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Editor's Note/

Don't Seek Mentors. Create Them!

Mentorship can be a valuable tool, but you have to approach it the right way.

"WILL YOU be my mentor?" When I became editor in chief, I was unprepared for how often I'd be asked this question. It came from a teenager at a business conference, who waited around to talk with me until everyone else had left. From a first-time entrepreneur through an Instagram DM. From a podcast host, after an interview. From a startup founder, after I put her in the magazine. It happens every few weeks now, and I'm not alone in this. Many successful entrepreneurs tell me it happens to them, too.

We almost always say no, for reasons I'll explain below. But it doesn't have to be this way. The question these people are asking is, I think, a symptom of a larger problem: Many entrepreneurs misunderstand what it means to have a mentor.

Let's start with the obvious. In entrepreneurship, we talk a lot about mentors. It's part of our ethos. We put ourselves in situations we aren't fully prepared for and must then be humble enough to seek the wisdom of others. And yet, for many, the obvious question lingers: *How do I find one of these magical people?* They conclude that they must go casting for one—treating "mentor" like an official job title, as if it's something someone signs a contract to begin.

This is where the problem lives. When someone asks me to be a mentor—to, like, make it official—I worry that I can't provide what they need. It feels like a great responsibility, and I fear that, given my schedule, I'm liable to let them down. I know others in my position feel the same way. I'd bet you have as well. That's why we all say no.

And yet, consider this: Multiple people have over the years told me they consider me a mentor. I had no idea! They never *asked* me to mentor them. As far as I knew, we were just staying in touch. I liked talking with them. And in turn, I have people I reliably turn to for advice—maybe once or twice a year, often over beers. I've never called them mentors, but in truth, they are.

When you search for an official mentor, you limit your options. But when you cultivate a relationship—a give-and-take, a casual but mutual investment in each other's success—you create exactly what you need. That could be an old friend or a new contact; maybe a current or former colleague or boss or professor; or someone you respect whom you met somewhere, or emailed with, or wrote to on LinkedIn. Maybe you stay loosely in touch. Every six months or so, you suggest coffee to catch up and ask them some questions. Maybe you don't have one person like this but a whole cast of them—people for different parts of your career. A leadership mentor. A negotiation mentor. A skills mentor. None of it is official.

Some people do have explicit mentor-mentee relationships, of course. If that works for them, then they're lucky. But you should feel liberated from that narrow model. The world is full of knowledge, and entrepreneurs share it generously. That means, in essence, the world is full of mentors. And some of the very best ones don't even know they're doing it.

The best part? You can benefit from it all, and you don't even need to ask.

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GROOMER, CASEY GEREN

Photograph / NIGEL PARRY

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The Hustle Is On

T.I. was once just a hard-partying, mega-selling rap artist. Now he's the head of a growing company that deals in everything from music to real estate. The biggest thing he learned along the way: Even a hustler needs to be patient.

by JOE KEOHANE

T.I. is hiring. On July 19, the Grammy-winning rapper behind gargantuan hits like "Live Your Life" and "Whatever You Like" is launching a BET reality show, *The Grand Hustle,* to find the next executive for his company. It's the latest in his effort to expand the Atlanta-based business he started in 2003, which is also called Grand Hustle. Along with being a co-owner of the streaming music service Tidal, T.I.'s company is cultivating the next generation of young artists, producing TV and film, and investing in everything from technology to fashion to real estate. All the while, T.I. (real name Tip Harris), who at the very peak of his rap career a decade ago had frequent and well-publicized troubles with the law, is coming into his own as a philanthropist, an actor, a manager, and an executive with his hands in a dizzying number of pots. We talked to him about making the transition from solo artist to corporate boss, what he looks for in an employee, and why hip-hop has always been such a hotbed of entrepreneurship.

Earlier in your career, your product was just your art. How do you think of your brand, Grand Hustle, now?
First and foremost, it's an institution of culture. Culture is our commodity. All extensions of culture—music, film, fashion, scripted and unscripted television, technology, real estate, touring, consulting, marketing. All forms of culture.

Being a solo artist is all about self-motivation. Now you run a company, which is all about motivating others. I imagine your management style had to evolve.
Well, I've become a lot more patient. I've become a lot more attentive. A lot more aware. Everybody's different. Everybody has different motivations. You have to find out what a person responds to and attack that.

What else has changed?
Before—at the height of my career as an artist—there was so much money coming in that it didn't really matter if people were doing what they were supposed to be doing. We were just getting money and having fun. And also, respectfully speaking, it wasn't coming out of my pocket. [It was coming from the label.] But now, I'm actually putting the money up for these budgets that are being submitted. I'm actually paying vendors. [*laughs*] So now, I treat it much differently, and I've learned so much more because of it.

That'll focus you for sure.
I have kids, too. Private school, man, will focus the shit out of you. [*laughs*]

Has it been challenging for you to get your staff to recognize you as Tip the boss, and not T.I. the celebrity?
I don't even know what those

titles mean. It's just Tip. I am who I am. And the way I present myself is the way I will be received. I'm going to present myself as the boss, so you have no choice but to *receive* me as one. [*laughs*]

Still, people are weird around celebrity. Do staffers ever get hung up, like, "Oh my God, the guy who did 'Live Your Life' is telling me to fix the coffee machine"?
Well, see, I think I understand the sentiment of your question. It's basically, can people separate how they deal with me? But I don't see it as a boss-versus-a-celebrity thing. I think it's that we're like a family. We spend so much time together that sometimes we have to separate that friendship when we're actually at work and we have to meet deliverables.

You were in and out of trouble a fair amount in your younger days. Did that give you any useful insights that you still pull from today?
Yeah. To make it out of the extremes of the environment we came from, with nothing but a dream and a work ethic—to get here from there—requires an immense amount of perseverance. All the things I've gone through, my transgressions and felonious activities, laid the pavement and directed me toward a path of positivity.

The smart people find a way to use everything.
That's it. We all have our own set of experiences, resources, skills, and relationships. Those are like tools in a tool belt. Opportunities come if you've prepared by recognizing that you have a tool that can help you make the best of it. Over time, that's gonna make you a very successful person.

Hip-hop has a really rich tradition of entrepreneurship. Why do you think that is?
Because we have the greatest, most celebrated examples of how entrepreneurship, when it's done right, can turn out. Russell Simmons, Jay-Z, Puffy, Queen Latifah, [Murder Inc. Records cofounder] Irv Gotti, [Cash Money Records founders] Baby and Slim—there are countless examples who have come from nothing and invested themselves into the art and learned the business along the way, and they have changed their families' living standards forever. When you have so many examples, people go follow the blueprint.

> "TO MAKE IT OUT OF THE EXTREMES OF THE ENVIRONMENT WE CAME FROM, WITH NOTHING BUT A DREAM AND A WORK ETHIC, REQUIRES AN IMMENSE AMOUNT OF PERSEVERANCE."

You've had access to a lot of mentors since you got into the business side. But did anyone give you great advice when you were a kid that really stayed with you?
Sure. My father said, "Always be mindful of what you do with your money." Because what you do with a dollar is exactly what you will do with a million dollars. If you get a dollar and you go and blow it all on candy, well, if you get a million dollars, you're going to do the very same thing. But if you get a dollar, and you only have this dollar, and you say, "OK, I'm gonna put 50 cents in my pocket, and I'm going to take this other 50 cents and put it up in case I need it later," then that's what you'll do when you get more money. Think of it like practice.

Why did you decide to launch a TV show to find an executive for your company?
I thought it would be interesting to weed our way through the not-so-good to get to the good. Even on shows like *Shark Tank,* it's great when the deal is perfect, but the entertaining part is weeding through all the things that are insufficient to get there.

So what are you looking for in this executive?
There's a special set of skills required for this particular position. The brand, it's multifaceted. The first thing is: You have to maintain a level of professionalism at all times. That is a skill that is not easily attained. Especially in one's youth. [*laughs*]

So how do you find out if someone has it?
Well, you create scenarios. And you monitor people's responses, and see how they adjust to these certain scenarios.

Did you draw these scenarios from your own career?
They're all drawn from different aspects of my career and my business. For instance, part of what we do is shape and mold and cultivate the careers of other artists. So in one of the scenarios, they had to create an album release performance. Those who performed the best were rewarded, and those who performed the worst were introduced to the door.

In what other ways are you torturing these people to see what they're made of?
[*laughs*] Well, I won't call it *torture*. What we're doing is we're conditioning them. But there was one gentleman who just couldn't take it. He said he had to leave. Literally. He had a panic attack.

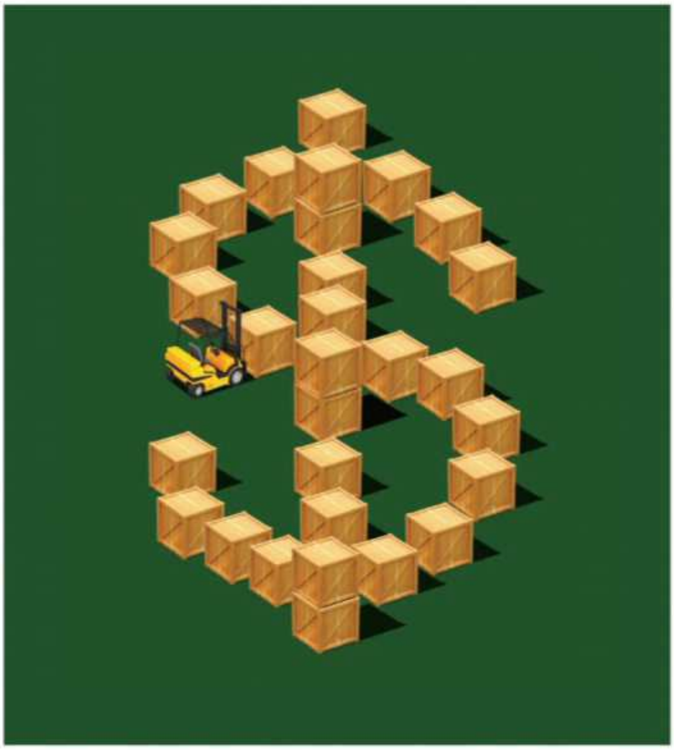
Can you tell me what caused the panic attack?
I can't get into the details of that. Tune in to the show. But look: Pressure's either gonna bust pipes or cut diamonds. If you got it in you, and all it takes is the right amount of pressure to pull it out and show how much you can shine, we're gonna make sure you get there.

What else are you looking for?
You have to know what you know. Nobody's gonna know everything, but what makes the smart person even smarter is that he can identify what he doesn't know and say, "OK, I need to go to my partner across the street who knows."

Plus, when you pretend to know all the answers, it becomes a giant pain, because then you actually have to know all the answers.
Absolutely. [*laughs*] And there's a certain amount of ego in someone who always thinks they have the answers. It's not about knowing the answer; it's about you putting your ego before the needs of the brand. That's the worst quality.

Cash Crunch? Get Creative

How growing fast-casual chain **Tender Greens** used ingenuity, deal-making, and vision to build a new kind of supply chain. **by ELIZABETH G. DUNN**



In 2003, before "fast casual" became restaurant industry buzzwords, Erik Oberholtzer, Matt Lyman, and David Dressler had an idea: combine high-end ingredients with fast-food efficiency. They bet that this would differentiate their company, Tender Greens, and customers would be willing to pay a little extra for quality food.

Sourcing those premium ingredients would be complicated, though. Most quick-service restaurants use large distributors, which source from a network of farms and wholesalers—a strategy designed to maximize scale efficiency. But those networks generally don't include the chef-to-farmer relationship—and higher-quality ingredients—Tender Greens wanted.

To solve it, Oberholtzer turned to a valuable contact. Before Tender Greens, he was the executive chef at a luxury hotel in Santa Monica. There, he had worked closely with Scarborough Farms, a mid-size local grower whose lettuces he viewed as exceptional. Oberholtzer wanted them to supply Tender Greens, too, *and* he was looking for investors as dedicated to ingredient quality as he was. So he thought: Why not make the *farm* an investor?

Oberholtzer and his business partners drove out to Scarborough Farms and made their pitch. If the farm put up its initial deliveries of butter lettuce, spinach, and the like, they would be converted into shares in Tender Greens. "Scarborough was rich in produce but not cash, and we were rich in ambition but not cash," Oberholtzer says.

Scarborough agreed, and for each of Tender Greens' six initial restaurants—the first of which opened in Los Angeles in 2006—the farm built up equity, cementing a long-term partnership that has allowed both companies to expand. "Being equity partners guaranteed that Scarborough could grow with us knowing we weren't going to drop them," Oberholtzer says. "We, at the same time, were always able to have absolute confidence about our supply chain."

Today, Scarborough Farms remains a shareholder in Tender Greens—which now has 28 locations and counting—and supplies almost 80 percent of the company's greens, as well as other seasonal items like heirloom tomatoes. And Oberholtzer, now CEO, continues to create tailor-made financial arrangements to secure the right ingredients.

These days, though, the agreements look different. For example, Tender Greens once needed more sustainably raised pork but couldn't find a supplier. Rather than settle for lower quality from a large operation, Oberholtzer found a small farm in California that met his standards. He then supplied the farm with capital so it could scale up production and repay Tender Greens in pigs.

Later, when the brand began eyeing East Coast expansion in 2015, it realized it likely wouldn't be able to source local, sustainable greens year-round without hydroponic growing. So Oberholtzer formed a partnership with Local Roots, a startup creating a network of farms inside shipping containers. Through a handshake agreement, Tender Greens paid a premium for the initial harvests and provided the company with feedback to help it grow. Now, with Tender Greens' help, Local Roots has brought its quality up and prices down, and is developing a shipping container devoted to supplying Tender Greens' New York City locations.

Deals like these have made Oberholtzer hesitant to take on other forms of investment. He's seen other fast-casual brands grow too fast, compromising quality to meet demands from investors. "With money comes opinions, and if opinions aren't aligned, it can become messy," he says. Still, three years ago, he sold a minority stake to Danny Meyer's Union Square Hospitality Group—the powerhouse behind Shake Shack and 16 leading New York City restaurants—along with Alliance Consumer Growth. Opinions, he says, have been aligned so far. Asked what the appeal was, Meyer put it plainly: "It's the ingredients."

Illustration / ALVARO DOMINGUEZ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The Dark Brilliance of the Entrepreneur Brain

A growing number of scientists are finding that entrepreneurs are at greater risk of mental illness than other people. That's not necessarily a bad thing. by **LISSA HARRIS**

In seven years of running a startup, I experienced just about every emotion entrepreneurship has to offer: the adrenaline of launch; the calm energy of focused flow; the brittle, jittery high of riding a 2 A.M. work jag; the terror of feeling the mask slip, of telling an upbeat story to customers as panic churns in your guts; the grief of failure—and the *relief* of failure, too; the ghostly lost-limb feeling that asks, *Who am I if I'm not running this business?*

However, my mental health résumé is a lot longer than my entrepreneurial one. I've been dancing a medicated tango with depression and anxiety since childhood. I've racked up just enough time in the *other* wing of the hospital to be a bad life insurance prospect. I don't have a formal ADHD diagnosis, but I suspect a clinical psychiatrist would take one look at my school records—a tale of epic disorganization stuffed under a mattress of high achievement—and call it like it is.

I often felt like my unruly brain made me an outlier in the startup world. But as it happens, faulty mental wiring like mine isn't uncommon among entrepreneurs. A growing coterie of scientists—psychologists, economists, management experts, business school professors—are taking a long overdue look at

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the mental health of entrepreneurs. Their conclusion: Mental disorders are not only common but may actually fuel the entrepreneurial drive.

"These mental health conditions are accompanied by positive traits that enable entrepreneurs to excel," says Michael Freeman, executive coach to entrepreneurs and clinical professor of psychiatry at the University of California–San Francisco School of Medicine. Take ADHD, a condition that research suggests is more prominent among entrepreneurial types. "If you have ADHD, two of the positive traits are a need for speed and an interest in exploration and recognizing opportunities," he says. "[You have] an ability to act without getting stuck with analysis paralysis."

In a study published this year, Freeman's research team found that entrepreneurs report elevated levels of ADHD, depression, and substance use. Another recent study discovered a link between entrepreneurial tendencies and traits associated with bipolar disorder. "One of the things we've found pretty consistently is that people with bipolar disorder tend to have very high levels of ambition and a willingness to persevere toward goals," says a researcher on that study, Sheri Johnson, a psychology professor at the University of California–Berkeley and an expert on bipolar disorder.

Symptoms and traits are not the same as a diagnosis, of course, and the effort to understand the relationship between diagnosed mental disorders and entrepreneurship is still in its infancy. But scientists are making gains. In one of the biggest studies on mental disorders thus far, the results of which were published last year in the *IZA Institute of Labor Economics,* researchers surveyed 9,800 college students in the Netherlands and found that students diagnosed with ADHD were almost twice as likely as other students to start a business. (That's not to say they'll actually succeed—which is a matter for further study.)

One of the biggest unanswered questions is just how prone entrepreneurs are to mental issues. There is plenty of anecdotal evidence that mental disorders are more common among entrepreneurs than in the population at large but little hard data currently available.

To test that hunch, Freeman and several of his colleagues conducted a study, surveying 242 entrepreneurs and 93 control subjects. Nearly half of the entrepreneurs reported having at least one mental health condition, a rate significantly higher than in the control group. The entrepreneurs also reported having more mental illness in their immediate families than controls, suggesting that traits that drive entrepreneurship might be inherited, and linked to mental disorders.

The results of that study weren't officially published until this year, in *Small Business Economics,* but Freeman and his team released a draft in 2015 so their findings could be part of a broader conversation about entrepreneurship and mental health. "My main goal was to raise awareness of mental health among entrepreneurs, particularly those who might be suffering, so they can normalize the experience and then get help if they need it," he says. It also goes without saying that some forms of mental illness can be catastrophic if left unchecked. A certain amount of gregarious optimism is helpful to an entrepreneur pitching VCs, but at higher levels, it can edge into destructive mania. And some bipolar entrepreneurs can fall into full-blown depression—which is debilitating to a leader.

"One day you notice that nothing makes you happy, you've lost your motivation, your energy is low," says Freeman. "Accept that that means you're depressed and you have to deal with it. That is the responsible thing to do, not only for yourself but for your investors, employees, and family as well."

As science paints a clearer picture of how mental health differences shape and drive entrepreneurs, the business world itself has begun to grapple more seriously with issues of mental health. In blog posts and articles, founders are "coming out" about their struggles with anxiety, depression, and suicidal impulses. It's a movement fueled partly by tragedy, following in the wake of several high-profile suicides in the tech startup world, but also infused with a spirit of optimism.

That kind of openness about the positive and negative aspects of mental health issues is good for everybody, Freeman says. There's a growing awareness that struggling with mental health—and benefiting from those mental health traits—is normal for entrepreneurs, and that it's OK to get help. "In my view, the next horizon we need to get to is how to help *investors* be OK about this," Freeman says.

UC Berkeley's Sheri Johnson would like to see incubators and business schools place a greater emphasis on delivering effective mental health support for entrepreneurs. "Can we at least broaden exposure to this topic in business training?" she says. "Can we help VCs be a little bit more aware of it? Can we help corporate structures be a little bit more aware of it? Can we develop best-practice guidelines?"

Johan Wiklund, a professor of entrepreneurship at the Whitman School of Management at Syracuse University, who is studying entrepreneurship and ADHD, wants to go even further in embracing entrepreneurial neurodiversity. "I'm interested in starting an incubator for people who are, you know, different," he says. "It seems to me all incubators look the same and cater to the same population."

We still have a long way to go, both in research and in practice. But as an entrepreneur touched with fire myself, it's reassuring to know that these conversations are happening, and that I'm not alone.

"Most people would not do what you did and start a new business," Freeman tells me, adding: "Everybody knows you have to be a little crazy to be an entrepreneur."

> IF YOU HAVE ADHD, ONE OF THE POSITIVE TRAITS IS A NEED FOR SPEED, AND AN INTEREST IN EXPLORATION," SAYS FREEMAN. "[YOU HAVE] AN ABILITY TO ACT WITHOUT GETTING STUCK WITH ANALYSIS PARALYSIS."

TRUE BELIEVER Chanje founder Bryan Hansel.

The Radical Culture Fix

How do you cure a rotten corporate culture? At the startup **Chanje**, it started with losing almost everything—including most of the staff. **by BRETT BERK**

Things were not going well for Chanje. The L.A.–based electric truck startup was rife with drama. Key positions were going unfilled, and the company was struggling to work with engineering partners in Hong Kong. All this forced founder Bryan Hansel, who already had one problematic startup behind him, to face a painful truth.

"I had a personal coach, and he said, 'Every CEO gets the exact company they deserve,'" Hansel recalls.

The trouble, they decided, was Hansel's management style, which he describes as "Superman." "If something bad happened, I showed up in front of the room with all the answers," he says.

This was not exactly empowering to his employees, who admired his energy but never had the chance to own a process, or a win. It suppressed any initiative they might have taken and gummed up the decision-making process.

Hansel knew he had to change the culture, fast. Working with his personal coach, Nathanael Chawkin, he decided the focus needed to be weighted heavily toward personal and professional development, for himself and his employees. He and Chawkin came up with a radical culture protocol that embraced self-improvement: All employees would henceforth be required to read books and articles from a core curriculum; spend 20 percent of their monthly work hours on mindfulness, journaling, interactive training, and a personal growth plan; and participate in radically transparent (read: bruising) feedback.

Those measures wouldn't appeal to everyone, of course—but the way Hansel enacted them, they appealed to nobody. "I chose to ambush them at a planned quarterly off-site," he says. "I didn't give them the option or the choice." Superman had struck again.

And this time, his staff had had enough. In the coming months, all but one staffer left.

Hansel was now marooned on an island with his own vision. But he still believed in it. Having learned that you can't forcibly impose a new culture on an existing staff wholesale, he set out to find employees who already embodied the ideals he was looking for. To do so, he decided to emphasize the culture as the lead strategy in hiring.

That posed problems of its own. Anyone who wanted a job was certainly going to nod along to Chanje's call for meditation, feedbacking, and acronym salad. So Hansel had to hone his skills separating the supplicants from the true believers. "In an hour-long interview, you can see their eyes either light up or glaze over. It's either *Who is this crazy dude?* or *This is what I've been missing. I didn't think it existed.*"

Even after an offer was tentatively accepted, Hansel piled on warnings. "It sounds really neat, but by month two you're going to hate that you made this decision," he tells potential recruits. Only the most committed said yes.

With a new staff and ethos in place, Chanje is a changed company. One year in, it now has 40 employees—many of whom were poached from tech and automotive giants like Tesla and Daimler—and has signed the commercial fleet management giant Ryder as a client. Best of all: "We haven't had a single person leave," Hansel says. "One of our engineers recently told me, 'This is the best job I have ever had. And if for whatever reason I ever leave, it will be the best job I will ever have had.'" That engineer, it's safe to say, knew exactly what he was signing up for.

PHOTOGRAPH BY GETTY IMAGES/STEPHEN MCCARTHY/CONTRIBUTOR

Inside Virgin Voyages

Interviews by **KRISTIN HUNT**

VIRGIN VOYAGES WANTS TO make cruising cool. The new Richard Branson venture is aimed at travelers ages 18 and older—"sailors," as the company calls them—who would normally never set foot on a cruise ship. As Virgin Voyages builds its hip new ships, complete with a lounge called The Athletic Club that will be home to the largest daybed at sea, it's also building a brand-new culture at its headquarters in Plantation, Fla. The office, designed by IA Interior Architects, draws on Virgin tradition—lots of purple and red accents, especially in the enormous glass "red room" where employees gather for company-wide meetings. Neon signs and a bathtub full of (plastic) flamingos keep the nautical-inspired space fresh and fun, and when the first ship sets sail in 2020, this crew will be ready to see it off.

AJ GUTIERREZ/
Senior manager, shipboard systems
"No matter what your rank is, you can talk to the highest-ranking person in here, and it's like you're talking to your neighbor. On one of my first days working here, I was encouraged to ask anything and ask anyone. And management is very true to their word."

JOSE ORTIZ/
Senior manager, voyage services
"Prior to joining Virgin, I was with another cruise line for almost 19 years. In the year and two months I've been with Virgin Voyages, it's felt like, *Where have you been all my life?* We do business with integrity while keeping people in mind. And the group we've assembled so far? We're awesome. We get along and collaborate, which is what we need as a startup trying to put ships in the water."

ALISON WRIGHT/
Business systems analyst
"We're a Richard Branson company, so we're all about the people. Just yesterday, we had a 100th-crew-member celebration. We gathered everyone in the café, and had *100* written out in strawberry-frosted doughnuts and a big balloon to match. It was a great way for us to come together and welcome that new person."

FARAH CADET/
Design manager
"If I try to make a plan for my day, it never goes exactly that way—no day resembles the next. There's definitely a sense of support from the company, a real caring about our well-being. It's not just about how many hours you put in or how much work you get done. It's about an overall approach to wellness and productivity. If you're at your best, you can do your best."

Photograph / ADAM FRIEDBERG

NIRMAL SAVERIMUTTU/ Chief commercial officer
"We've done a nice job finding a great combination of people who have experience with the Virgin brand and who have experience with the travel and cruise industry. One of the foundations of our success moving forward will depend on how those groups collaborate and benefit from the diversity of thought they all have. We can create something that's greater than the sum of its parts."

BILLY BOHAN CHINIQUE/
Partner marketing and engagement manager
"Our mantra here is 'Make ship happen.' I used to work at Uber, and it's interesting to see how we're thinking differently. We're really thinking about what we want to build for our sailors, and we're merging technology and travel, integrating that into the experience right from the beginning, rather than trying to fit it in as an afterthought."

TOM McALPIN/ President and CEO
"We wanted to create an environment that was open and airy and broke down traditional barriers. We don't have corner offices—everything is open, so everyone can experience the beauty of the windows and south Florida and take it in as they collaborate. I'm partial to our shuffleboard table myself. Some had never played before, so we're all learning together."

VALERIE GRAVES/
Senior manager of brand partnerships
"With our sailors, we're looking to tap into these tribes that already exist shoreside. How do people like to socialize? How do they gather? We're trying to replicate those experiences onboard the ship and make sure we're luring new sailors to the seas. So we're thinking not just about how we're different from other cruise lines but how we can stand out as a lifestyle brand."

How Do You Deliver Bad News?

Entrepreneurship comes with plenty of highs—and lows. Business owners have to not only absorb the problem but tell everyone else, too. We asked six leaders: How did you handle sharing the hardest news of your career?

1/ With a promise.
"After the economic meltdown of 2008, we couldn't afford to keep everyone on staff. Picking who stays and who goes is one of the most difficult decisions you have to make as CEO. I delivered the news with honesty and empathy at an all-hands meeting. We gave some severance, referral to an employment service, and a personal reference. We also gave the option to rejoin our team once things were back on track, and some did! It was a homecoming of sorts, a healing moment."

—ORI EISEN, founder and CEO, Trusona

2/ With support.
"In 2016, our office manager passed away. She was only 26. We called a mandatory meeting, let everyone know, and brought in grief counselors. The hardest part was controlling my own emotions in front of the company. This was a crucial moment, and the team needed a leader. We organized a memorial service to celebrate her life. It took time for the business to return to a normal cadence, but her impact remains at the company today."

—RAHUL GANDHI, cofounder and CEO, MakeSpace

3/ With transparency.
"In New York, construction delays are as common as yellow taxis. But when you're working to open a new restaurant location and have promoted staff to run it, construction delays don't impact just revenue but your team's livelihood as well. Delaying promotions for people who have worked hard to earn them is tough news to deliver. But we invited the team to the construction site to see the space and ask questions, and it helped everyone get on the same page."

—OTTO CEDENO, founder, Otto's Tacos

4/ With community.
"The worst news my husband and I had to share with our employees, and kids, was that we'd decided to move our business from New York to Los Angeles. We gave employees the option to stay with us and relocate. Some came west, and others did not. We couldn't guarantee that those who moved with us would love L.A., but we promised to figure it out together."

—CORTNEY NOVOGRATZ, cofounder, The Novogratz

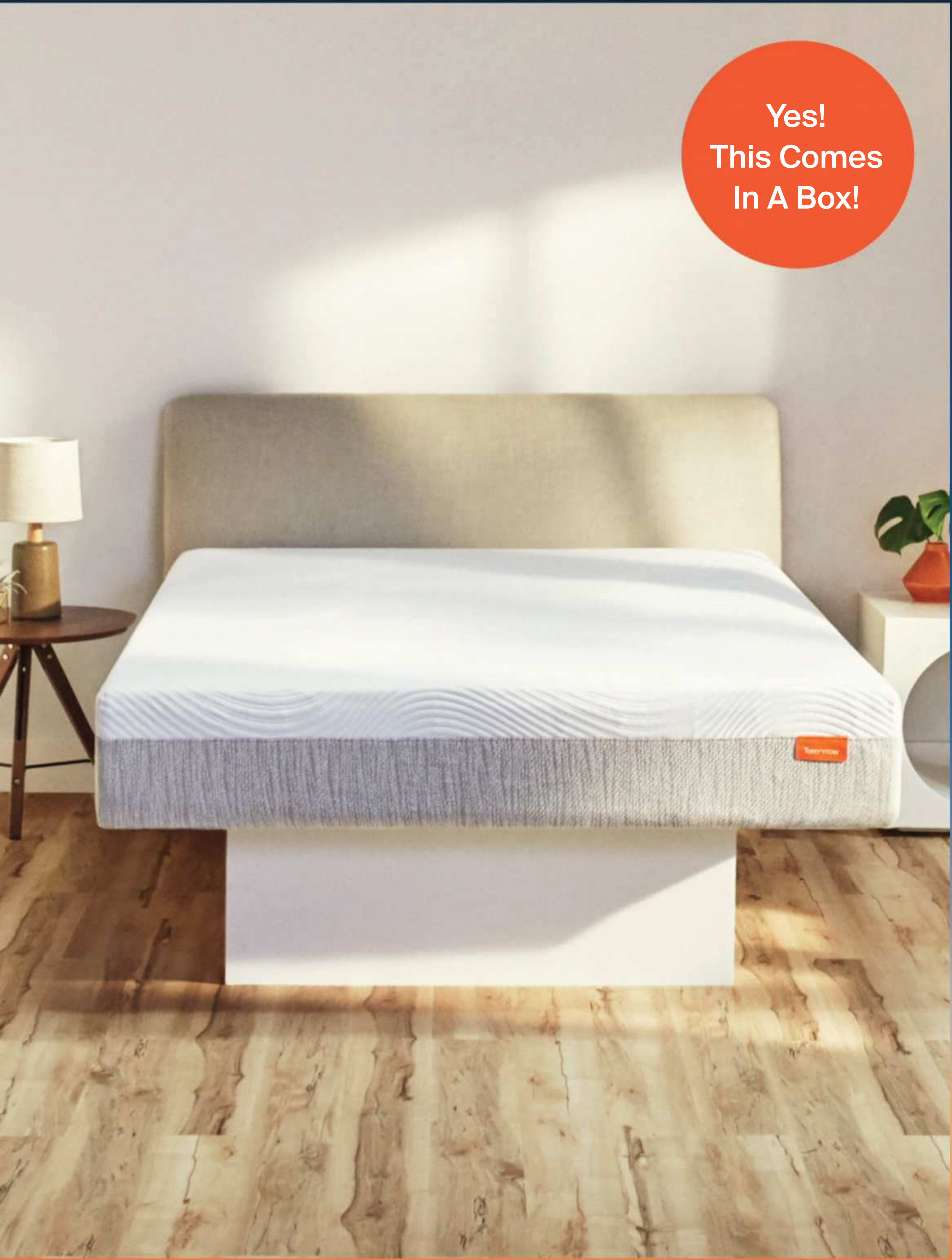
5/ With a plan.
"One of my first experiences as an entrepreneur was running a restaurant, which I closed as a result of 2008's downturn. I knew this was going to be life-changing for my team. We did everything we could to ease the disruption, and I leveraged my network to place laid-off employees in new positions—nearly 90 percent had jobs in just a few weeks. As a business owner, failure is hard, but it's an opportunity to prove yourself as a leader."

—MICHAEL WYSTRACH, cofounder and CEO, Freshly

6/ With reason.
"After I joined Interactions as CEO, my team and I identified significant roadblocks in our product development. We had been on an aggressive growth track, but it was clear we needed to right the ship. I told my board and team that we were shutting down sales to double down on R&D. Hitting pause was an incredibly hard decision, but it was necessary to ensure we were providing the best product and experience for our customers."

—MIKE IACOBUCCI, CEO, Interactions

Illustration / TOMMY PARKER


Yes!
This Comes
In A Box!

How "Structure" Saved MailChimp

The email marketing company's staff was once a disorganized mess. But before fixing that, its cofounder had to fix himself.

by JASON FEIFER

→ THE MAILMAN MailChimp cofounder and CEO Ben Chestnut.

MailChimp's tiny staff could once fit around a table, so they often did—gabbing over coffee, and dreaming up new directions for the business. By 2009, though, that team had grown to 300 people. At a company cookout, cofounder and CEO Ben Chestnut looked around and realized he barely knew anyone. So he called a meeting, hoping to reclaim the intimacy of those early days.

Hundreds of employees gathered. When it came time for questions, someone raised a hand and asked about MailChimp's future plans. The CEO shrugged it off. "I'm giving this answer like, 'We don't need no stinking strategy—we'll cross that bridge when we get there!'" Chestnut recalls. That, after all, had been his longtime philosophy: The company worked best when it improvised, trying things on the fly. But while half the room nodded in agreement, the other half seemed alarmed. One raised a hand and asked, "Why are you being so secretive?" The room got tense. Afterward, another employee told him he needed leadership training.

Every entrepreneur who scales a business will have some moment like this, when they discover they aren't the leader they need to be. The future of the company hinges on what comes next—and whether, like Chestnut, an entrepreneur is able to evolve to meet their company's needs. But it isn't easy. "I got through it after many months of lots of pain and suffering," he says. "And then it was a few more months of pain and suffering."

Like most pain and suffering, Chestnut's began with a self-evaluation: *What kind of leader am I?* The answer went back to MailChimp's earliest days, when he wanted to attract great new talent. *The people who are crazy enough to join a startup want a crazy challenge—they don't want structure,* he recalls thinking then. So he hired rebels and encouraged them to, in his words, "run with scissors."

As MailChimp grew, however, hundreds of employees joined who had no connection to Chestnut. All they saw was a leader with no articulated vision, and that left them feeling lost and frustrated. *That's* what created the split in that contentious meeting. His older employees loved his anti-structure attitude, but new ones despised it. Chestnut had to pick a side. And, he realized, he was on the wrong side; it was time to treat MailChimp like the big company it was.

To start, he hired consultants from Emory University to help him craft a mission for the company. It was humbling, he says, to be a leader who needed help identifying what he was leading—but he'd come to realize how necessary it was. The consultants also built "MailChimp University," a training program that the company's employees still go through today. He then hired a layer of middle and senior management, which MailChimp had been missing, so that these leaders could help spread the mission throughout the company.

As Chestnut became comfortable with his new leadership role, he started repeating a phrase around the office: "Startup to grown-up." He wanted to acknowledge the transition; the entire company, including him, was going through the corporate version of awkward teenage years. "It's supposed to be hard," he'd say. It's natural.

MailChimp survived. Today it has 800 employees, more than 10 million users, and $525 million in annual revenue. But not every employee lasted through the transition. Many early hires left—the ones "running with scissors," who nodded when Chestnut said he doesn't need no stinkin' strategy. As that happened, the company found new superstars. They were the ones hired more recently, who wanted structure and a plan. "It was almost like they were just waiting to be activated," Chestnut says.

And, he now knows, they were waiting for him to become the leader they needed.

Hear Chestnut on our podcast Problem Solvers, *available on iTunes or wherever you find podcasts.*

PHOTOGRAPHS COURTESY OF MAILCHIMP

→ SPOILS OF VICTORY
Terry O'Neil's triumphant photo of Faye Dunaway, on display in Maria Hatzistefanis' home.

The Power of a Picture

The Splurge is our monthly column about entrepreneurs' first big gift to themselves—because hard work deserves its rewards. This month: capturing a beautiful moment. **by JOE KEOHANE**

Like many entrepreneurs, Maria Hatzistefanis began her journey when she got fired from a good job she couldn't stand. The Greek-born Hatzistefanis had studied business at Columbia University and, after graduation, taken a job in banking. It went well until it didn't—"My passion wasn't there," she says. She soon found herself out of work.

"I was devastated, but it was actually the best thing that ever happened to me," Hatzistefanis says, "because it made me think harder about what I wanted to become."

Hatzistefanis had previously worked as a beauty writer for *Seventeen* magazine. Looking back, she realized that was closer to her real passion. So she set out to launch her own beauty brand, Rodial. Investors weren't interested, so she bootstrapped it. "I put all my savings into the business and started it from a bathroom at home, doing everything from going to the manufacturers to coming up with the product to selling my products to stores," she says. "I was a one-woman show from the beginning."

In those days, Hatzistefanis held her meetings in a coffee shop by her apartment in London. On the way there every day, she'd walk by a small gallery's window display of Terry O'Neil's iconic photo of actress Faye Dunaway, taken the morning after she won an Oscar for *Network* in 1977. Hatzistefanis loved it.

"It has a calmness about it—which is the feeling you get when you've worked really hard and you've achieved something. And I can see the glamour; I can see the beauty of it all," she says. "It was very inspiring. I told my husband, 'One day I will be successful and I will buy this picture, because it portrays everything I want to become.'"

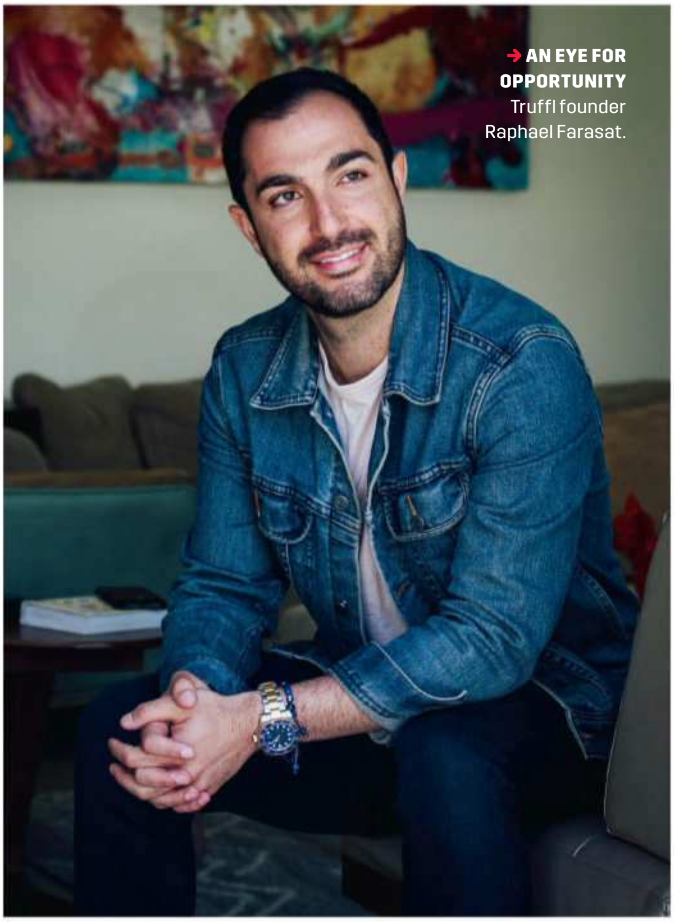
After several years of strong growth at Rodial, Hatzistefanis finally got her chance. She bought the print and hung it in her living room. Since then Rodial has only grown, now encompassing more brands and bringing in around $30 million in annual revenue. And the photo maintains its place of honor. "Every morning I have my coffee and look at it, and I remember how I started," Hatzistefanis says. "The hard work, the challenges. At the end of the day, moments like this make it all worth it."

Photographs / DYLAN THOMAS


REAL. SIMPLE.
DIFFERENT.
NATURAL
AMERICAN
SPIRIT
TOBACCO INGREDIENTS:
TOBACCO & WATER
When it comes to crafting real taste in our blends,
two ingredients are all we've ever needed.
Tobacco Ingredients: Tobacco & Water
Use your smartphone to request paperless
gift certificates at AmericanSpirit.com*
CIGARETTES
*Website restricted to age 21+ smokers
©2018 SFNTC (3)
SURGEON GENERAL'S WARNING: Cigarette
Smoke Contains Carbon Monoxide.
Natural American Spirit cigarettes
are not safer than other cigarettes.

The Perpetual Pivot

If you're willing, agile, attuned to the market, and ready to learn, there's never a wrong time to change your business plan. **by JOE KEOHANE**



→ **AN EYE FOR OPPORTUNITY** Truffl founder Raphael Farasat.

It was supposed to be a simple job: The legendary Los Angeles–based grocery and liquor delivery company Pink Dot had a solid business, but it had an aging customer base and a raft of competitors, and it wanted new branding as a way to attract younger customers. It hired Raphael Farasat for the job, and at first, he thought it would be straightforward—a new website, new logo, maybe some odds and ends.

But the job would end up redefining Farasat's career, and that of his company, Truffl. Some jobs have the potential to do that—so long as an entrepreneur is able to see bigger opportunities, then step up to do whatever needs to be done to meet them.

It all began when Farasat noticed some big problems: Pink Dot didn't have an app of its own, its menu had barely changed in years, and many of its customers were still placing orders through an 800 number. "We realized that changing your logo is not going to transform your business," Farasat says. "There are a lot of things that needed to change—operationally, technologically, product-wise. We needed to change the whole relationship between Pink Dot's customers and the company."

The problem was: That wasn't Farasat's business. Would Pink Dot trust him to do this? Did he even know how to? He didn't, but he knew he was game for it, because he'd built his business by redefining himself on the spot.

In 2014, when he was 25 years old, Farasat first launched Truffl as a "members club for influencers." In short, he staged innovative dining events—pairing, say, a director and a chef for a meal inspired by the director's new film. Soon an executive at the TV network FX asked if Farasat did branded events for companies. "I hadn't," says Farasat. "But I said, 'Yeah, we're great at it!'" He learned what he needed to learn, did three events for FX, and then, once word got around, launched events for Tesla and Spotify. Like that, Truffl was a creative agency.

After this, companies began asking Farasat if he did branding work. By this point he'd realized the value of taking on jobs that went beyond his expertise—jobs that challenged him, forced him to learn new skills, and revealed opportunities he didn't know to look for. "Sometimes I pick a project that might not be a big moneymaker but will teach me a skill I want to learn," he says today. So he took those jobs, repositioning Truffl again, this time as a branding agency that specialized in the younger market.

That was how Pink Dot came to him. Now, as he looked over Pink Dot's business, he was seeing a chance to redefine Truffl yet again—this time as a full-service consultancy. He pitched the client on a complete overhaul—and though it took some convincing, Pink Dot eventually agreed to it. Farasat then hired several full-time staffers to handle the work and, together with Pink Dot's internal team, launched an updated website, an app, and a new menu—cutting 80 percent of the existing food options and subbing in fetishized products like Halo Top ice cream and craft cocktail kits for between two and 100 people.

"It's been so hard," he says. "I got to a point that I was really stressed." But he kept pushing, kept learning, and kept refining Truffl. The client was happy, and so was Farasat. More clients followed, looking for the same service. "It changed our whole business, moving to this model," he says. "Now it's all we do."

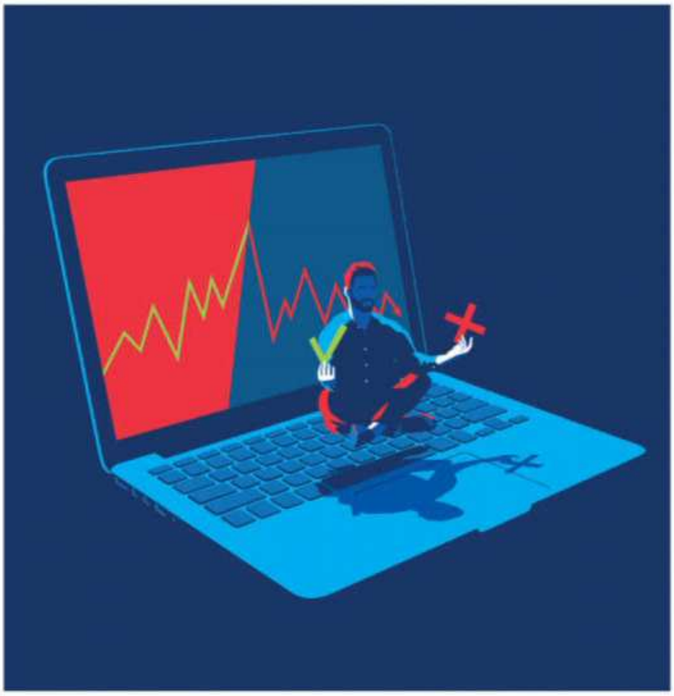
Truffl has eight full-time staffers, and growth is up 300 percent year over year. Will he stay with this business model permanently? Who can say. But he learned a lesson that will last regardless of what the future holds: Seize every chance to learn and grow, pivot when the market tells you to pivot, and always be alert for what problems you can solve. "It's really exciting," he says.

PHOTOGRAPH COURTESY OF TRUFFL


Entrepreneur
MAKE THIS YOUR YEAR
Tim Ferriss' Constant Quest for Reinvention and 75 Ways You Can Seize 2017
SHOULD YOU LET CLIENTS SEE YOUR FINANCIALS? (What About All Your Employees?)
SMALL BIZ VS. FACEBOOK
IMPRESS ANYONE IN 2 SECONDS
WOO YOUR MENTORS
How to
IN AMERICA
WHY B2B IS ACTUALLY SUPER SEXY
HE SOLD KAYAK FOR $1.8 BILLION. NOW WHAT?
THE ULTIMATE OFFICE BAR
THINK LIKE UBER'S LEADERS
50 BEST
DIRTY SECRETS
FIGHT FRAUD ON AMAZON
WHY RETAIL FAILS
Franchising's Mysterious Middlemen

The Dos and Don'ts of Digital Growth

To build—and keep—an audience, digital marketing is a must. But investing too heavily in a single platform can cost you money, customers, and plenty of opportunity. **by ADAM BORNSTEIN**



Q When looking at our marketing spend, what's more important for digital growth: SEO or social media?
—CHRIS G., MINNESOTA

BEFORE CONSULTING, I made my living as an editor in media. Each job I held taught me the same lesson: Digital growth is not about manipulating tools like search engine optimization (SEO) and social media. It's about using them to reach customers. Then it's your job to create a sustainable relationship *off* of those platforms.

I'll give you two examples of how those tools can go wrong. My first big job was fitness editor at a men's magazine. Facebook was relatively new, and we aggressively built our following. The result was lots of "likes" but little direct revenue we could track. That audience eventually drove significant traffic to the website—and *that* was traffic we could monetize. After I left, Facebook changed its algorithm, and posts drove only a small fraction of the clicks they once did. Traffic shrank. So did revenue.

My next gig was as at a health website that had mastered SEO. Higher search results led to more traffic, which led to higher advertising revenue. Then came the infamous Google "Panda update," a change to its algorithm that penalized content trying to game SEO by using hacks like keyword stuffing. Those changes sent us into a tailspin. We had to review the site's 500,000-plus articles, remove more than 150,000, and reinvent the editorial approach. It took 18 months to fully recover.

Chris, I don't share these stories to suggest that social media and SEO aren't important. They are. But dependency on any platform you can't control is dangerous.

I like to look at businesses in pieces, so let's consider your marketing needs. What is going to help customer acquisition and retention? What is the cost and ROI? SEO and social media are effective components of an acquisition strategy, and social media can also help with retention. Rather than thinking about which is better, think about how you can use each to support your core business.

For SEO, how are people discovering you? What questions would they ask Google that could lead them to you? Let's say you own a car dealership and want to own "best car dealership in Minnesota." Yes, you could go to Google Adwords and spend money on a search term. But buying your way into SEO popularity can be expensive. (And most consumers ignore obvious ads.)

Instead, consider what questions potential customers may have about, say, a specific car you sell. Win traffic by answering those questions on your site. We've seen clients earn hundreds of thousands of dollars of free search engine marketing by creating and owning valuable content. Google wants to reward that value, so if you build something that actually helps the end user, you will—over time—climb the ranks on the search engine's results pages. And it will be more than worth what it cost to create that content.

Social media, on the other hand, is driven by engagement. You need to have an emotional pulse on what people care about—enough to make them spread your brand's message. Likes, shares, and comments are the by-products of an ongoing conversation. Those virtual interactions can result in real-life customers and help keep them.

The bottom line, Chris, is that no one tool will help you thrive. Google and Facebook can help. Email lists, apps, and member communities can, too—and they're even better, because you control them in a way you'll never control giant platforms. But any great business must build an ecosystem that routinely engages its customers—and *that* should be your main focus.

Adam Bornstein is the founder of Pen Name Consulting, a marketing and branding agency, and the creator of two12, a mentorship experience for entrepreneurs.

Illustration / FEDERICO GASTALDI

You don't have to be a racing fan to know her name. But now that she's retired, she's facing the same question that puzzles every entrepreneur: How do you leave something you're great at and start over?

by AARON GELL

Danica

Photographs / NIGEL PARRY


GoDaddy
GoDaddy
GoDaddy
Advance America
GoDaddy
Danica
2005
2018


THIS IS INDY.
102ND INDY 500
GoDaddy
Danica

In the weeks leading up to Danica Patrick's final IndyCar race this past May,

she spent her time the way most drivers do—practicing on the Indianapolis Motor Speedway and running through details with her team. But with about two weeks to go before she'd suit up professionally for the last time, she is summoned to do a little salesmanship. A group of teenage girls has been assembled at the speedway's main building, and NASCAR has asked Patrick to give them a pep talk about the exciting possibilities of a career in professional auto racing.

Who better for the job? Almost nobody, really. Patrick is one of the few women to find success in motorsports, a pursuit—and a business—long dominated by men. From her spectacular run in open-wheel racing, where she became the first, and still only, woman to win an IndyCar Series race, to her transition to stock-car racing, to her recurring pit stops to star in a run of head-turning Super Bowl ads for internet services powerhouse GoDaddy, Patrick has been one of the most recognizable figures in racing for the past 13 years.

And yet, as she stands now at the front of a conference room, looking out at this gathering of hopeful adolescent faces, Patrick can't help veering off script. "Find something you actually frickin' like to do!" she advises the junior high schoolers, who giggle in response. Maybe that's auto racing, but maybe—*probably*—it isn't. "Be honest with yourself about 'I hate this job, I'm miserable.'... Find something you love." A minute later, she was gone, speed walking back to the garage trailed by a cargo-shorted throng of autograph hounds, to practice the sport it turns out she doesn't frickin' like to do anymore, and maybe never did.

This fundamental truth didn't really dawn on her until a year ago, she says. That's when the snack brand Nature's Bakery ended its three-year, $46 million deal to back Patrick's team, Stewart-Haas Racing, after just one season. Patrick took the news as another in a string of unwelcome reminders that for all her visibility, she had never been fully in control of her own destiny. She felt vulnerable, at the mercy of sponsors, owners, mechanics, engineers, and teammates, even when she was the one behind the wheel. Still, she was a pro. And for a time, she had held out hope that the loss of her sponsor was just a little speed bump. "My gut instinct was that there had to be a solution," she says. "But as time went on, I thought, *Hmmm; maybe I don't really care?*" Maybe the world was telling her it was time to move on. "I was just over the stress and the judgment," she admits. "I wasn't having fun. And life's too short. I mean, really: Who cares?"

Success often has a downside. It can make people risk-averse. Their instinct is to hold on to the thing they're good at—reluctant to move on or to reinvent themselves out of fear that they won't replicate their original achievement. It can be scary leaving the comforts of the familiar for the untested road ahead. Entrepreneurs of all kinds worry that they can't win twice.

But in this, Patrick has an advantage. As racing fans know, she's never fully hewn to the traditions of racing. She's always chosen her own path. And that has given her a particular kind of freedom: She was always willing to think beyond racing, and to pursue opportunities some of her peers may not have. As a result, she was fully prepared for this moment, long before she knew exactly when it would come.

→ **YOU'VE GOT TWO BASIC MODES** when you're racing the Indy 500. You're either running flat out, accelerator pinned to the floor, propelling you at speeds of upwards of 230 mph down a straightaway, or you're "lifting," easing up a touch with your right foot as you bank into a turn.

For the better part of her career, Danica Patrick has been running flat out. She was introduced to the sport with a go-kart race at age 10, when a brake pin came loose and sent her sailing head-on into a concrete wall. She bounded from the wreck unscathed and undaunted. After that, she just kept right on gunning it, hauling ass, fierce and implacable.

But along the way, she has done some lifting as well, easing back just enough to look around and take stock of the opportunities around her. It's an instinct Patrick says she picked up from her parents. When she was young, her dad, T.J. Patrick, launched a small business, a commercial glass company in Rockford, Ill. He ran the shop, and her mom, Bev, did the bookkeeping. It wasn't easy—"I worked till midnight every night, seven days a week," T.J. recalls—but the family had an apartment upstairs, and they made it work. Eventually, they decided to diversify, opening an oil change garage, a coffee shop, and a drywall company, none of which got much traction. "The glass company was the moneymaker," T.J. says.

Patrick says her parents' willingness to take risks inspired her to do the same. "That seed was planted a long time ago," she says. "The idea that owning your own businesses is totally possible and not abnormal, and if you have an idea, run with it."

That impulsive streak may have informed her decision, in 2003, to pose provocatively across the hood of a hot rod in a red leather bustier for the lad mag *FHM*. The shoot was controversial—panned by female racing legend Janet Guthrie, among others. But rather than detracting from her career, the instant fame it generated actually helped her to become a more successful driver. "It just brought more attention," she explains, "and more interviews led to sponsors benefiting from the exposure." Which in turn helped create a reliable financial cushion, allowing Patrick to focus on driving rather than hustling. (And Patrick would come to say the shoot was personally satisfying, too, allowing her to highlight a side of herself she'd spent years suppressing. "I had always been afraid to look too girly," she says, "because I wanted to be taken seriously and make it as easy as possible for people to listen to me as a driver and hear what I'm saying.")

Her most prominent sponsor would become GoDaddy, which signed her after watching her lead 19 laps of the 2005 Indy 500, and their long-running and lucrative partnership would start at an auspicious time. Everyone and their aunt was slapping up a website, and the company was embarking on an extraordinary marketing campaign designed to sex up the seemingly humdrum field of domain-name registration. In one ad, for example, three geeky guys discover the power of having their own website—which enables them to pull up a video of Patrick taking a shower. "Steamy!" one of the guys cheers.

In all, she taped more than 20 ads for GoDaddy, 13 of which aired during Super Bowls, generating plenty of attention, both good and bad. Patrick is quick to note that she typically played the straight man, wearing a racing-style leather suit and leaving the risqué stuff to the other so-called "GoDaddy girls." But the experience taught her another valuable lesson about business. "We were both trying to get people to know our names," Patrick says, "and sometimes you use more controversial tactics to get attention."

"I was just over the stress and the judgment," Patrick says of the end of her racing career. **"LIFE'S TOO SHORT."**

→THE DIVIDENDS of raising your profile can also open up more unexpected opportunities. One day back in 2006, more than a year after her historic Indy 500 performance, Patrick took a life-altering trip to Napa Valley. She stood with a glass of white wine in her hand, taking in the terraced vistas from a Howell Mountain vineyard. "You know, you're looking down south toward San Francisco and the fog is just rolling down into the bay, and I remember thinking it was so beautiful and cool, and how amazing it would be to have something like this someday."

Two years later, she decided she wanted in. There are plenty of easy ways to enter the wine business, as celebrity winemakers from Yao Ming to Drew Barrymore could surely attest. You can, for instance, purchase bulk juice, bottle it up, and slap on a label, the way so many wannabe Mondavis do. Or if you're really committed, you can purchase a vineyard that is already producing grapes. Both options lead to quick wine sales. But Patrick did neither. She settled on land that needed work—an unspoiled 24-acre plot with promising soil, good exposure, and massive boulders that would need to be torn out, crushed, and hauled away before anyone could start making wine.

"She wanted to do it the correct way from day one," says Tracy Smith, the general manager of what has become Patrick's Somnium Wine (named after the Latin word for "to dream"). "She was all-in."

She bought the property in 2009 and wouldn't sell a bottle until 2017. And yes, certainly, those are the advantages of having cash on hand. But the principle of it is more important: In 2009, Patrick still had many years left to race. By starting a company this way, she was effectively creating a counterbalance—a business that would ramp up as her racing career wound down. It's a side hustle that also serves as a psychological cushion, and one answer to that big question successful people face. How do you leave something comfortable and familiar, and enter into the unknown? Answer: By proving to yourself that you can do more than whatever is in front of you. By building the bridge out before you're even ready to step onto it.

Patrick oversaw the design of her wine's label, insisting on a little red dot on the front and back, and another on the top of the capsule. It's meant to evoke the "You are here" indicator on a map. It's a reminder to be in the moment right where you are.

→BY 2010, Patrick was often described as the most visible and highly paid IndyCar driver, and then she stepped up onto American racing's main stage: NASCAR. But soon after making the move, despite selling a ton of shirts, hats, and other swag, she grew increasingly frustrated with the merchandise deals she was being offered. "Drivers make very little money on their merchandise," she says. "There's just too damn many hands in the cookie jar. It's ridiculous." Tired of putting her name on apparel and then seeing the proceeds get carved up by sponsors, teams, and racetracks, she made it her mission to "figure out how to do something on my own."

Her first stop was G-III Apparel Group, the clothing giant that handles manufacturing for everyone from Calvin Klein to Ivanka Trump. "Her management team came to us and said, 'Danica wants to do a clothing line,'" recalls David Kupferberg, G-III's executive vice president for sales, "and we said, 'Great. A lot of people want to. It's kind of a thing.'"

Despite his skepticism, Kupferberg took the meeting. "And she blew us away," he says. "She was smart, she was on topic, and she had this vision. We were like, *whoa*."

Patrick came up with the branding, a thunderbird logo, and the overall direction: high-performance clothing that was also comfortable enough to wear on the weekends. She called it Warrior by Danica Patrick, a nod to the Native American mythos she'd been exposed to living in Scottsdale, Ariz., as well as to her own tenacity. "She has a really solid point of view. 'This is what I like; this is what I don't like,'" Kupferberg says. Though Patrick knew next to nothing about the apparel industry, she buckled down and educated herself on fit, fabric, and construction. Warrior was introduced on HSN in 2017, making use of Patrick's celebrity. At launch, sales exceeded all expectations by 50 to 60 percent, Kupferberg says.

Spot an opportunity, and take it on fully: This has become Patrick's pattern. In fact, that same year, Patrick released a book called *Pretty Intense* that lays it all out. The book "encompasses my core beliefs and the things that are most important to me," she says: It's a diet, fitness, and mental-conditioning plan for which she created, tested, and wrote the workout program, developed all the recipes—from the curry turkey burgers to the chocolate chia pudding—and personally photographed the results. And while the book has a spiritual

vibe, quoting Mahatma Gandhi and Deepak Chopra and urging readers to "be the light" and "develop a relationship with your all-knowing soul," its overall message boils down to three words that define entrepreneurs.

"You better work!" she writes.

→ **IT'S TWO WEEKS** to race day, and Patrick is on the Indianapolis Motor Speedway's infield, where her team has parked her triple-slide luxury motor home. It features four flatscreen TVs, a full kitchen with an espresso machine, and a built-in grill and picnic table. Shoes are forbidden inside. After her final race, she'll likely spend a lot less time in here—now that she'll be able to hang out with her dogs, a Belgian Malinois named Dallas and a miniature Siberian husky, Ella, back at her home base in Scottsdale. She'll cheer on her boyfriend, Green Bay Packers quarterback Aaron Rodgers, as the NFL season gets under way. She'll do some investing—appearing as a judge on *Entrepreneur*'s online show *Elevator Pitch*. And she'll savor the occasional glass of wine. "I often think, you know, they'll never make any more of this 2014 cabernet," she says, picking a bottle of Somnium from the table. "That's all there is! It's unique. That's why I always say, you only open the bottle when you know you're going to finish it."

Most of all, though, Danica Patrick will slow down, if only for a spell, to contemplate the red dot that marks her place in the universe, and live in the moment.

Though that's for later. Today her green, GoDaddy-branded race car is waiting for her—the result of one final sales pitch to her longtime sponsor. Patrick and GoDaddy had actually parted ways in 2015, after a decade of marketing magic. By the final few years, Patrick's GoDaddy ads had shifted from sexual to sophisticated. "We both realized we needed to get attention for something deeper and more meaningful," she says. But the relationship ran its course. Still, when Patrick decided to mark her retirement by competing in one last pair of races she billed as the "Danica Double"—driving NASCAR in the Daytona 500 followed by a return to IndyCar in the Indy 500—she worked to lure GoDaddy back in one final time.

"Danica negotiated that deal," says Barb Rechterman, GoDaddy's longtime CMO. "Usually it's the manager who's presenting to us. That didn't happen here. We had a great multi-hour conversation, and her manager didn't say two words."

That's what the end of one career will leave you with—the experience you didn't have at the beginning. Patrick wouldn't have made that pitch herself when she first signed with GoDaddy. Jobs may change, careers may reset, but entrepreneurs accumulate knowledge. That's why transitions, scary as they may be, tend to work out well in the end. We're more prepared than we think.

On May 27, she'd get into that GoDaddy car and, for the final time, run the track for real. And then, during the 68th lap of the Indy 500, her car would spin out as she navigated turn two, sending it sailing into the outer wall. "And that will be how her driving career in Indianapolis ends," the play-by-play commentator on ABC would say. Just like her first-ever race at age 10, when her go-kart was wrecked, she'd walk away unscathed. But this time, she'd leave the track, trade a succession of custom-engineered, fuel-injected road beasts for her white Range Rover LWB, and downshift into a new phase of life. And because of what *else* she'd done during her racing career, she'd be ready.

Aaron Gell is a New York–based journalist.

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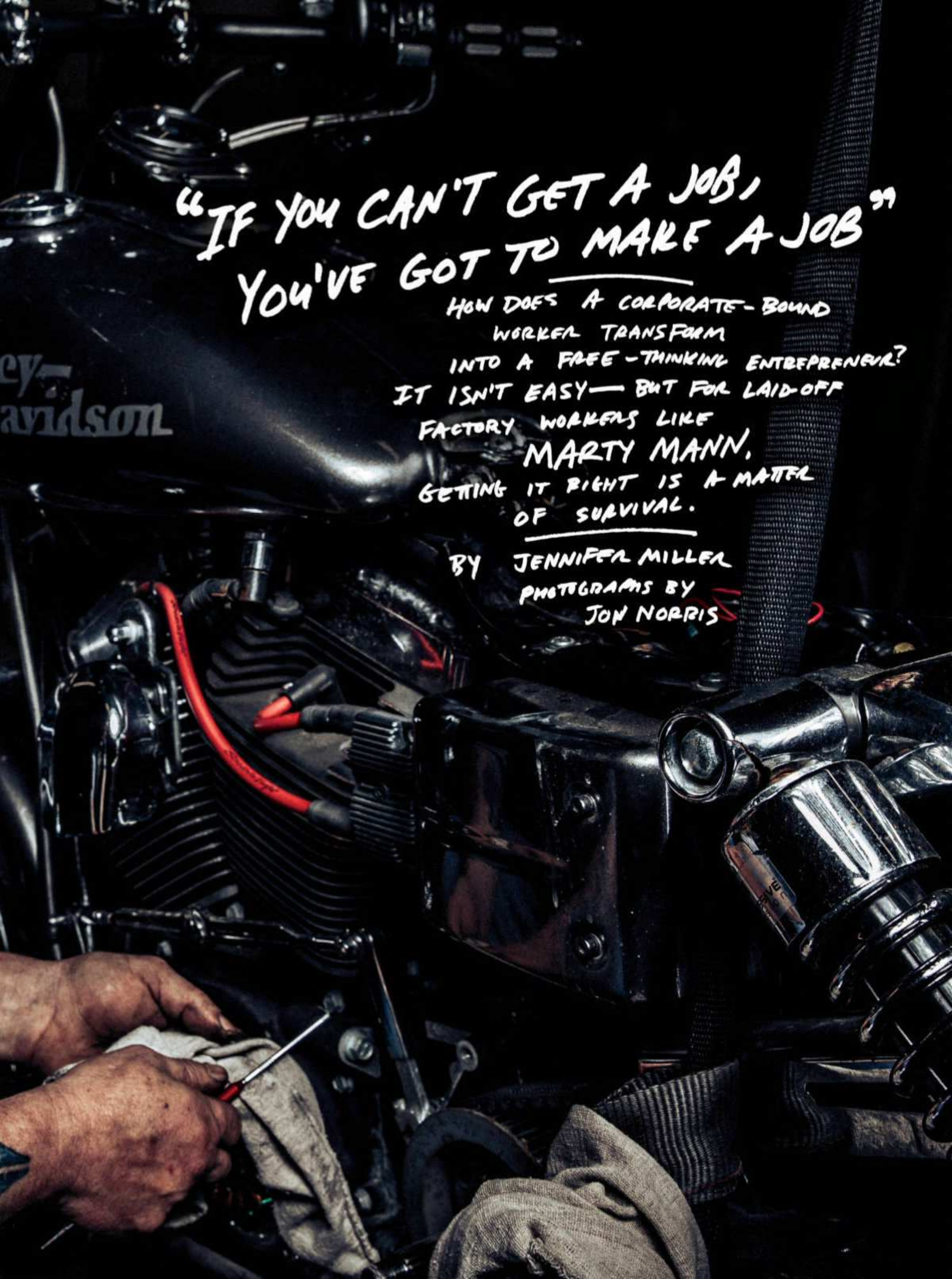


"IF YOU CAN'T GET A JOB, YOU'VE GOT TO MAKE A JOB"

HOW DOES A CORPORATE-BOUND WORKER TRANSFORM INTO A FREE-THINKING ENTREPRENEUR? IT ISN'T EASY— BUT FOR LAID-OFF FACTORY WORKERS LIKE MARTY MANN, GETTING IT RIGHT IS A MATTER OF SURVIVAL.

BY JENNIFER MILLER

PHOTOGRAPHS BY JON NORRIS

PHOTOGRAPH BY TK NAME

I. THE ENTREPRENEUR'S JOURNEY BEGINS

In the fall of 2015, when Marty Mann's boss at General Electric called him into the office, he knew his days at the company were numbered. For seven years, Mann had been a welder at GE's locomotive plant in Erie, Pa. Built just over a century ago, the 340-acre complex originally employed and housed thousands of workers, and defined the city's economic and social life. But layoffs had become common, and 2015 saw a downsizing of 1,500 employees. Mann was one. "Yeah, I was mad," he says. "*You used me and then got rid of me.* But when it's time to go, it's time to go."

Mann has lived in Erie his entire life, and everyone here—his wife, kids, grandkids, and friends—knows him as a no-bullshit kind of guy. Middle-aged and meaty, he prefers oversize T-shirts and dirt-crusted work boots. His graying hair is rarely brushed, and his days are fueled by whole pots of sugar-saturated coffee, beer, and drugstore doughnuts. But he's a talented welder. So upon being shown the door at GE, he began looking for another job. Nobody in his field was hiring locally. A buddy told him about an opportunity in South Carolina, but Mann couldn't imagine leaving his family behind. "What are you going to do?" he says. "Work in McDonald's? Be a greeter at Walmart? At GE, I was making between $33 and $40 an hour, plus benefits."

Mann started to struggle. His unemployment benefit was running out, he'd received no severance, and his utilities were about to be shut off. Then, one night at a bar, Mann's younger brother John, who had also been laid off from GE, suggested the two of them start a business fixing and outfitting motorcycles. Mann was a skilled mechanic and something of an artist when customizing bikes. But he was skeptical. The brothers had always worked for someone else. Neither had experience with small business. But Mann concluded he had no other option. "If you can't get a job," Mann says, "you've got to make a job."

In July 2016, the brothers opened Mann's Cycle Works. And in doing so, they became what economists call *necessity entrepreneurs.* It's a term used to describe people who start a business because they struggle to find employment. Nobody officially counts how many people fit the description, but experts say the group is growing—initially fueled by those who lost jobs during the recession and, today, by communities where once-dominant industries are fading.

Though necessity entrepreneurs may come from hardship, they're an important group to watch. These are the people creating solutions to their own problems. "Just because a business starts in a recession or out of necessity doesn't mean it won't be very good or successful," says Robert Fairlie, a professor of economics at the University of California, Santa Cruz. He found that while regular entrepreneurship goes down during economic downturns, necessity entrepreneurship goes up. And, he says, roughly half of all Fortune 500 companies were started during economic recessions.

That's why, for an entrepreneur of any background, it can be helpful to see how a necessity entrepreneur succeeds. Starting a business from scratch is inherently risky, but it's even more so when you lack resources, a financial safety net, and business experience. Yet necessity entrepreneurs do it—adjusting not just to the realities of business but to a new self-identity, all while under intense financial pressure. Mann has the scars to show it. His entrepreneurship nearly ruined him. His savings evaporated, his relationships were strained, and he nearly closed up shop. But he didn't quit. Instead, he turned necessity into opportunity. He drew upon his expertise, his creativity, and his fortitude in ways he never thought possible. Like most entrepreneurs—whether driven by necessity or opportunity—he learned to reinvent himself.

II. CHANGING A MINDSET

Consider your relationship with the word *entrepreneur.* You picked up this magazine, so it's likely you relate to it. Perhaps you see it as a goal or a calling, or maybe even an identity. But to understand a guy like Mann, set that all aside. He never considered himself an entrepreneur. He didn't know anyone who did.

"Entrepreneurship means something bigger, sexier, techier than they would consider themselves," says Lisa Hutson, director of Lorain County Community College's Small Business Development Center, in Ohio. She learned this last year, after receiving a grant to promote entrepreneurship across her Rust Belt region. Visits to union halls, urban league centers, and El Centro offices all flopped; she was met with skepticism or outright disinterest. When she offered an "Introduction to Entrepreneurship" class, almost nobody came.

It was a puzzle to her. Locals were entrepreneurial; they were talented and skilled, and many had side hustles. But as she came to understand, they didn't see themselves as entrepreneurs. "Steve Jobs is an entrepreneur, not the beauty salon owner," she says, explaining their mindset. Also, they weren't acculturated to thinking of themselves as potential bosses and owners. For so long, a corporate machine provided stability in their community—which meant individual success came by fitting into a system. Among the professional elite, " 'disruption' means founding a successful startup," writes law professor Joan Williams in her book *White Working Class: Overcoming Class Cluelessness in America.* "Disruption, in working-class jobs, just gets you fired."

In Lorain, Hutson realized she needed to talk differently. She dropped the word *entrepreneurship* and began evangelizing "hustle." Getting laid off from one factory and starting over in the next—that required hustle. Managing a household budget when one or both parents were out of work—that required hustle. And of course, running a side gig—be it selling crafts on Etsy or brewing homemade beer to sell at the local farmers' market—was the result of hustle.

This reframing helped, but it wasn't enough. Hutson also had to convince people that hustle was the same as creativity and innovation (and disruption!), even if it didn't produce the next iPhone.

Jamie Smith remembers struggling with that transition. He grew up in West Virginia coal country, surrounded by people who thought coal was all they could do. He worked in coal as well, but he studied marketing and coding at night, anticipating that one day he'd be laid off—and in 2010, he was. Still, he says, the idea of starting his own business seemed impossible. "It was shocking and scary," he says. If it hadn't been for the encouragement of his friend Jason Lockart, a graphic designer from New Jersey, who had not grown up in a one-industry town, Smith says he might never have taken the leap. In 2012, the friends founded Kid in the Background. Today they have a staff of four and work with national organizations like Boy Scouts of America. Still, Smith feels like an impostor at times—as though this can't be a real career. "I still second-guess myself," he says.

As Mann set up his motorcycle shop, he faced these same cultural challenges. Nearly everyone in his family had been a GE employee. His great-aunt was one of its first local hires. His uncles did assembly work there. His mother wound coil and assembled circuit boards there until she died at 58. Mann himself dropped out of high school at 16, knowing he'd be able to find similar work. He spent 23 years as a welder at Ridg-U-Rak before moving to GE, where he worked on large trucks and locomotive fans. "It used to be nothing to walk out one [factory] door, go down the street and into another door, and say, 'Do you need a welder?'" he says. "We've been working at large companies for decades and decades."

Now Mann had no choice but to try something new.

III. The Resources Around Us

In big cities, first-time business owners have a fundamental advantage that they may not appreciate: They're surrounded by examples of success. Entrepreneurship is *visible* there. That's not always the case in working-class communities. "Everybody they know is in that blue-collar world," says Hutson. "Without those mentors, they just can't see themselves doing it."

Community-based organizations are starting to fill that gap, says Hutson—from SBDC offices and other agencies that offer free Skype consultations, to inexpensive business classes at community colleges, to local economic development offices that help new entrepreneurs find funding. Hutson often adopts the role of cheerleader for clients who have bad or no credit and haven't really considered their financials. "I constantly reinforce that they know more than they think," she says. "Getting organized and putting your thoughts on paper builds certainty."

Mann would have benefited from a coach like Hutson, but that impostor syndrome kept him from seeking professional assistance. At the start, he was almost stubbornly resigned to his situation. *Nobody's going to help someone like me*, he thought. *I have to do it on my own.*

But Mann did have another kind of support—one that is absolutely an advantage of tight-knit, small towns: He knew a guy. Actually, he knew a few.

The first one helped out on real estate. Mann wasn't a candidate for a small-business loan, and he couldn't convince a landlord to rent him a space while he was on unemployment. But his friend Ron owned a defunct car wash down the street from GE. The place was a disaster. "You've never seen so many hypodermic needles," Mann says. "There was rebar in the parking lot, no doors, no heat. They were bringing hookers into car bays." Ron was happy to sell Mann the property, if only to see it cleaned up. And being sensitive to Mann's finances, he set up the world's most lax payment plan. "I pay when I can," Mann says.

Then Mann hit another snag. The neighbors didn't want him there. They worried his presence would attract even more unsavory types and filed a petition against him. So to prove his good intentions, Mann called in more friends. One buddy owned a blacktop company and helped Mann repave the parking lot at a steep discount. Another buddy owned a garage door company and installed soundproof doors. Mann also installed cameras on the garage to guard against illegal activity and built a bench at the edge of the property, where local kids could wait for their school bus. When he won 16 hams in a raffle, he donated them to families on his block. The neighbors were appeased.

In 2016, after less than a year of existence, Mann's Cycle Works won the Commitment to Erie Award for new business. But he almost didn't attend the ceremony. The idea of entrepreneurship—of the power of entrepreneurship—still hadn't sunk in. "It's just a bike shop," he said at the time. "What's the big deal?"

But actions like his radiate far beyond one store or neighborhood. Mann's new shop had created a little business hub for bike enthusiasts. His friends soon opened a biker bar across the street, which then increased traffic at the convenience store and tattoo parlor on the same block. "As more people become aware of how small businesses invest in the community and [improve] the health of the environment," says Maggie Horne, director of Gannon University's Small Business Development Center in Erie, "they're more willing to value what these businesses bring to the table."

Which is to say that here in Erie, the eighth-fastest-shrinking city in America, where laid-off workers may be reluctant to open new businesses, Mann was starting to provide the kind of story that entrepreneurs in big cities see all the time: He was showing what's possible.

IV. The Community Conundrum

On a warm afternoon last fall, Mann stands by the open door of his garage, drinking strong coffee and shooting the breeze. His friend Tom sits in a folding chair squeezed in between half a dozen or more bikes, all in various stages of disrepair. "I've got to get these bikes out of here," Mann says. "Otherwise I can't get new ones in." But he doesn't expect that to happen soon. Many of their owners owe him money for parts. Until they pay up, he's stuck.

"He's got a community, you know?" says Tom, turning to me. "When they say they'll pay, he tries to take their word for it." Tom shakes his head like he both admires Mann and worries about him.

This community, largely a crew of middle-aged locals, was of course vital to helping launch Mann's business. But it's since become something of a liability. People hire Mann, unsure of when or if they can pay him. They've come in so often to ask repair questions—treating him like a living YouTube instructional video—that he hung a sign that says $75 SHOP MINIMUM. Then he'll reinforce it. "Questions are free, answers $75," he tells people. But still, Mann can't always draw a hard line. When a friend needed $6,000 to pay for his mother's funeral, Mann declined to charge him for an extensive job. He did the same when this friend's wife needed emergency surgery.

Mann knows most customers will try to make it up to him. But not everyone will. It's something he learned the hard way—most difficultly, he says, from his brother John, the one who encouraged him to open the shop in the first place.

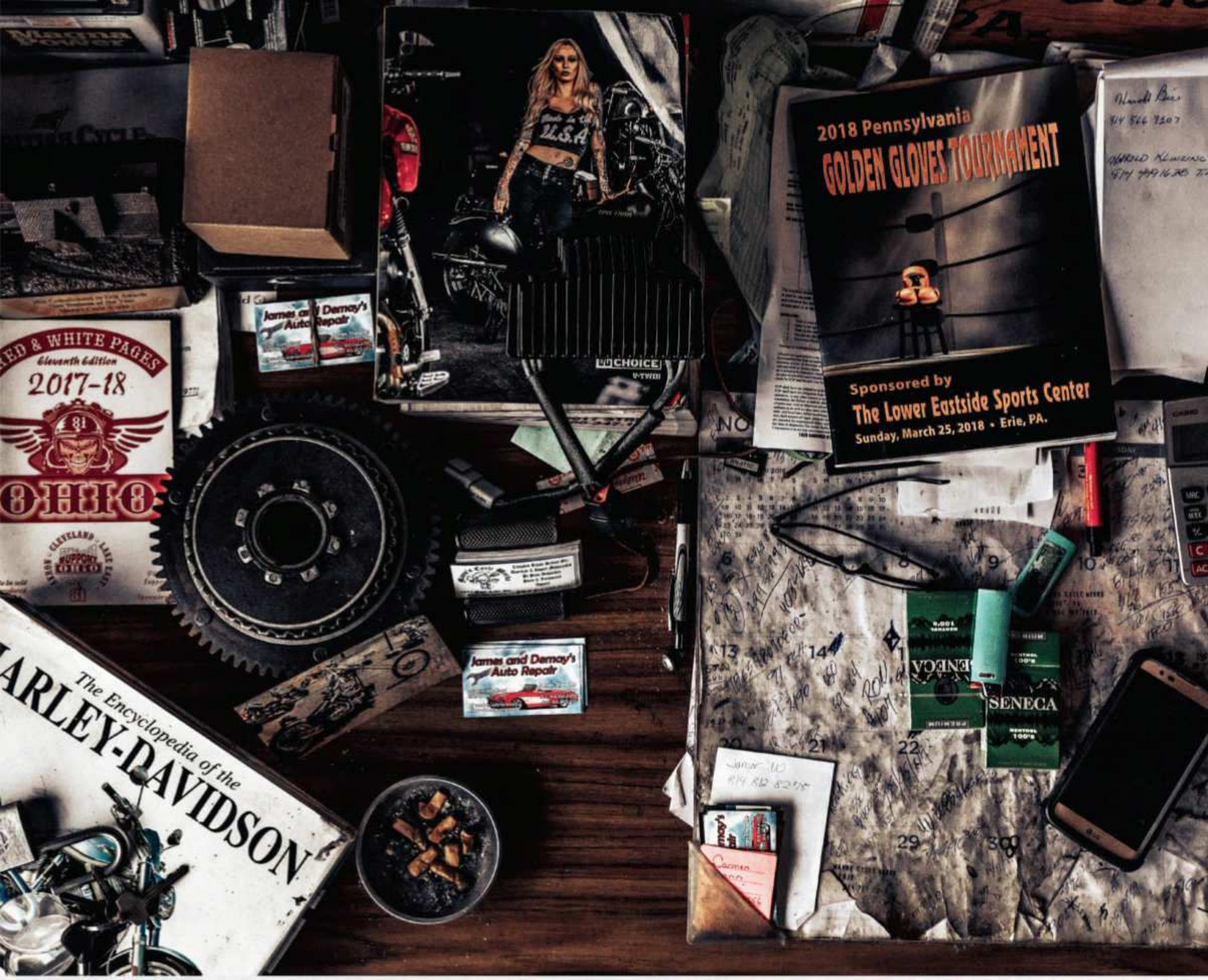
At the outset, John said he'd handle all their company's finances, and Mann agreed. Had they talked to experts, they'd have been advised against this. "In the beginning, people don't want to talk about what happens if it derails or goes badly," says Hutson. She always recommends that clients hire an accountant to manage finances and an attorney to draft a formal partnership agreement, even among family. But the Mann brothers didn't.

In Mann's telling, the relationship quickly devolved. John would come in late and then just sit at the garage desk, smoking and chatting up neighborhood characters. Then, in September 2016, they got into a big blowup at the shop about a contractor John had hired. "He started yelling at me," Mann says. "And I said, 'Why don't you just shut the fuck up or get the fuck out?'"

So John did. A month went by with no sight of him. Truth be told, Mann was relieved. But one day, Mann tried to order some motorcycle parts and his debit card was declined. With a sinking feeling, he drove over to the bank. His account should have had about $20,000 in it, but it was empty. Mann says John took it all. Later, he says, he learned that John also hadn't paid the business's taxes—and the IRS was calling. (John couldn't be reached for comment, but two of Mann's friends, who knew John and have been frequent visitors of the shop, as well as Mann's daughter, confirmed Mann's version of the story.)

"I didn't think I was going to make it, to be honest," Mann says. "It was devastating." To survive, he expanded his business to start fixing snow blowers, which is useful during Erie's heavy winters, and scored a $1,500 job from his mailman, which helped pay off some debt. He's still digging out, but now he believes it's possible.

This was Mann's learning moment. He resolved to stop leaning on family and friends so he could stand on his own. He hired an accountant to get the books in order. He's working harder to buy his building outright. "This year," Mann says, his shop still full of unpaid work, "I'm starting over."



V. THE TRANSFORMATION IS COMPLETE

Over the past two years, as Mann has become more comfortable with owning a business, something intangible but important has shifted: The man who never called himself an entrepreneur has started to talk and even feel like one.

"People need to wake up and see that the big businesses are dying," Mann says. "The small shops, those are growing." His friends now come asking his advice, inspired to follow his lead. In addition to the bar across the street, Mann's friends have started a construction company, a landscaping business, an auto body garage, and a concrete-laying company. And Mann, meanwhile, is starting to think bigger. He wants to open a retail space in Erie and expand Mann's Cycle Works to warm climates—South Carolina and Florida—where there's good winter business. His daughter wants to quit her receptionist job and work with him, and as soon as he's making enough money, he says, he'll welcome it.

The change is happening more broadly, too, according to people who work for small-business organizations. They credit entrepreneurship being in the American zeitgeist; it's filtering into all corners. "Even 10 years ago, people didn't tell their stories of entrepreneurship as much as they do now," Hutson says. Kenneth Louie, director of the Economic Research Institute of Erie, says he's seen many locals start a new business and transform as a result. "It takes a lot in terms of attitudes and motivations and assets," he says.

There's an old line entrepreneurs say about themselves: *If we could do anything else, we would.* That's meant as a testament to passion. Entrepreneurship is so difficult, and can be so thankless, that the only people who do it are those who cannot imagine feeling fulfilled any other way. Mann, of course, came to it through a different kind of necessity—less passion and more economics. "I'm still here" is about the best compliment he'll give himself when you ask how business is going. He jokes that Ringo Starr's "It Don't Come Easy" is his theme song. But like anyone who sets out on their own, he's now devoted to the road ahead. He appreciates its balance of risk and reward. That's entrepreneurship. "I keep going," Mann says. "I just keep going." E

Jennifer Miller is the author of four books. Her latest, Mr. Nice Guy, *comes out in October.*

Cat Fight

Many inventors think they're powerless against bootleggers. Many roll over rather than fight. But Fred and Natasha Ruckel are not most people. When their product was knocked off, they took on a sophisticated, deep-pocketed counterfeiting operation. **Now, for the first time, they can reveal exactly how these bad guys do their work.**

by Michael Kaplan

PHOTOGRAPH COURTESY OF FRED RUCKEL

→ THEY BITE BACK Yoda, the cat that started it all. (*Opposite page*) Natasha and Fred Ruckel with their pets.

Photographs / DAVID YELLEN

On Valentine's Day in 2015, Natasha Ruckel and her husband, Fred, were sitting in their living room in Gilboa, N.Y. Natasha was improvising on the piano, and Fred was listening while messing around with the couple's cat, Yoda. Fred noticed a ripple in the living room rug, forming a half circle on one side. Again and again he tossed toys into the ripple and a delighted Yoda darted in and out. Natasha looked up from her playing. "That's when we came up with the idea for the Ripple Rug," she says.

The Ruckels, who had spent around 25 years earning their living in marketing and advertising for brands from PepsiCo to ESPN to Hasbro, were already in the midst of creating their first venture: an app that provided a way for amateur photographers to monetize online images. But they both agreed that the Ripple Rug was a better bet.

A couple of days later, Natasha went to Home Depot and bought some cheap pieces of carpet, and they got to work on a prototype. When they had that, they launched a Kickstarter campaign in May 2015, pricing the American-made product at $39.95, to test the market. Within 30 days, they received $15,000 in backing. They had the products made in Georgia for $15 each, and filled the orders.

The Ruckels were weighing their next step when, that fall, the opportunity of a lifetime hit. QVC, in conjunction with the *Today* show, hosted an ongoing competition called the "Next Big Thing" for entrepreneurs with new retail products. Participants presented their offerings on the TV program, and the winning products received an order from QVC.

Following an arduous vetting process—including proof of a multimillion-dollar insurance policy, a guarantee of having 1,500 items available for sale, and sample videos of the Ruckels in pitch mode—Ripple Rug made the cut. "We drove into New York City, and at every exit, we practiced the pitch," Fred remembers. "We were there by 5 A.M. and hardly slept the night before."

They sold a few hundred units immediately. QVC bought 1,500 more and Ripple Rug became a top seller. "It was pretty damned amazing," says Fred. "We were profitable out of the gate, which is virtually unheard of. It felt like a great moment."

It was, and it wasn't. Over the next 14 months, the Ruckels learned that coming up with a truly original innovation attracts not only devoted customers but also the kind of highly organized, deep-pocketed bootleggers who rip off products and systematically grind their inventors into the ground—both financially and emotionally. "It creates so much discord that you are willing to give up the dream of entrepreneurship and go back to your day job," says Fred.

→ INSIDE INVENTOR Fred Ruckel in his garage, which has become a Ripple Rug workshop.

In the thick of battle, however, the Ruckels learned critical lessons: the importance of copyrighting assets before launching; the reality that people will steal everything from your marketing pitch to your product to your advertising photos; the need to continually patrol for ripoffs and take action. They also got a darkly fascinating glimpse of how ruthless, well-funded, deeply sophisticated bootlegging operations work—and how, with tenacity, vigilance, a good lawyer, and the right strategy, they can be beaten.

THE 2016 HOLIDAY SEASON promised to be a beautiful one for Fred and Natasha. Sales had been rising month over month for most of the year. By October they had sold nearly half a million dollars' worth of their product. They expected to sell 4,000 Ripple Rugs between Thanksgiving and New Year's Day. They were so certain of it that they put $80,000 into producing fresh inventory.

So when only 2,000 units sold, Fred was confused. "I planned it right—advertising on social media, getting influencers talking, making best-of lists—and couldn't understand what went wrong," he says. He'd worked on hundreds of campaigns before; he knew what he was doing. But he couldn't explain this. "Something weird was going on."

In February 2017, a friend told the Ruckels that his accountant had seen their commercial on TV, but he wondered why the product being advertised had a different name. The Ruckels told him they hadn't aired a TV commercial. Suddenly feeling nauseated, Fred had his friend place a call to the accountant. "She told me that she saw a commercial for something called the Purr N Play, which was just like the Ripple Rug," Fred says. "She thought it could have been ours, but it wasn't."

The Ripple Rug may have been an upstart product, but Fred had a key advantage. He had spent years sidelining as an I.T. forensics specialist for hire by attorneys. "I viewed this [theft] as no different from one of those jobs," says Fred. "The plan was to investigate and put all the pieces together in order to show the crime that was perpetrated." There was no simple way to do this, though, so the Ruckels would have to dig layer by layer, starting with what was in front of them.

First up: the website. The couple found the site selling the Purr N Play—at two for $19.99, plus shipping and handling. Using a friend's name and credit card (so as to not spook the bootleggers), the Ruckels placed an order. A confirmation was emailed to them, along with this strange note: "We are sorry, this product is on back order. We will notify you when stock is available. Your credit card will not be charged until the product is available and shipped." The credit card wasn't charged, but there was no way to cancel the order, either.

Next, employing Photoshop, they went frame by frame through the commercial—which ran online and on TV—and made a stunning discovery. In several of the shots of the cat toy, the Ruckels spotted…a Ripple Rug logo? "We assumed they had manufactured a copy of our rug and sold a ton of them," says Fred; hence, the back order. "But it wasn't a knockoff. It was *our* product!" The mystery had deepened.

The Ruckels then uncovered the source code on the Purr N Play's website, which led them to the site's developer. They did a search for other sites made by that company and found that many were simple sites, like the Purr N Play's, built to sell bootlegged products. Fred placed a call to the web company and told them the product had been hijacked, that it belonged to him. "I told them that the site needs to come down," Fred says. The site builder agreed to comply, but this wasn't the company that knocked off the Ripple Rug. It was just doing work for hire.

The next step was to figure out who made the commercial. It depicted three cats playing with the toy, and two middle-aged women giving testimonials, all set in a house. That was a clue. "We looked online for people who owned commercial locations that matched those used in the videos," says Fred. "We also hunted for notices from people seeking locations that would match those used in the ads: full living rooms where cats would be welcome."

Natasha searched for kitten casting calls and the cats featured in the commercial. She also looked for casting calls that sought women in their 40s who could provide product testimony—the kind of thing a professional videography company would have posted before making this commercial. Bingo: Natasha uncovered a December 14 casting call requesting kittens on Facebook. It was for the Purr N Play commercial. That detail led her to the website of a cat fostering center that had provided the felines used in the videos. Fred contacted the foster center's owner and explained what had happened. "She said her mind was blown," he says. "She confirmed the production and where it was shot. Then, all of a sudden, she turned a cold shoulder and had a lawyer reach out to us."

Soon after, on a hunch, Fred began looking into people who, in recent months, had contacted him about doing discount deals related to the Ripple Rug. One was an operation called *The Bargain Show,* a low-rent online version of QVC. As Ripple Rug sales were tanking, a *Bargain Show* representative repeatedly inquired about working together. "We believe the Ripple Rug could be a great fit for our online shopping network," he wrote. "Nothing beats cute animals on video!"

The timing struck Fred as curious, so he reached out to the rep. When the man called back, the caller ID read "Opfer Communica," according to a photo taken by Fred. The Ruckels looked up Opfer Communications, which makes infomercials, and found that the sets featured on *The Bargain Show* matched those used for the Purr N Play. (Opfer's lawyer, Bernie Rhodes, argues that *The Bargain Show* was merely running infomercials made by Opfer, but otherwise "had nothing to do with Opfer Communications.")

Fred connected with a manager at Opfer. "Point blank, I told him that he had ripped off our product," he says. "The guy's voice remained completely level. He didn't get rattled. He said he would have to talk to some people and get back to us. But he never did."

At this point, by the end of February, Ripple Rug sales were in freefall. Fred and Natasha strategized about what to do with their suddenly deep inventory. They discussed liquidating their 401(k)s or taking out a home equity loan. They had a whole wall of their house covered in Post-it Notes, trying to connect the dots on this bootlegging operation.

And then, a break. After several calls to the web design company, they managed to connect with its CEO. "He gave up the man who had hired him," says Fred. It was, Fred was told, a guy named Ronald Steblea, head of a Connecticut company called Rutledge & Bapst. Much later, from a letter sent to the Federal Trade Commission from a staff attorney with Connecticut's Department of Consumer Protection, the Ruckels would gain some insight into Steblea: A previous company for which he served as president had already weathered a $7.5 million judgment against it for deceptive business practices. That attorney described Rutledge & Bapst as appearing to be an "enterprise whose overall business model is marketing bootleg products while using the images and goodwill of bona fide products like Ripple Rug."

At the end of March 2017, Fred and Natasha Ruckel launched a lawsuit. And over the course of the next year, the Ruckels used the legal discovery process to lift the rock under which Steblea operates, gaining

SCREEN GRABS COURTESY OF SNUGGLYCAT

That Looks Familiar

As their sales tanked, the Ruckels were approached by an online program called *The Bargain Show*. They noticed a curious connection: The show uses the same set the Purr N Play's ad was shot on.

A scene from *The Bargain Show*.

The Purr N Play commercial. Note the fireplace and tall vase in the background.

A satisfied Purr N Play "customer" offers a testimonial on the same set.

a rare look into how an operation like his works.

Most inventors, Fred says, "figure that their products failed because the products were no good. Not because somebody stole the idea, made it cheaper, out-marketed them, and undersold the originals." The scam companies, he discovered, are often rich enough to put $200,000 into marketing a knocked-off product. "Imagine having that kind of money when the guy who made the real invention operates on a shoestring."

The Ruckels' lawyer, Paula Brillson Phillips, a managing partner at Phillips and Pfau, who has worked on more than 50 of these instances, sums up the stakes more simply. "Independent inventors," she says, "are lambs to the slaughter."

WHEN MOST CONSUMERS think of counterfeits, they likely think of big-brand knockoffs: fake Nikes, Rolexes, or luxury handbags, which flood out of places like China and onto street corners around the world, contributing to an estimated $500 billion in global counterfeit sales per year. There's a reason for that, says Joseph Gioconda, attorney at New York–based Gioconda Law Group, which specializes in brand protection. "The counterfeiter is looking to do the least amount of work for the biggest amount of money without any regard for law or morality," he says. Big brands have a built-in marketplace. They're as close to a guaranteed sale as a counterfeiter can get.

But in certain circumstances, small brands can appear to offer the same guaranteed reward—if, for example, like the Ripple Rug, they appear on television shows or rise through the ranks of Amazon best-sellers. In these cases, Gioconda says, the threat is often more homegrown: People who knock off small American products may be based in America themselves, he says, and they build sophisticated operations to help them move fast. They often retain intellectual property lawyers of their own, who make small tweaks to an existing product that gets the counterfeiter around whatever patent the inventor is holding. Or, if the inventor doesn't hold a patent, they move faster than intellectual property law can—knocking off a product and getting it to market before an inventor can protect their idea.

Based on documentation that the Ruckels received from Rutledge & Bapst over the course of the lawsuit, this appears to be how the Ripple Rug landed on Rutledge & Bapst's radar. Internal emails show Rutledge & Bapst employees treating it like a matter of course, as if they're just any product-based company testing a new concept. "Please see attached and below for a new item we're testing called Purr N Play," one writes on January 20, 2017. "I will review this and get things rolling on it!" another replies.

Here, based on an analysis of hundreds of pages of that documentation, is what appears to have unfolded as Rutledge & Bapst allegedly attempted to counterfeit the Ripple Rug.

When the Ripple Rug came to Rutledge & Bapst's attention, it likely checked all the boxes: catchy product, independent inventors, patent pending. They hired the aforementioned web design firm to create a simple website for what had been dubbed the Purr N Play, which mimicked the language, color scheme, and photography of the Ripple Rug's site—even using an image of Yoda, the Ruckels' own cat. An email blast was then sent out to just less than a million people, as a way to test the toy's market potential. The results were good. Purr N Play had customers waiting.

What comes next is the matter of some dispute. In early 2016, as documents show, Rutledge & Bapst reached out to Opfer Communications to propose working together on the Purr N Play. Scott Opfer, head of the firm, then emailed an underling: "This is a product sent to me from Ron. He owns the product and has asked us if we want to partner with him. We do the spot for nothing and he buys the test media. If it works, we...split the profits." (Rhodes,

Inside the Cloning Factory

What does it look like when someone is copying a product? According to internal Rutledge & Bapst documents acquired by the Ruckels during their lawsuit, it looks…well, like business as usual. Below is a real email exchange, edited only for length and clarity, between a Rutledge & Bapst employee and someone working with a factory in China.

Factory coordinator

We cannot send the sample yet, as I feel the upper [mat] with holes is too soft. I am talking with factory to see how to improve it. I'll keep you posted on tomorrow.

Rutledge & Bapst

Thank you for the update. Please keep me informed.

After checking with the factory, they advise that the upper mat with holes from the original sample is too hard. Cat is not easy to go through around underneath. But they can make it harder while mass production. So do you want us send you the sample right now?

Yes, please send the sample.

TWO WEEKS LATER

Sorry for the delay in responding but I decided to order the original sample* to compare and there was a delay in getting the product. My initial evaluation is that [the sample from China] may be too small, but again I will comment in detail once I receive the original.

A COUPLE OF DAYS LATER

I received the sample of the original today for comparison. Regarding your sample: 1. In general, I think the material is too soft. The upper mat with the holes is not sturdy enough to maintain its shape when you Velcro it to the lower mat. 2. The Velcro was not placed correctly, making it more difficult to create a "tunnel" for the cat.

Noted your comments as below, we are checking with factory and will let you know their reply tomorrow.

The best way to describe the material is that it needs to be stiffer.

Factory said that they cannot make it stiff same as the original sample, as they don't find that kind of material, but they will try to make it harder than the current sample while mass production. Regarding the Velcro position, they can improve it while mass production.

**This appears to mean they ordered a Ripple Rug—"the original sample"—to compare their copied version to.*

Opfer's lawyer, tells *Entrepreneur* that the two companies are regular collaborators, but that Opfer never suspected the product was a bootleg, and that their involvement didn't go any further than making the ad. Though he concedes, "They may have had some alternative fee arrangement.")

Next, on August 26, 2016, Opfer sent Rutledge & Bapst a contract to create an infomercial for Purr N Play. "Thanks, Ron," wrote the Opfer employee emailing the agreement to Steblea. "Thrilled to continue to work with you and your team to do fun things." Opfer got to work on the infomercial. A script was circulated, containing a claim about how the Purr N Play was made of "veterinary grade material." "It looks great," a Rutledge & Bapst employee wrote to Scott Opfer in January 2017. "Just one question about the veterinary grade material—is this actually a thing? Or was this a term you created? From a claims standpoint, I just want to make sure we are OK."

"Pulled that straight out of my…," Opfer replied. "We can dump it."

It appears that the bogus line didn't make it into the final video. (Rhodes claims it is standard practice in the infomercial business for the producer to make claims in a script, and then have the client strike them if they're false.)

A rough of the ad was produced, and a Rutledge & Bapst staff member emailed it to another for feedback. The latter employee was elated. "Hi, Ron sent it to me last night. I think it is awesome. The part where the 3 kitten heads pop out is adorable and made me laugh. Love it!!" She then added, "Just hope if it works we'll be able to manufacture it."

Read that sentence again. Fred had initially worried the Purr N Play was back-ordered because his antagonist had sold so many of them. But in reality, Rutledge & Bapst *didn't have any product to sell.* As it turns out, even before Rutledge & Bapst was preparing to advertise the product, the company was struggling to manufacture it.

Rutledge & Bapst had purchased the original Ripple Rug legitimately and had it shipped directly to a representative in China, who was working to arrange production. This is common, Brillson Phillips says. "China is where the bulk of counterfeit manufacturing takes place," she says. "There's usually somebody on the ground orchestrating things, and somebody in the United States directing the operation." In this case, however, multiple Chinese factories were unable to re-create the product. The Ruckels' lawsuit turned up a running email exchange between a Rutledge & Bapst employee and a representative in China. The representative says they're struggling to replicate the label "on the original product"; a Rutledge & Bapst employee replies, "No problem, we don't need the label." The rep says two of the factories said the Ripple Rug's "raw material is quite expensive"; the employee says to try "a cheaper material"; the rep sends an estimated cost per unit; Rutledge & Bapst pushes to get that number below $4, even if it means making the rug smaller. The rep alerts Rutledge & Bapst that a cat they are using to test the knockoff prototype is struggling to get around and beneath the top layer, which was apparently too soft to ripple properly.

These delays appear to be what saved Fred and Natasha's business. The Purr N Play ad campaign may have been going well—Rutledge & Bapst spent more than $8,000 to run the ad during reruns of Hallmark *Murders & Mysteries* shows and other programs that would attract older consumers—but before a Chinese manufacturer had figured out how to make it, the Ruckels had alerted the U.S. government to the problem. The couple hoped that shipments of the knockoffs would be stopped when they were trying to enter the country.

Had the products made it into the States, they might have even made it onto retail shelves, says Gioconda, the brand protection lawyer. That's because "As Seen on TV" sections are often something of the Wild West of retail. The phrase sounds like it connotes some authority, but it's actually generic; no one entity owns the phrase, and it can be applied to just about anything. Oftentimes, a questionable marketing company will buy shelf space in retailers across the country, mark that space "As Seen on TV," and then stock the shelves with bootlegged products. "I've seen that happen at least several dozen times," Gioconda says.

But in the Ruckels' case, they sued before the Purr N Play was ever made. On February 23, 2017, an attorney for Rutledge & Bapst responded that they have "discontinued all efforts to manufacture, market, and otherwise promote its Purr N Play product and all use of its direct response television commercial advertising that product." On March 1, Opfer also agreed to cease marketing it. The lawsuit went on, but the Purr N Play, a nonexistent product that caused no end of havoc, was, at long last, no more.

But the Ruckels didn't just want these companies to stop; they wanted compensation for the lost Ripple Rug sales. The case ground on for months. Finally, in August 2017, nearly five months after the suit had been initiated, the two sides agreed to talk about a settlement. The Ruckels and Ron Steblea sat down in a judge's chambers at the Federal Courthouse in Bridgeport, Conn. Across a conference-room-style table, the couple and their lawyers tensely confronted their adversary and his lawyers. Fred remembers Steblea sitting with a smirk.

Fred asked Steblea what he was smiling about.

He recalls Steblea responding coolly: "It's nothing personal."

"It never is with thieves," said Fred.

IN THE END, the Ruckels won. On January 31 of this year, Steblea backed down and agreed to settle. And on February 20, the parties signed the agreement. The Ruckels say they received money in the settlement but, as part of the terms of the agreement, cannot say how much. The Ruckels still have pending claims against some of the other parties involved in the counterfeit. Steblea did not respond to multiple requests for comment.

Gioconda, who reviewed the Ruckels' lawsuit at *Entrepreneur*'s request, says the couple did three things right that all other entrepreneurs should do, too: They filed for intellectual property protection very early, including trademarks and provisional design and patent applications; they hired good and aggressive lawyers; and, in telling their story in a venue like this, they're getting the word out that they strike back against bootleggers. "Counterfeiters pick their targets based on ROI, and they don't want to get sued or hassled," Gioconda says. It's just easier to go after people who give up quickly.

How much the attempted bootlegging cost the Ruckels is difficult to estimate, but today, the Ripple Rug lives on. "We're getting new colors in, and things are going really well," says Fred. "We're in with the best-sellers on Amazon."

The Ruckels decided to put some of the lawsuit money toward creating an organization devoted to helping other product inventors who find themselves victimized by poachers. They named it the Randy Cooper Foundation, after a late inventor whose health failed partly over the stress of his product design being stolen repeatedly. Bootleggers "work in the dark corners of the internet," Fred says. "And I am right there, watching them."

Clearly, he needs to. In May, three months after the Ruckels settled their lawsuit, Fred spotted something disturbing on Amazon—a product called Vpets Cat Activity Play Mat that looked exactly like the Ripple Rug. "They copied our information word for word, even where it says 'Ripple Rug' in the descriptive text," Fred wrote in an email. But he had notched one victory in this arena already. There was room for more.

"Today," he wrote, "shall be a long day of digging in."

Michael Kaplan is a journalist in New York City.
Additional reporting by Jason Feifer.

Franchise/ Franchisor

PHOTOGRAPHS COURTESY OF ANYTIME FITNESS

Strong Loyalty, Stronger Growth

By building a brand that consumers (and franchisees) adore, **Anytime Fitness** CEO Chuck Runyon has found fans across the globe. **by NINA ZIPKIN**

Most people hate the gym. (Go ahead, admit it.) But Anytime Fitness, which recently opened its 4,000th location worldwide, seems to attract a particular kind of devotee: Thousands of members have tattooed the company logo onto their bodies. Cofounder and CEO Chuck Runyon isn't surprised by that; he knows a 24-hour gym like his can transform lives. That's the foundation of his entire business; he started it 16 years ago, after his brother died from heart disease. Runyon had been working at a local fitness club and saw a greater opportunity to help people get healthy.

Today, Anytime Fitness has more than $1 billion in revenue, close to four million members worldwide, and a bold international expansion strategy. This year, Runyon will open 400 new locations, the majority of which will be in international cities.

You've got ambitious growth plans. How do you approach expansion?
It doesn't matter if you're in China or Australia or Europe—people want to look and feel their best, and they aspire to entrepreneurship. We can empower entrepreneurs around the world. We use a master franchisee strategy, so instead of selling and supporting individual units globally, a group will come in and buy a country. Australia was the first international master franchisee deal we reached, back in 2008. They understand the local market conditions and have some experience in either the fitness or franchise sector. They sell and support the franchisee network; we support them to be the franchisor.

Why did you opt for that model?
It provides an opportunity to scale because you're harnessing someone else's expertise and capital to grow a specific market. We are not experts at the Japanese franchising market or fitness industry, but we can partner with someone who is.

How do you work to stay ahead of your competition, both in the U.S. and internationally?
We have two types of stakeholders we are always obsessed with. One of them is our members—we're close to four million globally, and they have 24/7 access to any one of our clubs in the world. We're more convenient than any other gym chain out there. And the other stakeholder is our franchisees. Our model is simpler to operate than competitors', and we're focused on franchisees' profitability. If the franchisees are happy, they buy more units, and our system grows.

Do you tweak the business to better serve international customers?
If you visit an Anytime Fitness anywhere in the world, 80 percent of it will always be the same. Our general rule is: standardized whenever possible, localized when necessary. You might see more group activity, some virtual fitness, maybe different machinery or design based on the local market. But from a consumer perspective, they first and foremost love the convenience and atmosphere of our club. You get all the big-club programming in a smaller environment, so it's less intimidating. That resonates around the world.

How do you explain the Anytime Fitness tattoos that your members have gotten? That's some serious passion.
The stories from those people always center around some incredible life change: "I've run a marathon" or "I've lost 100 pounds" or "I'm a better parent, or spouse, because of this new healthy version of myself." It's saying, "I love who I am, and I want to show the world." No one gets a tattoo because they've made a certain amount of money; it's about a life transformation.

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Auntie Anne's Man in the Philippines

Six years ago, **Mikkel Paris** became the pretzel brand's master franchisee in his home country. By listening to and serving his unique audience, he is creating significant growth. **by LYDIA BELANGER**

Mikkel Paris knew very little about making pretzels, but suddenly he was supplying a large portion of the Philippines with them. In 2012, his family company took over as the nation's Auntie Anne's master franchisee, and he was put in charge of all 17 stores' operations. As he got acquainted with the brand—and learned what Filipinos want in a pretzel—he realized that his new career path wasn't so different from his previous experience: He'd spent eight years managing the 80-retailer shopping center within London's bustling Liverpool Street railway station. Both jobs required a lot of creative management, as well as understanding an ever-changing audience. Since taking this new role, he has opened more than 30 new Auntie Anne's locations, and he plans to double that by 2020.

PHOTOGRAPH COURTESY OF AUNTIE ANNE'S

How did your work in London end up preparing you for life as an Auntie Anne's franchisee?
Filipinos love going to the mall because of the heat here. Part of our expansion involves finding the right sites and negotiating with the malls. My experience in London, working on the other side of the table, proved very, very useful. The bigger challenge was learning the operational [intricacies] of Auntie Anne's. Although I had managed convenience stores and supermarkets before, this is a different thing altogether.

What was your first order of business when you took over?
We had to renovate almost every single one of the 17 stores within the first year or two. We also had to learn the operational side. Somebody from [Auntie Anne's parent company] Focus Brands came in to show me everything that happens in our stores, because you can't lead the team if you don't know what goes on. We kept most of the staff, but we had to retrain everybody.

How did you let your customer base know the brand was under new management?
The Philippines is a billboard nation; advertising and marketing are huge here. But we didn't have a lot of money to invest in big billboards. So I started our Auntie Anne's Philippines Facebook page from my cellphone. I learned within the first few months that people engaged most with photos of pretzels inside the warmer, rather than the artistic, Photoshopped stock photos. It shows customers that we're a real business and it's a real product. What you see is what you get when you walk into the store.

Have you made changes to the menu to serve this particular market?
In the Philippines, Auntie Anne's tends to focus on developing sweet products. One of the most common requests we used to get from customers when we started was to cut up their pretzels, and I saw in the U.S. that they already had the pretzels in nugget form. Over here, everybody loves the almond crunch pretzel, so we decided to produce almond-flavored nuggets and serve them in a cup so they're easier to walk around the mall with.

Have you experimented with other products?
We launched cream cheese sticks, and when those did really well, we thought, *What can we add to them?* The Philippines is a tropical place, so we decided to add fruit—blueberry first, then strawberry—and both performed well. Now we're going to try adding different things, like mangoes. In the Philippines, we love our mangoes. The Auntie Anne's product is so versatile. That was one of the beauties of the brand that our family saw from the beginning.

Put Your Payment System to Work

The ability to accept credit cards is a must for any modern business. But franchise systems shouldn't be afraid to expect more from their payment-processing vendor. by **LISSA HARRIS**

On its face, choosing a credit card payment processor is a simple matter of numbers. What percentage of each transaction does the processor take? What are the fees involved?

But for a growing business, choosing the right payment processor can be more of an art than a science. The factors that matter most are a little harder to quantify: customer service, tech support, and a smooth interface between the processor and the point-of-sale (POS) system that handles your transactions.

That's especially true for franchise systems. In addition to payment processing, franchises may also need their vendor to help generate sophisticated reports or manage loyalty programs, which need to function smoothly across multiple locations.

"Processing rates and fees are all kind of similar, especially for large franchises that negotiate at scale," says Matt Taylor, executive VP of global integrated payments and SMB eCommerce for processing company Worldpay. Finding a partner that will give you the kinds of support your business needs is more nuanced.

"You've got to make sure that the POS system and integrated payments functionality work seamlessly together," Taylor says. "Then when there's a problem, because there often is—retail and hospitality are messy environments—you've got to make sure you get the right support equation between the POS partner and the payments provider." Here are three questions to ask when searching for a payment-processing vendor.

1/ Does it evolve with the industry?

With the rise of cloud-based computing, more sophisticated security requirements, and the proliferation of mobile payments, the technology of payment processing is evolving fast. A good processor is one that's invested in keeping up. "I've seen more innovation around payments and point-of-sale in the past five years than the previous decade," Taylor says. As an example, he points to EMV, the chip-based system that most card issuers and point-of-sale system providers have switched to in recent years. Worldpay built a new feature to support EMV for cloud-based payment systems. "Originally, EMV didn't fully address considerations in terms of workflows for cloud-based POS," Taylor says. "There was a real dearth in the market for functionality."

2/ Which size is right for my company?

The payment processor space is dominated by a few major players. Worldpay is one of them, responsible for more than 40 billion transactions a year across 146 countries—a scale that can be especially appealing to big companies. But there's another end of the spectrum: specialists like Franchise Payments Network, a midsize payment-processing business dedicated to franchise systems, which is familiar with the quirks of the industry. "Depending on how robust the franchisor's home office is, sometimes we're really their outsourced IT department," says founder Tom Epstein.

3/ How does it handle loyalty programs?

Payment processors are deep in the loyalty game, helping brands create these programs and analyzing the data they generate. But each processor may approach it differently, or pitch you different benefits. Franchise Payments Network, for example, stresses how well it can train franchisees to implement the plans. "If you can get a customer to join a loyalty program, our data shows they're going to spend 17 percent more on their average ticket," Epstein says. At Worldpay, Taylor stresses data security: "How data flows through the system, what payments information is shared, and how the consumer information is stored are extremely important."

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When a Cup Is More Than Just a Cup

Earlier this year, Dunkin' Donuts announced it would be phasing out its old foam cups. For many other companies, this would be simple. For Dunkin'—and its legion of fanatical fans—it was the culmination of an agonizing, obsessive, decade-long odyssey. This is the inside story.

by **ALYSSA GIACOBBE**

→ HOT COMMODITY Dunkin' Donuts' new cup, nearly 10 years and countless designs in the making.

In New England, it is often said, Dunkin' Donuts is religion. Not only does it have a rock-solid reputation for consistency—the chain still uses the original coffee blend established by founder Bill Rosenberg more than 60 years ago—it's also egalitarian, the sort of place where your car salesman grandfather and your techie nephew might run into Patriots owner Bob Kraft, all out for their morning Dunks run. This universal quality is part of what has helped the brand engender a ritualistic loyalty and retain a distinctly local vibe, even as it has expanded to more than 12,500 stores in 46 countries. It is also why Dunkin' does not take change lightly.

This is not to say it hasn't made innovations over the years. You don't get this big without moving forward. But change is often slow, says COO Scott Murphy; it requires "uber-communication" with guests and inevitably results in an onslaught of hate mail anyway. "We have such loyal customers, who are coming four, five times a week," Murphy says. "When we don't get it right—maybe we give them the wrong flavor coffee or a doughnut instead of a bagel or we change their cup...we change *something*—it's a big deal," he says. Last year, for instance, when the chain announced it would be replacing its fan favorite Coffee Coolatta with something, in the words of then SVP of marketing Chris Fuqua, "better," called the Frozen Iced Coffee, customers accused it of "basically ruining everything."

Which brings us to the cups.

About 10 years ago, Dunkin' Donuts execs began talking seriously about ditching the foam cups most stores were still using for most medium, large, and extra-large hot drinks in favor of something more sustainable. Foam had endured for many reasons, and Dunkin' used a lot of it: about a billion cups each year. Franchisees loved foam because it was cheap and light—94 percent air. Customers loved foam because it was easy on the hands and kept hot drinks hot and—when holding a plastic iced-coffee cup inside—cold drinks cold.

→ MAN WITH A MISSION
Dunkin' Donuts COO Scott Murphy.

Everyone, it seemed, loved foam.

Except they didn't. Foam had also become what Murphy calls a "veto vote" from the younger market. Some communities and college campuses had started banning it, and more were coming soon. It was time to find an alternative.

Murphy, who was VP of global supply chain back then, didn't want to ditch the foam cups merely "for perception," though; he wanted to move to something just as good, if not better. But he didn't know what that was, or how to get it, or if it existed. "It was a lot more complex of a process and a decision than, frankly, I had anticipated way back when," he says. "Even as new people joined the company, they'd say, 'Oh, why don't we just go to a paper cup?'"

Karen Raskopf, chief communications and sustainability officer, was one of those people. "That's what I said on my first day here" in 2009, she says. "And they said, 'Well, it's funny you ask that; we're going to have a meeting on the cup this afternoon.' And I walk in, there's like 15 people sitting in there, and I'm like, *Oh, come on; how hard can this be?*"

As it turns out, pretty hard.

DUNKIN' DONUTS already had paper cups, of course. But they were far from perfect. While paper cups might have appeared to be greener than foam, most on the market, including the ones Dunkin' used, had plastic or wax linings that prevented leaking but also hindered recycling. They cost more, too, and didn't perform nearly as well as their foam counterparts.

What's more, the paper cup Dunkin' used for its small hot drinks did not accommodate Murphy's preferred lid, which is resealable—not just reclosable—and had taken a long time to perfect. He is very proud of this lid. "You can actually tip our cup over," he says. "I don't recommend it, but it all stays in." Any new cup, as far as he was concerned, would have to accommodate this lid, or work with one that was just as good.

Dunkin's paper espresso cups, meanwhile, required a cardboard "comfort sleeve" that proved a nuisance for mobile customers. "You put them in your cup holder in your car, you go to pull it out, the sleeve stays in the car, and it's just very clumsy," says Murphy. Also, if you're having a hard time keeping track of all these cups and lids, so were they. Between the various types and sizes, the cups, lids, and sleeve for hot drinks alone amounted to 11 different SKUs, "which was crazy," says Murphy.

He tasked supply chain manager Joseph Hellyar—who eventually earned the very Massachusetts nickname "Joey Cups"—with finding viable options for a single

→ **KEEPING IT GREEN**
Dunkin' Donuts' head of sustainability, Karen Raskopf.

replacement cup that could be used, in four sizes, for all hot drinks. The ideal cup would be recyclable, compostable, or otherwise very sustainable; keep coffee hot and hands cool; work with the resealable lid; and not cost franchisees too much. Raising coffee prices to pay for the new cups, says Murphy, was not an option.

Over the next *10 years,* Hellyar met weekly with the Dunkin' sustainability team and reported findings once a month to Murphy's operations team and the marketing team. They saw dozens of options and either focus-grouped or tested the best 15. There were paper cups with external sleeves and paper cups with internal sleeves, and with both compostable and noncompostable linings. A recyclable plastic polypropylene cup

> SCOTT MURPHY IS HOPING CUSTOMERS WILL EMBRACE THE NEW CUPS, BUT DUNKIN'S DEVOTED PARTISANS CAN BE VERY STUBBORN. "WE'RE GOING TO GET HATE MAIL," HE SAYS.

market-tested in New York City in anticipation of the city's 2015 foam ban—which was eventually struck down but reinstated this spring—was rejected because the lid was different "and consumers had a real problem with that," says Murphy.

They held focus groups about totally different topics during which they served hot coffee just to watch people interact with potential cups. Murphy became obsessed with the "cup management process," which told him whether or not a cup was any good. "You're holding the cup," he says. "After a few seconds, it starts to get a little bit too hot. So you put it in your left hand while your right hand cools. Then you switch back. And then you end up doing the sort of Maui hang loose, where you put your thumb on the top of the lid and your pinky on the bottom of the cup." Any test cup that resulted in a Maui hang loose did not go any further. Murphy did not want his customers to have to solve the problem of cups that were too hot to hold; he wanted them to have a cup they could hold with one hand the entire time.

There were other nonstarters, like the cup made out of recycled water bottles someone was creating for the airline industry. "It was very light, but what they couldn't do is make a hard edge, so the bottom of the cup was almost beveled," says Murphy. "It was like a Weeble. I remember thinking, *This is where I go home to my wife and tell her what I do for a job: 10 highly paid people around a conference table poking a cup to see if it could pass the tip test.*" It couldn't.

Hellyar and his team were regularly sent suggestions and prototypes, the best—or most entertaining—of which they shared with leadership. "Do you remember the edible cups?" Murphy asks Raskopf. "A lot of them were made out of fungus."

"We got excited about that," she says.

"We did get excited about that," he says. "They claimed you could literally just throw [them] into the Charles River and they would disintegrate, they hoped, within 90 days."

And on and on it went. In 2009, as an interim solution, Dunkin' reduced the foam in its medium cups. In 2010, the company teamed up with competitors Starbucks and Tim Hortons, which were also wrestling with the environmental impact of their cup usage, to share prototypes and ideas at a "Cup Summit" held at MIT. For three consecutive years, the companies invited manufacturers, recyclers, NGOs, academics, raw material suppliers, and others from the food and beverage business to talk about possible answers to the problem of packaging as well as the limitations of recycling. The biggest hurdle was that many of the more sustainable solutions could not be created in the volume these companies needed, while many recycling programs were unable to process that many cups even if they were recyclable. The summit was eventually discontinued.

In mid-2015, one of Murphy's paper suppliers merged with the manufacturer of his beloved lid—a company he declines to name. Sensing an opportunity, he issued them a challenge: Make us a sustainable, high-performance paper cup that can work with the lids we love. The firm accepted. It took them two years to perfect the result: an affordable, double-walled paper cup that's easy on the hands. A layer of air sandwiched between two layers of responsibly sourced paper provides nearly foam-level insulation—better than a single wall and a sleeve. It can be made in four sizes. The reclosable lid is a perfect fit on all of them.

The reaction from consumer feedback groups was positive. So Murphy moved forward. He toured around to different franchises to do a "cup show" in which he poured coffee into the new cup, told franchisees to drink from it, and asked them how it felt. "It was great," he says. "It hit on all the criteria we'd talked about—cost, performance, environmental—and it was with a trusted manufacturer we knew could scale up. And we got to keep our existing lid."

Now they just had to tell the customers.

IN FEBRUARY, Dunkin' Donuts introduced its new double-walled paper cup and announced it would replace all foam cups by 2020, with rollout to begin this spring. Reaction, says Raskopf, has been mostly positive—though, of course, for now the elimination of foam is mostly theoretical. But there is already one reason to worry. In early market tests of foamless stores, Murphy says they uncovered some crew members hoarding cases of foam to serve the regulars. "For every quote-unquote millennial who won't drink out of foam and wants to make the environment a better place," he says, "there's also my father, who's a veteran, who thinks it's the best cup in the world and will save that foam cup to store nails in his basement."

There is also a segment of consumers extremely devoted to "double cupping"—or requesting a foam "hot cup" to put their plastic iced-coffee cup inside of—a practice Murphy says started in Rhode Island and has spread to a few other nearby markets, as well as to some parts of Florida. Rhode Island is one of Dunkin's biggest iced-coffee markets, and the practice is so widespread that some stores will automatically include a hot cup with every iced-coffee order. Solutions to this practice, including branded koozies and a reusable mug program, have not curbed the demand. "I often get cast with 'How do we make the cold cup not sweat?' and my answer to that always is 'You're asking me to change physics,'" says Murphy. "It's really hard."

As a result, some customers have been taking the initiative. Diana Goodine, a busy mom of four and a daily Dunkin' customer in suburban Rhode Island, began to stockpile foam cups the day the brand announced the news. Goodine says she's tried the koozies, but they make her cup wobble. Her brother-in-law, who plans to install a permanent foam cup in his car, says that wrestling the sleeve onto his iced coffee is like trying to get it into a wet suit. (Dunkin' has a fix for that: "As goofy as this idea sounds, half-koozies," says Murphy. "They're about an inch or two tall, so they don't go up the full cup, but they prevent that condensation ring that happens on your desk. It's almost like a coaster.")

Raskopf says that much of the focus now is on how to get parts of New England, and especially Rhode Island, prepared. ("We have a whole group of people working on exactly that," says Raskopf. "We don't have the solution yet.") They don't know if they'll warn customers about the final foam date or if, instead, they'll cut them off cold-turkey. Some franchisees have asked if they can please tell customers in the month leading up to the transition to save their foam cups. ("We're exploring all options," says Raskopf.) Murphy is hoping double-cupping devotees might reconsider the sleeves or reusable mugs. "But we're going to get hate mail from [people] who are very upset," he says.

While Murphy and his team are still finalizing a rollout schedule, the first priority for replacing foam cups will be given to markets with legislation and bans. Meanwhile, the brand is also in the process of changing the cold cups' lids from PET to a recyclable polypropylene, which Raskopf says should remove 500,000 pounds of material from the waste stream every year, and are meeting about more sustainable straw solutions. Also, 50 "next-generation" stores expected to open this year are 25 percent more energy-efficient than standard stores and offer digital kiosks, a drive-through dedicated to app orders, cold brew on tap, and healthier to-go snacks. All will carry the double-walled paper cups.

In January, Dunkin' unveiled one such store in Quincy, Mass., home of its very first store. Daniel, who takes my order at the counter on a late spring day, says that customers know the deal, but they'll still ask for foam—the double-cuppers especially. "They get mad, but we say it's a foamless store," he says. The good news is that they don't leave. Says Daniel, "They just ask for double cold cups."

Alyssa Giacobbe is a native New Englander and year-round iced-coffee drinker whose work has appeared in Architectural Digest, Women's Health, Town & Country, Boston, *and* New York.

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"I had worked in various home building trades," George continues, "and I enjoyed mostly all of them. I became a very busy sub-contractor in a variety of tasks from plumbing to carpentry. I worked mainly for general contractors building homes and apartments.

When it was time to take all my skills and find a permanent career where I could use them," said George, "I heard about Pillar To Post Home Inspectors®. I chose them because of their great brand recognition with real estate agents and the public. They also offered tremendous support and cutting edge technology that their competitors did not. I already had some very good technical skills to build on with them. Once I met with the key people, my fate was sealed in a good way."

As the housing market continues strong growth, homeowners clearly recognize the importance of hiring a certified home inspector. A recent survey released by the American Society of Home Inspectors (ASHI) found that 88 percent of all U.S. homeowners believe home inspections are a necessity, not a luxury.

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ABOUT SUBWAY

Subway offers a fresh alternative to traditional fast food, serving 7 million made-to-order sandwiches a day in about 44,000 restaurants in more than 100 countries. The Subway experience is also delivered online at www.Subway.com and through the Subway® App.

SUBWAY FAST FACTS

- **We have about 44,000 restaurants in more than 100 countries!**
- **Nontraditional locations: 10,900+ making up 25 percent of the company**
- **Estimated investment: $150,050 to $328,700+ in the U.S.**

SUBWAY® - A BRAND BUILT ON GREAT SANDWICHES

Subway® Executive Chef Chris Martone knows that the simple key to success is making a great customized sandwich for each guest that visits.

Recently, the brand introduced three crave-worthy, protein-packed Signature Wraps in bold, flavorful choices: Chipotle Southwest Steak and Cheese; Turkey, Bacon and Guacamole; and the Savory Rotisserie-Style Chicken Caesar. These Signature Wraps, made on either a Tomato Basil Wrap or a Spinach wrap, are double the meat of an average 6-inch sub.

"As part of my job, I have introduced some great sandwiches, salads and wraps, as well as creative toppings and sauces, using unique and exciting flavor profiles," said Chef Martone. "The real pleasure in sandwich making comes in providing enough quality ingredients to help customers find the sandwich that is perfect for them."

And, in keeping with Subway's long history as the leader in customization, guests always have the option to create their own Signature Wrap. "Make It What You Want™" using the wide variety of ingredients available at all Subway restaurants.

Subway has also added the new Signature Wraps to catering platters and in Subway To Go!™ Box Meals.

"Subway is focused on menu innovation as part of its commitment to meeting changing consumer preferences and providing a great experience for the millions of people around the world who visit Subway every day," says Len Van Popering, Vice President of Global Brand Management and Innovation.

Guests can choose from 37 million combinations of quality proteins, fresh vegetables and bread baked fresh daily in each shop. Among the sandwich choices are eight Fresh Fit™ six-inch subs with 400 calories or less and low in saturated fat. Each Fresh Fit sandwich is made on 9-grain wheat bread with all the fresh veggies, providing two servings of vegetables and 24 grams of whole grains.

"You can get really creative with your sandwich at Subway and we are confident you can find something to meet any flavor profile or dietary need," Chef Martone said. "Have some fun with it! The choice is yours and you can have your sandwich made exactly as you like."

SUBWAY

For Subway franchise Information:

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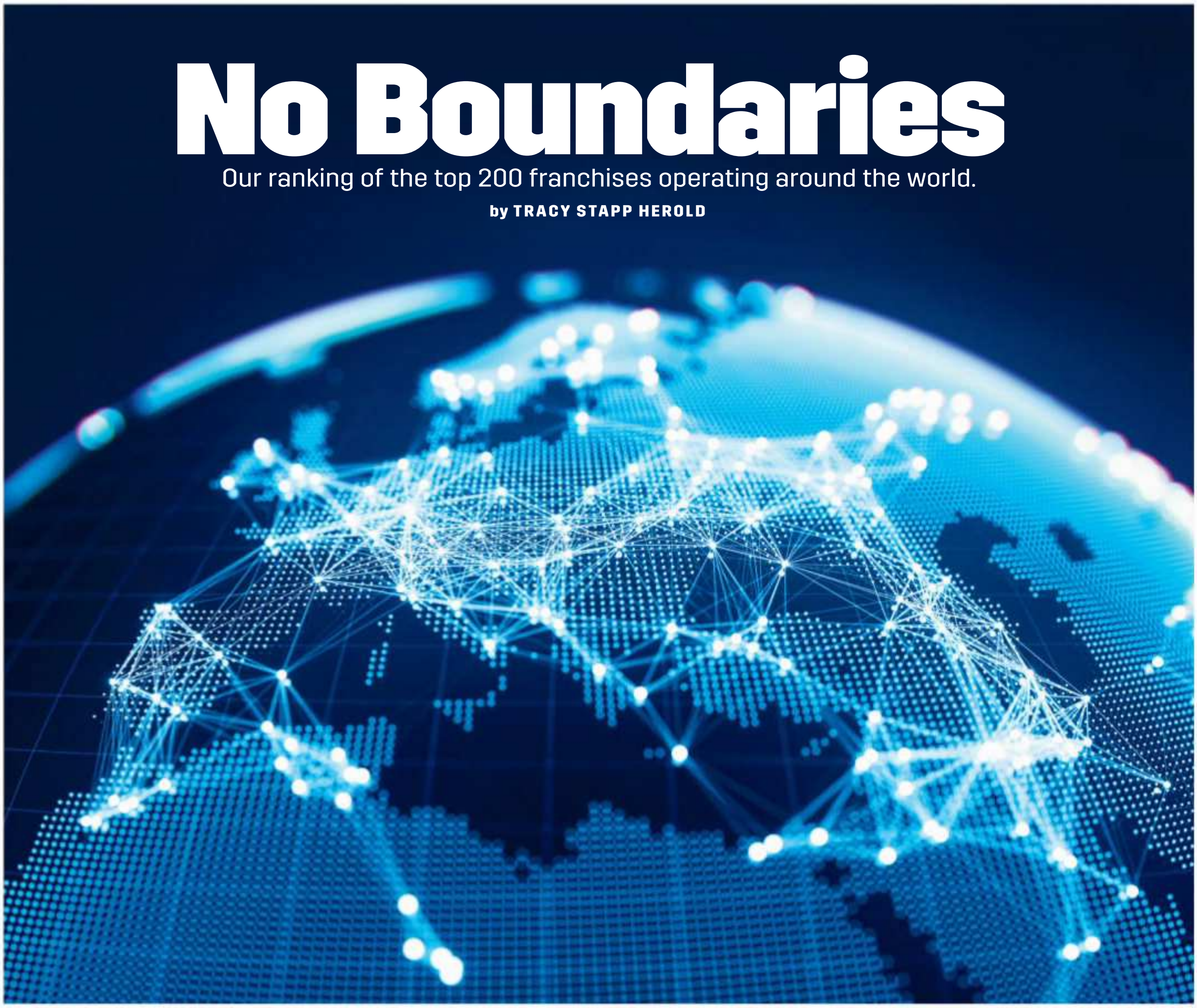
No Boundaries

Our ranking of the top 200 franchises operating around the world.

by TRACY STAPP HEROLD



PHOTOGRAPH BY ISTOCKPHOTO.COM/IMAGINIMA

Franchising in more than one country comes with its own unique set of challenges, from finding and supporting franchisees from a distance to making a brand work in different cultures, languages, and economies. But more and more companies seem willing to tackle those challenges—and those that are doing it best can be found here, on *Entrepreneur*'s annual list of the top global franchises.

To create this ranking, we started with our Franchise 500® formula and tweaked it to give extra weight to international size and growth. Other areas considered by the formula, which examines more than 150 data points in all, include costs and fees, franchisee support, brand strength, and financial strength and stability. Only companies that indicated that they are seeking new franchisees outside the U.S., and that had at least five units open internationally as of July 2017, were considered for this ranking.

Keep in mind that our ranking is not intended as an endorsement of any particular opportunity. No matter where you are in the world, always do your homework before buying a franchise. Read the company's legal documents, consult with an attorney and an accountant, and talk to as many existing and former franchisees as you can.

1
McDonald's
Burgers, chicken, salads, beverages
STARTUP COST
$1M–$2.2M
TOTAL UNITS
(Franchised / Co.-Owned)
34,279/3,007

2
7-Eleven
Convenience stores
STARTUP COST
$37.6K–$1.1M
TOTAL UNITS
(Franchised / Co.-Owned)
61,086/1,019

3
KFC
Chicken
STARTUP COST
$1.5M–$2.6M
TOTAL UNITS
(Franchised / Co.-Owned)
19,463/1,363

4
Pizza Hut
Pizza, pasta, wings
STARTUP COST
$302K–$2.2M
TOTAL UNITS
(Franchised / Co.-Owned)
14,645/352

5
Subway
Subs, salads
STARTUP COST
$147.1K–$320.7K
TOTAL UNITS
(Franchised / Co.-Owned)
44,608/0

6
Kumon Math & Reading Centers
Supplemental education
STARTUP COST
$69.6K–$148.97K
TOTAL UNITS
(Franchised / Co.-Owned)
25,827/32

7
RE/MAX
Real estate
STARTUP COST
$37.5K–$225K
TOTAL UNITS
(Franchised / Co. Owned)
7,560/0

8
Dairy Queen
Ice cream, burgers, chicken
STARTUP COST
$1.1M–$1.9M
TOTAL UNITS
(Franchised / Co. Owned)
6,905/2

McDonald's/ No.1

McDONALD'S RANKS number one on both our Franchise 500 and our Top Global Franchises lists this year—and it's number one in the hearts (and feeds) of social media users as well. The Golden Arches has more followers on Facebook, Twitter, and Instagram (77.4 million, 3.6 million, and 3.2 million, respectively) than any other company on our list. And those are just the company's main accounts. Accounts for specific countries, like McDonald's Philippines (@mcdo_ph) and McDonald's Argentina (@mcdonalds_ar), have followers in the hundreds of thousands.

PHOTOGRAPHS COURTESY OF MCDONALD'S CORPORATION

TOP 5 REASONS

TO OWN A PUROCLEAN RESTORATION FRANCHISE

1 VIRTUALLY RECESSION PROOF

$204 Billion Property & Casualty Insurance Claims

2 VERY HIGH MARGINS

With 3rd Party Payments

3 NATIONAL ACCOUNT WORK

*With **Top** Insurance Carriers*

4 LARGEST TERRITORIES IN THE INDUSTRY

Unlimited Potential

5 FINANCING AVAILABLE

For Over 50% Total Investment

About 1 in 15 insured homes have a claim each year

(ISO®, a Verisk Analytics® company)

$$$

$204,000,000,000 Property & Casualty Market

(2016 AM Best Data)

1 in 250 insured homes have a property damage claim caused by fire damage

(ISO®, a Verisk Analytics® company)

1 in 55 insured homes have a property damage claim caused by water damage

(ISO®, a Verisk Analytics® company)

9
Dunkin' Donuts
Coffee, doughnuts, baked goods
STARTUP COST
$228.6K–$1.7M
TOTAL UNITS
(Franchised / Co.-Owned)
12,538/0

10
Baskin-Robbins
Ice cream, frozen yogurt, frozen beverages
STARTUP COST
$93.6K–$401.8K
TOTAL UNITS
(Franchised / Co.-Owned)
7,982/0

11
Snap-on Tools
Professional tools and equipment
STARTUP COST
$169.5K–$350.2K
TOTAL UNITS
(Franchised / Co.-Owned)
4,696/162

12
Anytime Fitness
Fitness centers
STARTUP COST
$89.4K–$677.8K
TOTAL UNITS
(Franchised / Co.-Owned)
3,969/38

13
H&R Block
Tax preparation, electronic filing
STARTUP COST
$31.6K–$149.4K
TOTAL UNITS
(Franchised / Co. Owned)
4,027/6,655

14
Novus Glass
Auto glass repair and replacement
STARTUP COST
$46.2K–$241.9K
TOTAL UNITS
(Franchised / Co. Owned)
1,967/32

15
Ace Hardware
Hardware and home-improvement stores
STARTUP COST
$272.5K–$1.6M
TOTAL UNITS
(Franchised / Co.-Owned)
4,932/101

16
The UPS Store
Postal, business, printing, and communications services
STARTUP COST
$177.96K–$402.6K
TOTAL UNITS
(Franchised / Co.-Owned)
4,979/0

17
Hilton Hotels and Resorts
Upscale hotels and resorts
STARTUP COST
$29.1M–$111.95M
TOTAL UNITS
(Franchised / Co. Owned)
503/69

18
Keller Williams
Real estate
STARTUP COST
$183.9K–$336.99K
TOTAL UNITS
(Franchised / Co. Owned)
885/0

19
Interim HealthCare
Medical home care, medical staffing
STARTUP COST
$125.5K–$198.5K
TOTAL UNITS
(Franchised / Co.-Owned)
561/0

20
Petland
Pets, pet supplies, boarding, daycare, grooming
STARTUP COST
$280K–$1M
TOTAL UNITS
(Franchised / Co.-Owned)
176/13

Subway/ No.5

THE 200 COMPANIES on this list represent more than 414,000 total units open around the world. More than 10 percent of those locations belong to just one company: Subway. Though it remains the world's largest restaurant brand by a wide margin, the sandwich giant recently announced that it will continue to reduce its North American footprint. At the same time, though, it said that global expansion will continue, with plans for 1,000 more international shops to open this year.

PHOTOGRAPHS COURTESY OF SUBWAY

21
Arby's Restaurant Group
Sandwiches, fries, shakes
STARTUP COST
$314.6K–$1.8M
TOTAL UNITS
(Franchised / Co.-Owned)
2,340/1,077

22
Rainbow International Restoration & Cleaning
Indoor cleaning and restoration
STARTUP COST
$171.7K–$278.1K
TOTAL UNITS
(Franchised / Co.-Owned)
371/0

23
The Little Gym International
Development/ fitness programs
STARTUP COST
$181.5K–$428.5K
TOTAL UNITS
(Franchised / Co.-Owned)
389/0

24
Denny's
Family restaurants
STARTUP COST
$228K–$2.5M
TOTAL UNITS
(Franchised / Co.-Owned)
1,549/172

25
ServiceMaster Clean/ ServiceMaster Restore
Commercial/residential cleaning, disaster restoration
STARTUP COST
$93.2K–$299K
TOTAL UNITS
(Franchised / Co.-Owned)
5,023/10

26
My Gym Children's Fitness Center
Early-learning/ fitness programs
STARTUP COST
$36.8K–$249.7K
TOTAL UNITS
(Franchised / Co. Owned)
503/0

27
Taco Bell
Mexican food
STARTUP COST
$525.1K–$2.6M
TOTAL UNITS
(Franchised / Co. Owned)
5,889/797

PHOTOGRAPH COURTESY OF ABRAKADOODLE

Abrakadoodle/ No.109

KNOWING THAT THE Asian market is highly receptive—but also highly competitive—when it comes to American children's education brands, U.S.–based Abrakadoodle teamed up with another brand that was already seeing success there, My Gym Children's Fitness Centers (no. 26). Since 2010, My Gym's master franchisee in China has opened around 300 cobranded Abrakadoodle/My Gym locations, and 50 Abrakadoodle-only art studios. The cobranding strategy is now being employed in Singapore as well, with both companies reaping the benefits.


Build a life
you love.

28
Servpro
Disaster restoration and cleaning
STARTUP COST
$158.1K–$211.95K
TOTAL UNITS (Franchised / Co.-Owned)
1,749/0

29
Holiday Inn and Holiday Inn Express
Hotels
STARTUP COST
$7.5M–$24.8M
TOTAL UNITS (Franchised / Co.-Owned)
3,730/3

30
Great Clips
Hair salons
STARTUP COST
$136.9K–$258.3K
TOTAL UNITS (Franchised / Co.-Owned)
4,285/0

31
Sport Clips
Men's sports-themed hair salons
STARTUP COST
$189.3K–$354.5K
TOTAL UNITS (Franchised / Co.-Owned)
1,638/54

32
Hampton by Hilton
Midprice hotels
STARTUP COST
$6.9M–$17.1M
TOTAL UNITS (Franchised / Co.-Owned)
2,277/0

33
Gold's Gym
Health and fitness centers
STARTUP COST
$2.2M–$5M
TOTAL UNITS (Franchised / Co.-Owned)
571/148

34
Hooters
Casual restaurants
STARTUP COST
$956.5K–$4.3M
TOTAL UNITS (Franchised / Co.-Owned)
229/197

35
Poolwerx
Pool and spa maintenance, service, remodeling, and supplies
STARTUP COST
$78.5K–$288.5K
TOTAL UNITS (Franchised / Co.-Owned)
131/2

36
Carl's Jr. Restaurants
Burgers
STARTUP COST
$1.4M–$1.95M
TOTAL UNITS (Franchised / Co.-Owned)
1,536/80

37
Weed Man
Lawn care
STARTUP COST
$68.5K–$85.5K
TOTAL UNITS (Franchised / Co.-Owned)
335/0

38
Once Upon A Child
New and used children's clothing, equipment, furniture, toys
STARTUP COST
$254.1K–$390.5K
TOTAL UNITS (Franchised / Co.-Owned)
357/0

39
Super 8
Hotels
STARTUP COST
$209.6K–$4.4M
TOTAL UNITS (Franchised / Co.-Owned)
2,873/0

40
Home Instead Senior Care
Nonmedical senior care
STARTUP COST
$108.9K–$124.9K
TOTAL UNITS (Franchised / Co.-Owned)
1,077/6

41
Matco Tools
Mechanics' tools and equipment
STARTUP COST
$91.4K–$269.6K
TOTAL UNITS (Franchised / Co.-Owned)
1,755/2

42
Pirtek
Hose service and supply centers/mobile services
STARTUP COST
$113.6K–$633K
TOTAL UNITS (Franchised / Co.-Owned)
484/4

43
Mac Tools
Automotive tools and equipment
STARTUP COST
$171.4K–$359.8K
TOTAL UNITS (Franchised / Co.-Owned)
1,146/20

44
The Maids
Residential cleaning
STARTUP COST
$76.1K–$164.4K
TOTAL UNITS (Franchised / Co.-Owned)
1,236/111

45
Hardee's
Burgers, chicken, biscuits
STARTUP COST
$1.4M–$1.9M
TOTAL UNITS (Franchised / Co.-Owned)
2,111/115

Kumon Math & Reading Centers/ No.6

KUMON WAS FOUNDED 60 years ago in Japan by high school math teacher Toru Kumon. The franchise first expanded beyond Japan in 1974, with the opening of a center in Larchmont, N.Y., to serve Japanese expatriates. It proved so successful not just with them but with others in the community that it sparked a massive global expansion. Today the company has learning centers in 50 countries, helping more than four million children around the world.

PHOTOGRAPH BY JAMES WEBER STUDIO/KUMON

Petland/ No.20

PETLAND IS PROVING that the love of pets is universal. The brand, now more than 50 years old, was founded and is still based in the small town of Chillicothe, Ohio, but has locations as far-flung as Brazil, South Africa, and China. Petland's corporate team find many of their international franchisees by attending Interzoo, the world's largest pet trade show, held every other year in Nuremberg, Germany. But just like their U.S.–based counterparts, new international franchisees must make their way to Chillicothe for up to five weeks of training.

46
Chem-Dry Carpet & Upholstery Cleaning
Carpet and upholstery cleaning, tile and stone care, granite countertop renewal

STARTUP COST
$56.5K–$162.5K

TOTAL UNITS
(Franchised / Co.-Owned)
3,536/0

47
Papa John's International
Pizza

STARTUP COST
$130.1K–$844.4K

TOTAL UNITS
(Franchised / Co.-Owned)
4,410/645

48
Expense Reduction Analysts
Business consulting

STARTUP COST
$66K–$85.9K

TOTAL UNITS
(Franchised / Co.-Owned)
708/6

49
Supercuts
Hair salons

STARTUP COST
$144.3K–$296.9K

TOTAL UNITS
(Franchised / Co.-Owned)
1,721/944

50
Plato's Closet
Teen- and young-adult-clothing resale stores

STARTUP COST
$253.1K–$399.5K

TOTAL UNITS
(Franchised / Co.-Owned)
472/0

51
Embassy Suites by Hilton
Upscale all-suite hotels

STARTUP COST
$17.4M–$75M

TOTAL UNITS
(Franchised / Co. Owned)
235/0

52
PostNet Neighborhood Business Centers
Packing, shipping, printing, signs, marketing solutions

STARTUP COST
$169.8K–$212.3K

TOTAL UNITS
(Franchised / Co. Owned)
666/0

53
GNC Franchising
Vitamins and nutrition products

STARTUP COST
$180.5K–$347.3K

TOTAL UNITS
(Franchised / Co.-Owned)
3,084/3,506

54
uBreakiFix
Electronics repairs

STARTUP COST
$60.4K–$220.9K

TOTAL UNITS
(Franchised / Co.-Owned)
307/18

55
Jazzercise
Group fitness classes, conventions, apparel, and accessories

STARTUP COST
$3.7K–$32.8K

TOTAL UNITS
(Franchised / Co.-Owned)
9,077/2

56
Minuteman Press International
Printing, graphics, and marketing services

STARTUP COST
$64.2K–$164.5K

TOTAL UNITS
(Franchised / Co.-Owned)
965/0

57
Jan-Pro Franchising International
Commercial cleaning

STARTUP COST
$3.99K–$51.1K

TOTAL UNITS
(Franchised / Co.-Owned)
8,486/0

58
Color Glo International
Leather, vinyl, fabric, carpet, and surface repair and restoration

STARTUP COST
$56.3K–$61.4K

TOTAL UNITS
(Franchised / Co. Owned)
142/0

59
Pearle Vision
Eye care and eyewear

STARTUP COST
$400.3K–$605.2K

TOTAL UNITS
(Franchised / Co. Owned)
421/102

PHOTOGRAPHS BY BRIAN JONES/PETLAND

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- One of the largest member bases in the worldwide fitness industry

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Entrepreneur FRANCHISE 500 TOP GLOBAL FRANCHISE 2018

50 2018 Best In Category FranchiseBusinessREVIEW

60
The Alternative Board (TAB)
Peer advisory boards, business coaching
STARTUP COST
$45.4K–$94.4K
TOTAL UNITS
(Franchised / Co.-Owned)
226/28

61
Dale Carnegie Training
Workplace training and development
STARTUP COST
$51.2K–$186.5K
TOTAL UNITS
(Franchised / Co.-Owned)
271/2

62
Ziebart
Auto appearance and protection services
STARTUP COST
$227K–$450K
TOTAL UNITS
(Franchised / Co.-Owned)
379/12

63
Doubletree by Hilton
Upscale hotels and resorts
STARTUP COST
$21.99M–$69.3M
TOTAL UNITS
(Franchised / Co.-Owned)
397/0

64
Camille Albane Franchising
Upscale hair and beauty salons
STARTUP COST
$245.9K–$424.8K
TOTAL UNITS
(Franchised / Co.-Owned)
270/0

65
Drama Kids International
After-school drama classes and summer camps
STARTUP COST
$28.8K–$49.5K
TOTAL UNITS
(Franchised / Co. Owned)
233/0

66
Kid to Kid
New and used children's and maternity clothing and products
STARTUP COST
$258.2K–$448.7K
TOTAL UNITS
(Franchised / Co. Owned)
121/1

67
HouseMaster
Home inspections
STARTUP COST
$61.1K–$106.2K
TOTAL UNITS
(Franchised / Co.-Owned)
312/0

68
Sky Zone
Trampoline playing courts
STARTUP COST
$1.3M–$2.7M
TOTAL UNITS
(Franchised / Co.-Owned)
180/1

69
Pop-A-Lock Franchise System
Mobile locksmith and security services
STARTUP COST
$99.7K–$134.3K
TOTAL UNITS
(Franchised / Co.-Owned)
558/3

70
Snap Fitness
24-hour fitness centers
STARTUP COST
$148.8K–$462.8K
TOTAL UNITS
(Franchised / Co. Owned)
1,376/34

71
Budget Blinds
Window coverings, window film, rugs, accessories
STARTUP COST
$110.1K–$230.9K
TOTAL UNITS
(Franchised / Co. Owned)
1,134/0

72
Leadership Management
Leadership and organization training and development
STARTUP COST
$20K–$27.5K
TOTAL UNITS
(Franchised / Co.-Owned)
461/0

73
Right at Home
Home care, medical staffing
STARTUP COST
$78.3K–$137.9K
TOTAL UNITS
(Franchised / Co.-Owned)
553/0

PHOTOGRAPH BY STEPHEN NOBLE/EXPENSE REDUCTION ANALYSTS

Expense Reduction Analysts/ No.48

EXPENSE REDUCTION ANALYSTS, which does business consulting, has almost four times as many franchises open internationally than domestically. Part of the key to its successful growth worldwide is that franchisees collaborate rather than compete with each other. In fact, most projects delivered to clients involve two or three franchisees working together. Franchisees are also encouraged to recommend potential new franchisees, and are rewarded with luxury vacations if their recommended candidates join the system.


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* Financing subject to credit approval.

74
CPR Cell Phone Repair
Electronics repairs and sales
STARTUP COST
$58.2K–$176K
TOTAL UNITS (Franchised / Co.-Owned)
365/4

75
Express Employment Professionals
Staffing, HR solutions
STARTUP COST
$130K–$206K
TOTAL UNITS (Franchised / Co.-Owned)
761/0

76
Hilton Garden Inn
Upscale midprice hotels
STARTUP COST
$12.1M–$23.2M
TOTAL UNITS (Franchised / Co.-Owned)
741/0

77
Nutty Scientists
Science enrichment and entertainment programs
STARTUP COST
$50.7K–$263.1K
TOTAL UNITS (Franchised / Co.-Owned)
271/5

78
AAMCO Transmissions and Total Car Care
Transmission repair and car care
STARTUP COST
$223.6K–$330.5K
TOTAL UNITS (Franchised / Co.-Owned)
630/0

79
Merry Maids
Residential cleaning
STARTUP COST
$86.8K–$123.8K
TOTAL UNITS (Franchised / Co.-Owned)
1,667/3

80
Two Men and a Truck International
Moving services
STARTUP COST
$95K–$666K
TOTAL UNITS (Franchised / Co.-Owned)
300/2

81
Liberty Tax Service
Tax preparation, electronic filing
STARTUP COST
$58.7K–$71.9K
TOTAL UNITS (Franchised / Co.-Owned)
3,479/289

82
Homewood Suites by Hilton
Upscale extended-stay hotels
STARTUP COST
$11M–$22.1M
TOTAL UNITS (Franchised / Co.-Owned)
435/0

83
Sir Speedy Print Signs Marketing
Printing, signs, marketing services
STARTUP COST
$227.98K–$277.98K
TOTAL UNITS (Franchised / Co.-Owned)
239/0

84
Eye Level Learning Centers
Supplemental education
STARTUP COST
$58.1K–$140.8K
TOTAL UNITS (Franchised / Co.-Owned)
616/797

85
Rooter-Man
Plumbing, drain, and sewer cleaning
STARTUP COST
$46.8K–$137.6K
TOTAL UNITS (Franchised / Co.-Owned)
613/22

86
Wingstop Restaurants
Chicken wings
STARTUP COST
$346.8K–$733.2K
TOTAL UNITS (Franchised / Co.-Owned)
1,035/21

87
Round Table Franchise
Pizza
STARTUP COST
$423.5K–$831.3K
TOTAL UNITS (Franchised / Co.-Owned)
371/71

88
Merle Norman Cosmetics
Cosmetics and skin-care products
STARTUP COST
$34.8K–$186.5K
TOTAL UNITS (Franchised / Co.-Owned)
1,182/2

89
Gyu-Kaku Japanese BBQ Restaurant
Japanese barbecue restaurants
STARTUP COST
$785.3K–$2.1M
TOTAL UNITS (Franchised / Co.-Owned)
702/20

90
The Melting Pot Restaurants
Fondue restaurants
STARTUP COST
$969.2K–$1.4M
TOTAL UNITS (Franchised / Co. Owned)
119/3

91
Marco's Pizza
Pizza, subs, wings, cheese bread
STARTUP COST
$222.8K–$663.8K
TOTAL UNITS (Franchised / Co.-Owned)
894/0

PHOTOGRAPH COURTESY OF CPR CELL PHONE REPAIR

CPR Cell Phone Repair/ No.74

"A BRAND MUST BE WILLING TO adapt to different cultures," says Jeff Gasner, VP of franchise sales for CPR Cell Phone Repair. Case in point: The company had to change its logo—a white cross on a red background—in order to expand to Saudi Arabia, where symbols associated with Christianity are not allowed. Now the brand is ready to open its first Saudi Arabian store this fall, with at least three more locations slated for 2019, and it's inking a deal to come to Turkey—a country with similar restrictions—as well.

92
Tutor Doctor
Tutoring
STARTUP COST
$68.5K–$101.7K
TOTAL UNITS
(Franchised / Co.-Owned)
531/1

93
Planet Fitness
Fitness clubs
STARTUP COST
$857.1K–$4.2M
TOTAL UNITS
(Franchised / Co.-Owned)
1,353/58

94
Jiffy Lube International
Oil changes, preventative maintenance
STARTUP COST
$71.7K–$450K
TOTAL UNITS
(Franchised / Co.-Owned)
2,089/0

95
Paul Davis Restoration
Insurance restoration
STARTUP COST
$196.4K–$422.6K
TOTAL UNITS
(Franchised / Co.-Owned)
250/0

96
Anago Cleaning Systems
Commercial cleaning
STARTUP COST
$10.4K–$68.5K
TOTAL UNITS
(Franchised / Co.-Owned)
1,503/0

97
milliCare
Flooring, carpet, and textile maintenance
STARTUP COST
$106.2K–$149.9K
TOTAL UNITS
(Franchised / Co.-Owned)
77/0

98
Rocky Mountain Chocolate Factory
Chocolates, confections
STARTUP COST
$191.3K–$363K
TOTAL UNITS
(Franchised / Co.-Owned)
250/4

99
Maid Brigade
Residential cleaning
STARTUP COST
$85K–$124K
TOTAL UNITS
(Franchised / Co.-Owned)
455/0

100
UFC Gym
Fitness, boxing, kickboxing, and MMA classes
STARTUP COST
$295.1K–$4.9M
TOTAL UNITS
(Franchised / Co.-Owned)
123/11

The majority of our TOP GLOBAL FRANCHISES (63.5 percent) say they are seeking new franchisees throughout the world. The rest are focusing only on specific regions.
THE MOST POPULAR REGIONS (other than the U.S.) FOR TARGETED EXPANSION ARE:

1/ Canada
2/ Western Europe
3/ Asia, Australia/ New Zealand, and Mexico (a three-way tie)

101
MaidPro
Residential cleaning
STARTUP COST
$57.6K–$207.5K
TOTAL UNITS
(Franchised / Co.-Owned)
242/1

102
Glass Doctor
Auto/residential/commercial glass installation, repair, and replacement
STARTUP COST
$128.8K–$265.5K
TOTAL UNITS
(Franchised / Co.-Owned)
180/0

103
Nurse Next Door Home Care Services
Medical/nonmedical home care
STARTUP COST
$105.1K–$199.4K
TOTAL UNITS
(Franchised / Co.-Owned)
151/1

104
Pak Mail
Packing, shipping, crating, freight, mailboxes, business services
STARTUP COST
$151.5K–$227.5K
TOTAL UNITS
(Franchised / Co.-Owned)
382/1

105
Padgett Business Services
Financial, payroll, consulting, and tax services
STARTUP COST
$20.2K–$99.98K
TOTAL UNITS
(Franchised / Co.-Owned)
356/0

106
Smoothie King
Smoothies, healthful snacks, health products
STARTUP COST
$225.7K–$778.2K
TOTAL UNITS
(Franchised / Co.-Owned)
876/26

107
Fully Promoted
Branded products and marketing services
STARTUP COST
$92.8K–$248.4K
TOTAL UNITS
(Franchised / Co.-Owned)
283/0

108
School of Rock
Music education
STARTUP COST
$136.9K–$339.1K
TOTAL UNITS
(Franchised / Co.-Owned)
179/30

109
Abrakadoodle
Art-education programs
STARTUP COST
$37.9K–$80.6K
TOTAL UNITS
(Franchised / Co.-Owned)
397/2

110
Yesco
Sign and lighting service and maintenance
STARTUP COST
$65K–$352.2K
TOTAL UNITS
(Franchised / Co.-Owned)
57/49

111
AlphaGraphics
Digital publishing, internet services, printing, marketing, and communications
STARTUP COST
$285.8K–$429.4K
TOTAL UNITS
(Franchised / Co.-Owned)
281/0

112
Steamatic
Insurance/disaster restoration, cleaning, mold remediation
STARTUP COST
$74.4K–$173.5K
TOTAL UNITS
(Franchised / Co.-Owned)
170/0

113
Pita Pit
Pita sandwiches and salads
STARTUP COST
$197.6K–$410.3K
TOTAL UNITS
(Franchised / Co.-Owned)
612/16

114
Floor Coverings International
Flooring
STARTUP COST
$153.4K–$214.4K
TOTAL UNITS
(Franchised / Co.-Owned)
166/0

115
Comfort Keepers
Home care
STARTUP COST
$86.2K–$139.6K
TOTAL UNITS
(Franchised / Co.-Owned)
751/23

116
9Round
Kickboxing circuit-training programs
STARTUP COST
$87.2K–$128.8K
TOTAL UNITS
(Franchised / Co.-Owned)
657/7

117
Carstar Franchise Systems
Auto collision repair
STARTUP COST
$283.7K–$824.3K
TOTAL UNITS
(Franchised / Co.-Owned)
533/1

118
Orangetheory Fitness
Group personal training
STARTUP COST
$488.4K–$994.4K
TOTAL UNITS
(Franchised / Co.-Owned)
714/17

119
Yogi Bear's Jellystone Park Camp-Resorts
Family camping resorts
STARTUP COST
$52K–$3M
TOTAL UNITS (Franchised / Co.-Owned)
85/0

120
Dogtopia
Dog daycare, boarding, and spa services
STARTUP COST
$416K–$1.1M
TOTAL UNITS (Franchised / Co.-Owned)
45/5

121
Firehouse Subs
Subs
STARTUP COST
$94.8K–$1.1M
TOTAL UNITS (Franchised / Co.-Owned)
1,049/37

122
LeafSpring School
Preschool, after-school recreation, day camp, care for mildly ill children
STARTUP COST
$3.5M–$6.5M
TOTAL UNITS (Franchised / Co.-Owned)
20/1

123
Charleys Philly Steaks
Philly cheesesteaks, fries, lemonade
STARTUP COST
$225.6K–$532.2K
TOTAL UNITS (Franchised / Co.-Owned)
519/56

124
American Leak Detection
Concealed water, gas, and sewer leak detection
STARTUP COST
$76.8K–$259.6K
TOTAL UNITS (Franchised / Co.-Owned)
163/53

125
Gloria Jean's Coffees
Specialty coffee
STARTUP COST
$181.2K–$488.8K
TOTAL UNITS (Franchised / Co.-Owned)
856/0

126
Kinderdance International
Children's dance, gymnastics, fitness, and yoga programs
STARTUP COST
$17.95K–$46.1K
TOTAL UNITS (Franchised / Co. Owned)
134/2

127
Fibrenew
Leather, plastic, and vinyl restoration and repair
STARTUP COST
$93.3K–$104.8K
TOTAL UNITS (Franchised / Co. Owned)
241/0

128
Auntie Anne's Hand-Rolled Soft Pretzels
Soft pretzels
STARTUP COST
$199.5K–$385.1K
TOTAL UNITS (Franchised / Co. Owned)
1,814/14

129
ComForCare Home Care
Nonmedical and skilled home care
STARTUP COST
$76.7K–$175K
TOTAL UNITS (Franchised / Co. Owned)
200/0

130
Pillar To Post Home Inspectors
Home inspections
STARTUP COST
$34.4K–$42.6K
TOTAL UNITS (Franchised / Co.-Owned)
560/0

131
SafeSplash Swim School
Child and adult swimming lessons, parties, summer camps
STARTUP COST
$39K–$866K
TOTAL UNITS (Franchised / Co.-Owned)
115/18

132
Mathnasium Learning Centers
Math tutoring
STARTUP COST
$112.8K–$148.6K
TOTAL UNITS (Franchised / Co.-Owned)
892/14

133
Ben & Jerry's
Ice cream, frozen yogurt, sorbet, smoothies
STARTUP COST
$156.4K–$486K
TOTAL UNITS (Franchised / Co.-Owned)
557/29

134
CleanNet USA
Commercial cleaning
STARTUP COST
$20.9K–$85.4K
TOTAL UNITS (Franchised / Co.-Owned)
2,364/11

135
Vanguard Cleaning Systems
Commercial cleaning
STARTUP COST
$10.9K–$39.4K
TOTAL UNITS (Franchised / Co.-Owned)
3,237/0

136
Home Care Assistance
Nonmedical home care
STARTUP COST
$77.8K–$245.3K
TOTAL UNITS (Franchised / Co.-Owned)
116/32

137
Precision Tune Auto Care
Auto repair and maintenance
STARTUP COST
$127K–$253.6K
TOTAL UNITS (Franchised / Co. Owned)
281/45

138
Circle K
Convenience stores
STARTUP COST
$185.5K–$1.6M
TOTAL UNITS (Franchised / Co. Owned)
2,286/5,765

139
PuroClean
Property damage restoration and remediation
STARTUP COST
$161.1K–$185.9K
TOTAL UNITS (Franchised / Co. Owned)
237/2

140
Midas International
Auto repair and maintenance
STARTUP COST
$179.1K–$435.1K
TOTAL UNITS (Franchised / Co. Owned)
2,090/0

141
Edible Arrangements
Sculpted fresh-fruit bouquets
STARTUP COST
$195.5K–$327.7K
TOTAL UNITS (Franchised / Co. Owned)
1,239/6

142
Homewatch CareGivers
Home care, nursing-care coordination, memory care
STARTUP COST
$83K–$131K
TOTAL UNITS (Franchised / Co. Owned)
190/0

143
Fatburger North America
Burgers
STARTUP COST
$525.5K–$988K
TOTAL UNITS (Franchised / Co. Owned)
159/0

144
Ramada Worldwide
Hotels
STARTUP COST
$218.9K–$13.8M
TOTAL UNITS (Franchised / Co.-Owned)
873/0

145
InterContinental Hotels & Resorts
Hotels
STARTUP COST
$67.2M–$98.5M
TOTAL UNITS (Franchised / Co.-Owned)
186/2

146
Grease Monkey Franchising
Oil changes, preventive maintenance
STARTUP COST
$156.7K–$340.9K
TOTAL UNITS (Franchised / Co.-Owned)
230/90

147
Cinnabon
Cinnamon rolls, baked goods, coffee
STARTUP COST
$182.8K–$327.3K
TOTAL UNITS (Franchised / Co.-Owned)
1,464/2

148
FastSigns International
Signs, graphics
STARTUP COST
$193.5K–$289.6K
TOTAL UNITS (Franchised / Co.-Owned)
674/0

149
First Choice Haircutters
Family hair salons
STARTUP COST
$168.9K–$282.6K
TOTAL UNITS (Franchised / Co.-Owned)
197/210

150
Motel 6
Economy hotels
STARTUP COST
$2.6M–$3.8M
TOTAL UNITS (Franchised / Co.-Owned)
824/454

Food-based businesses are the kings of GLOBAL DOMINATION, making up 20 percent of our top global franchises. OTHER INDUSTRIES PROVING POPULAR INTERNATIONALLY:

1/ Maintenance
2/ Personal care
3/ Children's businesses
4/ Business services
5/ Lodging

OPEN

151
Bricks 4 Kidz
Lego-engineering classes, camps, parties
STARTUP COST
$34.3K–$52.8K
TOTAL UNITS (Franchised / Co.-Owned)
631/0

152
Realty Executives Intl. Svcs.
Real estate
STARTUP COST
$23.5K–$171K
TOTAL UNITS (Franchised / Co.-Owned)
481/0

153
Crowne Plaza Hotels & Resorts
Hotels
STARTUP COST
$28.4M–$61.3M
TOTAL UNITS (Franchised / Co.-Owned)
410/0

154
Allegra Marketing-Print-Mail
Printing, marketing, mail, signs, promotional products
STARTUP COST
$205.99K–$564.6K
TOTAL UNITS (Franchised / Co.-Owned)
254/4

155
Comet Cleaners
Dry cleaning and laundry services
STARTUP COST
$570K–$979K
TOTAL UNITS (Franchised / Co.-Owned)
160/0

156
CertaPro Painters
Residential and commercial painting
STARTUP COST
$134.8K–$169.5K
TOTAL UNITS (Franchised / Co.-Owned)
365/0

157
Signarama
Signs
STARTUP COST
$110K–$295.5K
TOTAL UNITS (Franchised / Co.-Owned)
702/0

158
Play It Again Sports
New and used sporting goods/equipment
STARTUP COST
$240.9K–$397.9K
TOTAL UNITS (Franchised / Co.-Owned)
290/0

159
Mr. Electric
Electrical services
STARTUP COST
$86.1K–$184.8K
TOTAL UNITS (Franchised / Co.-Owned)
151/0

160
Carvel Ice Cream
Ice cream, ice cream cakes
STARTUP COST
$250.6K–$415.5K
TOTAL UNITS (Franchised / Co.-Owned)
398/0

161
Image360
Signs, graphics, displays, digital imaging
STARTUP COST
$192.4K–$364.1K
TOTAL UNITS (Franchised / Co.-Owned)
312/2

162
Chester's
Chicken
STARTUP COST
$12K–$296.6K
TOTAL UNITS (Franchised / Co.-Owned)
1,156/0

163
Signal 88 Security
Private security guard and patrol services
STARTUP COST
$73K–$268.4K
TOTAL UNITS (Franchised / Co.-Owned)
376/0

164
Villa Italian Kitchen
Pizza, Italian food
STARTUP COST
$296.95K–$894K
TOTAL UNITS (Franchised / Co.-Owned)
97/151

165
Metal Supermarkets
Metal stores
STARTUP COST
$216.5K–$378K
TOTAL UNITS (Franchised / Co.-Owned)
83/5

The 10 companies on our list with the **MOST FRANCHISES OPEN OUTSIDE THE U.S.** are:

1/ 7 Eleven
2/ Kumon Math & Reading Centers
3/ McDonald's
4/ Subway
5/ KFC
6/ Pizza Hut
7/ Baskin Robbins
8/ RE/MAX
9/ Dunkin' Donuts
10/ Dairy Queen

166
Buffalo Wings & Rings
Sports restaurants
STARTUP COST
$1.3M–$2.4M
TOTAL UNITS
(Franchised / Co.-Owned)
74/3

167
Trend Transformations
Residential and commercial remodeling
STARTUP COST
$123.9K–$470.3K
TOTAL UNITS
(Franchised / Co.-Owned)
156/0

168
ActionCoach
Business coaching
STARTUP COST
$47.96K–$466.8K
TOTAL UNITS
(Franchised / Co.-Owned)
758/3

169
Line-X
Spray-on truck-bed liners, truck accessories, protective coatings
STARTUP COST
$125.6K–$319.8K
TOTAL UNITS
(Franchised / Co.-Owned)
553/4

170
HappyFeet Legends International
Soccer programs for ages 2 to 18
STARTUP COST
$22.5K–$29.4K
TOTAL UNITS
(Franchised / Co.-Owned)
116/3

171
Multivista
Visual documentation services for the construction industry
STARTUP COST
$125.5K–$538.5K
TOTAL UNITS
(Franchised / Co.-Owned)
62/5

172
Coffee News
Weekly newspapers distributed at restaurants
STARTUP COST
$9.8K–$10.8K
TOTAL UNITS
(Franchised / Co.-Owned)
801/5

173
Duraclean
Carpet and upholstery cleaning, disaster restoration, mold remediation
STARTUP COST
$38.7K–$117.9K
TOTAL UNITS
(Franchised / Co.-Owned)
274/9

174
Potbelly Sandwich Shop
Toasted sandwiches
STARTUP COST
$564.1K–$782.7K
TOTAL UNITS
(Franchised / Co.-Owned)
55/424

175
Zoup! Systems
Soups, salads, sandwiches
STARTUP COST
$372.7K–$568.8K
TOTAL UNITS
(Franchised / Co.-Owned)
98/3

176
Johnny Rockets
Burger restaurants
STARTUP COST
$605.5K–$1.1M
TOTAL UNITS
(Franchised / Co.-Owned)
379/23

177
Christmas Decor
Holiday and event lighting
STARTUP COST
$19.6K–$62.3K
TOTAL UNITS
(Franchised / Co.-Owned)
257/0

178
Wild Birds Unlimited
Bird-feeding supplies and nature gift items
STARTUP COST
$146.7K–$228.4K
TOTAL UNITS
(Franchised / Co.-Owned)
316/0

179
Days Inn
Hotels
STARTUP COST
$194.4K–$7.8M
TOTAL UNITS
(Franchised / Co.-Owned)
1,777/0

180
Which Wich Superior Sandwiches
Sandwiches
STARTUP COST
$203K–$495.3K
TOTAL UNITS
(Franchised / Co. Owned)
435/3

181
Maaco Franchising
Auto painting and collision repair
STARTUP COST
$313.3K–$478.3K
TOTAL UNITS
(Franchised / Co. Owned)
496/0

182
Cartridge World
Printers, cartridges, and printer services
STARTUP COST
$68.3K–$151.8K
TOTAL UNITS
(Franchised / Co. Owned)
901/0

183
Meineke Car Care Centers
Auto repair and maintenance
STARTUP COST
$123.1K–$572.4K
TOTAL UNITS
(Franchised / Co.-Owned)
915/11

184
Pho Hoa
Vietnamese food
STARTUP COST
$158K–$295.9K
TOTAL UNITS
(Franchised / Co.-Owned)
65/10

185
Men In Kilts Window Cleaning
Window and exterior cleaning
STARTUP COST
$47.5K–$108K
TOTAL UNITS
(Franchised / Co.-Owned)
26/0

186
Mr. Appliance
Residential and commercial appliance installation and repairs
STARTUP COST
$60.8K–$139.5K
TOTAL UNITS
(Franchised / Co. Owned)
210/0

187
GoliathTech
Foundation systems for the construction industry
STARTUP COST
$72.9K–$176K
TOTAL UNITS
(Franchised / Co. Owned)
160/0

188
AmeriSpec Home Inspection Services
Home inspections
STARTUP COST
$46.4K–$59.7K
TOTAL UNITS
(Franchised / Co. Owned)
252/0

189
Mr. Rooter
Plumbing, drain, and sewer cleaning
STARTUP COST
$74.3K–$180.2K
TOTAL UNITS
(Franchised / Co. Owned)
276/0

190
Massage Heights
Therapeutic massage services and products
STARTUP COST
$430.1K–$637.4K
TOTAL UNITS
(Franchised / Co. Owned)
144/5

191
Metropolitan Movers
Residential/commercial moving services
STARTUP COST
$55.5K–$250K
TOTAL UNITS
(Franchised / Co. Owned)
20/0

192
Wyndham Hotels and Resorts
Hotels
STARTUP COST
$966K–$64.6M
TOTAL UNITS
(Franchised / Co. Owned)
104/0

193
Handyman Connection
Home repairs, remodeling
STARTUP COST
$101.8K–$159K
TOTAL UNITS
(Franchised / Co.-Owned)
82/0

194
1-800-Got-Junk?
Junk removal
STARTUP COST
$209.8K–$242.9K
TOTAL UNITS
(Franchised / Co.-Owned)
156/0

195
Quesada Burritos & Tacos
Mexican food
STARTUP COST
$209K–$290.5K
TOTAL UNITS
(Franchised / Co.-Owned)
85/3

196
JEI Learning Centers
Individualized supplemental education
STARTUP COST
$64.8K–$108.5K
TOTAL UNITS
(Franchised / Co.-Owned)
286/278

197
Expedia CruiseShipCenters
Retail travel agencies
STARTUP COST
$167.4K–$264.4K
TOTAL UNITS
(Franchised / Co.-Owned)
221/1

198
SpeedPro Imaging
Graphics and large-format imaging
STARTUP COST
$238.7K–$284.2K
TOTAL UNITS
(Franchised / Co.-Owned)
178/0

199
Little Kickers
Preschool soccer programs
STARTUP COST
$23.2K–$34.6K
TOTAL UNITS
(Franchised / Co.-Owned)
278/0

200
Crunch Franchise
Fitness centers
STARTUP COST
$304.5K–$2.1M
TOTAL UNITS
(Franchised / Co.-Owned)
167/17

→ A quarter of the companies on our **TOP GLOBAL FRANCHISES** list have more units **INTERNATIONALLY** than **DOMESTICALLY.** And almost half of all the 414,000-plus units represented by the companies on this list are **LOCATED OUTSIDE THE U.S.**


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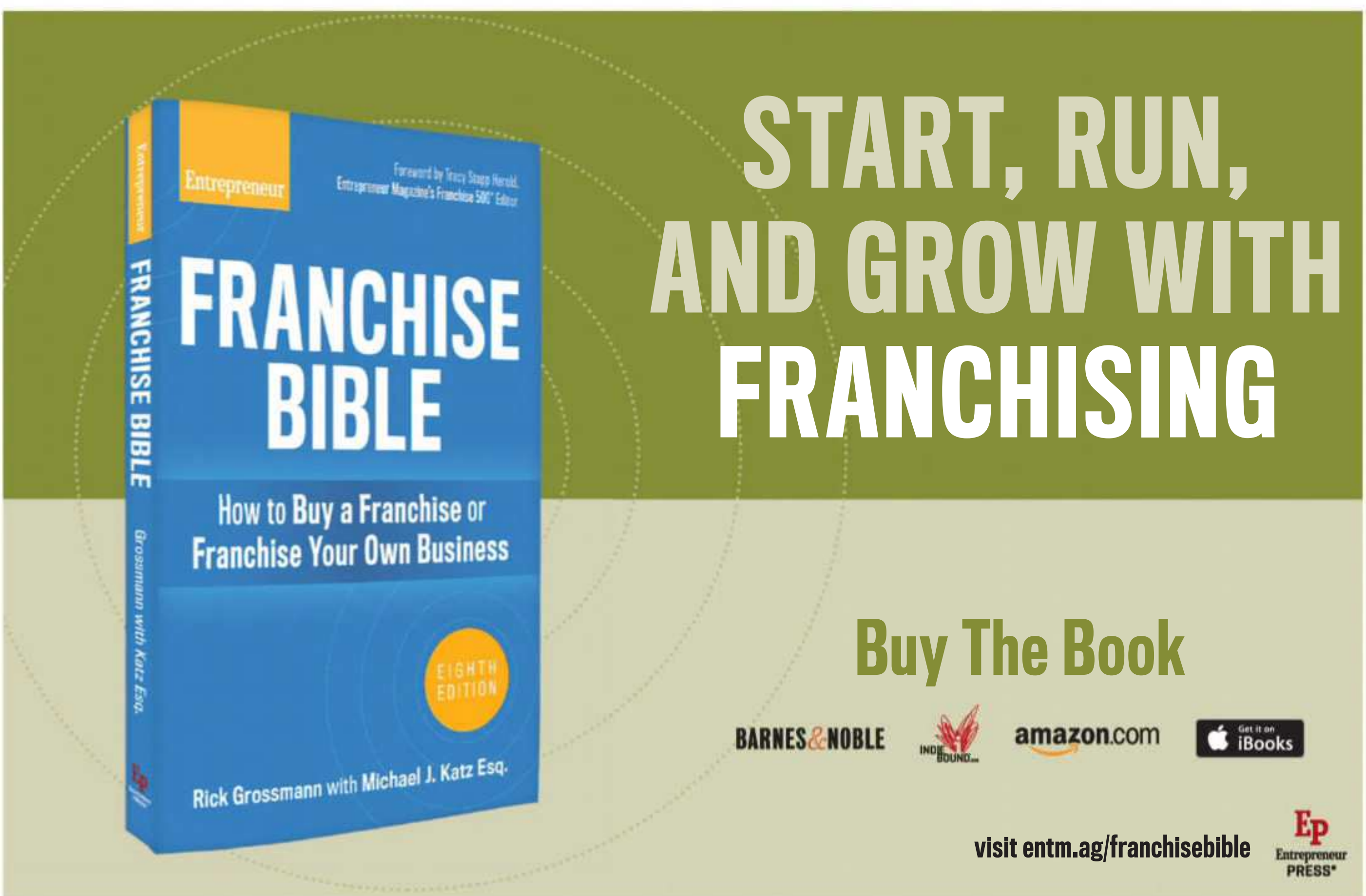
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AN ORIGINAL The author's father, Roddy, in the jacket that started it all.

The Fabric of Life

by Alex Orr, founder, JAGO

When my father was in his late teens, working as a ski-lift operator in Switzerland, he met a man named Andreas Geissberger. Andreas had skied for the Swiss team and led climbs in the Alps and the Himalayas. He'd lived an amazing life. And he had this canvas climbing jacket that he'd worn everywhere.

One day, my dad said, "I really like your jacket." And Andreas, being the true mountain man that he was, just gave it to him. For the next 30 years, my father wore that jacket everywhere—he skied in it, rode along the Colorado River on a Triumph Bonneville motorcycle, sailed the south coast of Britain, climbed mountains. Whether in the city or the wilderness, he wore it.

My father eventually settled down and took a finance job. And since he didn't have much use for the jacket anymore, it went to its next owners: my brother and me. I put it on and instantly fell in love with it. It was faded, molded to those who'd worn it, and marked by history. Every scuff, mark, and patch told a story. It was a blank canvas, and my father and Andreas had painted it with their lives. Now I could do the same.

And I did. Briefly. Then one night in 2013, I put the jacket down under a table in a crowded pub. When I came back at the end of the night, it was gone. It was just such a terrible moment, to lose something that special in the stupidest possible way. I was overwhelmed with loss and guilt. I went home, poured my father a gin and tonic, and said, "Dad, we have to talk." I think the gin helped soften the blow.

I thought about that jacket my whole first year of university. At the end of the year I thought, *This is the time.* I felt like I owed something to my dad and to Andreas, and I wanted to give people the chance to share what we had with this special thing.

So I started my company, JAGO, and after 18 months of trial and error, I developed a jacket just like my father's: timeless, indestructible, and made of Ventile—the heavyweight technical canvas, used to outfit Sir Edmund Hillary and generations of fighter pilots. I had my sister design a logo inspired by Andreas. And in our first year, we sold almost $100,000 worth of jackets, including two to Bear Grylls.

Best of all, I gave one to my dad, and last summer I went to Switzerland and gave another to Andreas. It meant a lot to him. He said it was validation of the way he lived his life: that if you make these nice, small gestures to people, then nice, small gestures might come back to you, somewhere down the line.

PHOTOGRAPH COURTESY OF ALEX ORR

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Tell us about a story, a person, an object, or something else that pushes you forward, and we may include it in a future issue. And we may make you photograph or illustrate it, too. Email **INSPIRE@ENTREPRENEUR.COM** with the subject line **"WHAT INSPIRES ME."**


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