5% commercial services, 11% health & beauty, 7% child services, 2% hotels & lodging, and 20% from other industry categories.
- Investment Level – Median franchise investment level: $100K - $250K. 45% of respondents have an investment level under $100K, while 26% of respondents have an investment level over $250K.

Franchise Business Review’s estimate of over 250,000 veterans finding opportunities within franchising since January 2011 are based on statistical modeling projections using the research data from this study, as well as established business population data, which includes over 2,000 franchise companies, 400,000 franchisee-owned businesses, and more than 500 supplier companies to the franchise industry.

Definition of Veteran and Employment – For the purposes of this research, “veteran” was defined as a U.S. military veteran, or the spouse of a veteran. “Employment” and/or “hired” included both full-time and part-time opportunities within a company.
INDUSTRY PARTICIPATION

The following International Franchise Association member companies are currently engaged in veteran hiring and recruiting and/or are members of VetFran:

@WORK Franchise, Inc.
@WORK Helping Hands Services
@Work Medical Services
@Work Personnel Services, Inc.
1-800-DryClean, LLC
1-800-FLOWERS.com
1-800-GOT-JUNK?
1-800-JUNKPRO
1-800-Radiator & A/C
5 Day Kitchens, LLC
7-Eleven, Inc.
911 Restoration
A Caring Home Care Services
A Suite Salon Franchise Company, LLC
AAMCO Transmissions, Inc.
Ablak Holdings, LLC
Above Grade Level, LLC
Abrakadoodle Remarkable Art Education
ACFN Franchised, Inc.
ActionCOACH USA, Inc.
AdvantaClean Systems, Inc.
AdvicCoach
Age Advantage Home Care Franchising, Inc.
AIM Mail Centers
Aire Serv Heating & Air Conditioning
Aladdin Doors Franchising Inc.
All About People Franchise Services, LLC
All American Ice Cream & Frozen Yogurt Shops
All American Specialty Restaurants, Inc.
All Team Franchise Corporation Home of Med Team & Food Team
Allpro
Alliance Franchise Brands LLC
AlphaGraphics, Inc.
Alta Mere The Automotive Outfitters
The Alternative Board (TAB)
Always Best Care, Inc.
American Haircuts Franchising Inc.
American Poolplayers Association
American Prosperity Group (APG)
American's Taco Shop
AmeriCop Franchising Inc.
AmeriSpec, Inc.
Amorini Panini Franchising, LLC
Anago Cleaning Systems
Annex Brands, Inc.
Anytime Fitness LLC
Araya Clean
Arby's Restaurant Group, Inc.
Archeadeck
Anago's Franchising LP
Arthur Treacher's Franchise Systems, Inc.
Ascend Hotel Collection
ASP Franchising, LLC
Assisting Hands Home Care LLC
ATAX
ATL International, Inc.
Auntie Annie's, Inc.
Auto-Lab Franchising, LLC
Automotive Technologies, Inc.
Bach to Rock
Back Yard Burgers, Inc.
Bananas
Bare Metal Standard
Basketellers Franchise, LLC
Baskin-Robbins Incorporated
Batteries Plus Bulbs
Beauty Supply Outlet
BedBug Chasers
The Beef Jerky Outlet Franchise, Inc.
Benenrends, Inc.
Benning's Franchising Company
Big Boy Restaurants International LLC
Big Frog Franchise Group
Big O Tires, LLC
BizCard Xpress
BizNextGen.com
Blimpie America's Sub Shop
BlueGrace Logistics
Bonanza Steakhouse
Bonus Building Care
Bottle & Bottega
BrightStar Franchising, LLC
British Swim School
Brilliant Soup, 1967 Bar & Grill
Bruster's Real Ice Cream
Buck's Pizza Franchising Corp., Inc.
Budget Blinds
Burger 21 International, Inc.
Burlington Financial Group
Business Partner Marketing Coach®
Cafe2U International Pty Ltd
CALLRN Franchising, LLC
Cambreria Suites
Camp Bow Wow
Captain D's, LLC
Caring Senior Service
Caring Transitions
Cartridge World
Carver Corporation
Cellairs Franchise, Inc.
Central Bark Doggy Day Care
Century 21 Real Estate Corporation
Cereality Cereal Bar & Cafe
CertaPro Painters
CGI International, Inc.
Checkers Drive-In Restaurants, Inc.
Cheeburger Cheeburger Restaurants, Inc.
Children's Lighthouse Learning Centers
Choice Hotels International
Christian Brothers Automotive Corporation
Chronic Tacos Enterprises, Inc.
CiCi Enterprises, LP
Cinnaholic International Inc.
Circle K / TMC Franchise Corporation
City Looks Salons International
City Wide Franchise Company
Civilanjobs.com
Clarity
Cleaners Depot Franchise, LLC
The Cleaning Authority
CloselyshDesign Franchising, Inc.
CMIT Solutions, Inc.
The Coffee Beanery, Ltd.
Coffee News
Coit Services, Inc.
Cold Stone Creamery
College Hulks Hauling Junk
College Hulks Moving
Color Glo International
Colors On Parade
ColorTyme, Inc.
Comfort Care Senior Services
Comfort Inn
Comfort Keepers
Comfort Suites
Complete Nutrition
Computer Explorers
Cookies by Design
Corrigo Incorporated
Cost Cutters Family Hair Care Shops
Cousins Subs Systems, Inc.
Coverall Health-Based Cleaning System
Creative Colors International, Inc.
Crestcom International, LLC
Criter Control, Inc.
Cruise Holidays
Cruise Planners / American Express
CruiseOne
Crunch Franchising
Curves International, Inc.
Daily Juice
Data Doctors Franchise Systems, Inc.
Decor & You!
Decorating Den Interiors
Deja Vu Franchise Group, LLC
Del Taco Holdings, Inc.
Delta Disaster Service
Dental Fix RX
DIGIKIDS®
Direct Capital Franchise Group
Direct Connect Ventures, Inc.,
Direct Link
DirectBuy
Doc Popcorn
Dogtopia
Domino's Pizza LLC
Dr. G's Franchising Companies, LLC
Drama Kids International
Dream Dinners
DreamMaker Bath & Kitchen
Drive N Style
Driven Brands, Inc.
Dwyer Vent Wizard
DryPatrol Franchise Group
Duze International
Dunkin' Donuts
Dunn Bros Coffee
E & G Franchise Systems, Inc.
EagleRider, Inc.
EarthFruits Yogurt
East Coast Wings & Grill
Eco Safe Pest Control
Ecno Lodge
Econo Lube N' Tune, Inc.
Edible Arrangements International, LLC
Elements Therapeutic Massage
EmbroidMe
Engineering For Kids
The Entrepreneur's Source®
Executive Care
ExecutiveFranchises.com
ExpressFranchise.com
Expeditors CruiseShipCenters®
Expense Reduction Analysts, Inc.
Expense Reduction Coaching®
Express Services, Inc.
Eye Level Learning Centers
Family Fare, LLC
Famous Brands International
Fancy Art, N.F.P.
Fantastic Sams
Fast Aid Success Systems
FASTSIGNS International
FASTSIGNS National Accounts
Fetch! Pet Care, Inc.
FFH Worldwide LLC
Fibrewin International Ltd.
Figaro's Italian Pizza, Inc.
Fila Environmental Kitchen Solutions
Firehouse Subs
Firestorm
First Choice Haircutters (U.S.) Inc.
FirstLight HomeCare
Fish Window Cleaning Services, Inc.
FIT4MOM
Flip Flop Shops Franchise Co.
FlipFlop® Dogs, LLC
Floor Coverings International
FOCUS Brands Inc.
Foot Solutions
Franchise America Finance
FranNet Franchising, LLC
Freggies
Fresh Coat
Fresh Green Light
Fruittale Cafe & Bakery
Fun Bus Franchising, LLC
Fun Brands
Furniture Medic, Inc.
Fyzical™ Therapy & Balance Centers
Game Truck LLC
General Nutrition Centers
Genuine Parts Company
Get Personnel Uniforms.com
Glass Doctor
Global Franchise Group, LLC
The Go To Crew
Gold's Gym
Good Feet Worldwide, LLC
Granite Transformations
Granny NANNIES Licensing Group, LLC
Graze Monkey International, Inc.
Great American Cookies
Great Clips, Inc.
Great Play
Great Steak
Green Leaf's Beyond Great Salads
Grissold Home Care, Inc.
Grunt The Grounds Guys
Guaranteed Global Franchise Corp.
GrowlerU Franco, LLC
Guidant Financial Group, Inc.
Gymboree Play & Music
GYMGUYZ
The Haagen-Dazs Shoppe Co.
Hair Saloon For Men
Hand & Stone Massage and Facial Spa
Handyman Connection
Handyman Matters, Inc.
Happy & Healthy Products, Inc.
Happy's Pizza Franchisers, LLC
Hardees Restaurants, LLC
Harris Research, Inc.
High Touch Investment Corp.
HIP
HobbleTown
Home Brands Group
Home Franchise Concepts, Inc.
Home Instead Senior Care
HomeTask, Inc.
The HomeTeam Inspection Service, Inc.
Homewatch International, Inc.
HomeWell Senior Care, Inc.
Honest-I Auto Care
HoneyBaked Ham Company and Cafe
Hood Fitness Cleaners of America, LLC
Hoodz
House Doctors & House Medic
HouseMaster Home Inspection Services
House Of Do It Solutions
Huddle House, Inc.
Hungry Howie's Pizza
Huntington Learning Centers, Inc.
Ivy 55 Burgers Shakes & Fries
Hypoxi America
i9 Sports
ICA Franchising, LLC
Ice House America
IBOR International, Inc.
ImageSource Coach
In Home Personal Services
Instant Implants
Intelligent Office
Interim HealthCare Inc.
International Center for Entrepreneurial Development
International Franchise Association
Intuit, Inc.
IZON Global Media
Jaker's Wayback Burgers
Jani-King International, Inc.
Jan-Pro Franchising International, Inc.
Jan-Pro Master Franchise
Jani-Solution
JDog Junk Removal
Jet-Black Franchise Group

ABOUT VETFRAN

IFA’s VetFran program includes over 600 IFA member companies offering financial incentives, training and mentoring to veterans interested in small business ownership and/or a career path in franchising. VetFran was founded by the IFA in 1991 in an effort led by Don Dwyer, Sr. (USAF, Ret.), founder of The Dwyer Group, to support veterans returning from the Gulf War transition to the civilian economy.

As hundreds of thousands of young men and women return from Iraq and Afghanistan, including many wounded warriors, the International Franchise Association and franchised businesses in 2011 launched Operation Enduring Opportunity, a campaign to hire, and recruit as franchise business owners, 80,000 veterans, wounded warriors and their spouses, through 2014.

The IFA partnered with the White House Joining Forces Initiative, MOAA, VFW, the U.S. Department of Veterans Affairs, the Small Business Administration, the U.S. Chamber of Commerce and others in this unprecedented recruitment effort. Members set company targets through the VetFran program, which offers recruitment tools and solutions as well as outreach to veterans.

VetFran resources include a VetFran Toolkit with online courses, finance assessments and education, and partner links. U.S. military veterans can also access the VetFran Mentor Network. Please visit www.VetFran.com.

ABOUT THE INTERNATIONAL FRANCHISE ASSOCIATION

The International Franchise Association (IFA) is the world’s oldest and largest organization representing franchising worldwide. Celebrating over 50 years of excellence, education and advocacy, IFA works through its government relations, media relations and educational programs to protect, enhance and promote franchising. Through its media awareness campaign highlighting the theme, Franchising: Building Local Businesses, One Opportunity at a Time, IFA promotes the economic impact of the franchise industry, which supports nearly 18 million jobs and $2.1 trillion of economic output for the U.S. economy. IFA members include franchise companies in over 300 different business format categories, individual franchisees and companies that support the industry in marketing, law and business development.

ABOUT FRANCHISE BUSINESS REVIEW

FranchiseBusinessReview™
Sharing the franchise experience

Franchise Business Review is a national franchise market research firm that performs independent surveys of franchisee satisfaction and franchise buyer experiences. The firm’s services include commissioned franchise research projects, CEO performance groups, and industry-wide studies of franchisee satisfaction. Franchise Business Review is headquartered in Portsmouth, NH, and can be reached at (603) 433-2270. Visit www.franchisebusinessreview.com for more information.