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
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Facts & Figures
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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
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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.
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Fantastic Sams
HAIR SALONS

Jerome Williams – Global Franchising Group – Regional Owner for Fantastic Sams in Northern New Jersey
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Minority recruitment is the bridge that connects the growth of the US population and growth of the franchise industry!
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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.
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Corporation 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!
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Leadership that can relate:

Xerox example.
Global Franchising Group example
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_Growth thru inclusion: NFL Example_
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_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.
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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
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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)
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Applied for approximately thirty jobs thru:
   Career Builder
   Monster
   IFA Website
   Three Franchise Brokers
   No Invitations for an interview!
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Test Continued:
Had a Minority franchise owner apply to ten jobs using the same sources
- No Responses!
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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
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*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.
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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.
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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!
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Cesar Saldivia
Emerging Markets Manager
TWO MEN AND A TRUCK®

• 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®

- 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
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