BY MATTHEW D. EDWARD

FRANCHISEES Aren’t Employees

Finding the right franchise often means finding a supportive, ‘family’ envorment

The old-school “centralized, dogmatic approach” of famous franchisee task-masters – like Ray Croc of McDonald’s fame – needs to go, according to one franchise executive.

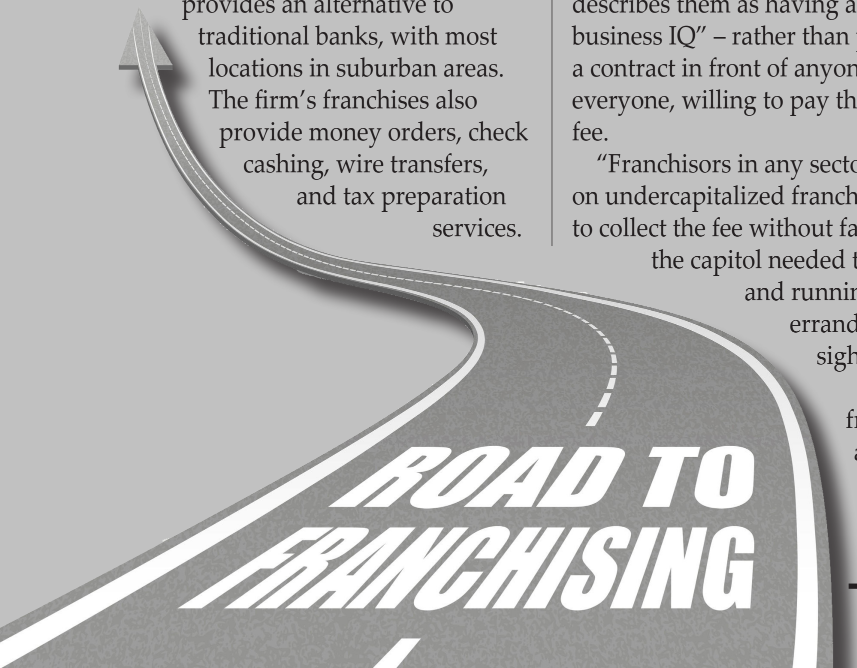
“Franchise companies, to be successful today, have to have that family atmosphere where there’s idea-sharing, … Where a franchisee feels that he can pick up the phone and, eventually, will get through to the CEO,” said Paul Eckert, founder and chief executive officer of Family Financial Centers. “Some of that gets lost, there’s still a hesitancy for some people to be open with their franchisees.”

Family Financial Centers provides an alternative to traditional banks, with most locations in suburban areas. The firm’s franchises also provide money orders, check cashing, wire transfers, and tax preparation services.

Eckert emphasized that Family Financial Centers isn’t a “pawnbroker,” and that the stereotype normally applied to urban check-cashing outfits does not fit the company, either.

The Pennsylvania-based franchisor considers itself different from other franchise entities, such as those in automotive or food service. For starters, the franchisees are considered “customers,” not “employees,” a mistake that Eckert said many franchises make. The company also prioritizes signing franchisees who fit the business and show long-term viability – Eckert describes them as having a “high business IQ” – rather than putting a contract in front of anyone, and everyone, willing to pay the franchise fee.

“Franchisors in any sector that take on undercapitalized franchisees just to collect the fee without factoring in the capitol needed to get up and running is a fool’s errand and short-sighted,” he said.



> “Let our family help your family with all your financial needs.”

The franchisees attracted to Family Financial Centers run the gamut from music industry veterans to mid-level corporate executives looking to run their own show. The key, Eckert said, is that they’re financially stable enough to take on the franchise without over-leveraging themselves.

Given that Family Financial Centers’ business model does not run on discretionary income, the franchise could be considered “recession-resistant,” Eckert said, adding that providing top-notch franchisee support also sets Family Financial Centers apart.

“We are realists here, we’re not going to tell you it’s never going to rain … But we’ll be there with an umbrella when it does,” Eckert said. The firm’s care in selecting who opens a new location also insulates it from the rapid openings and closings common to other franchises. Unlike some food service providers that can have five or six locations along a two-mile strip of highway, Family Financial Centers takes care to select solid locations, and to not compete with itself. The firm also does not sell property or force franchisees into a lease—separating itself from some franchises that are one part employer and one part landlord.

“That’s why you have some chains that are opening a lot and are closing a lot. We don’t have that pressure,” Eckert said. “We try to open with the best candidates we can find, at the best locations we can find.”

For more information see familyfinancialcenters.com